
State of Wisconsin
Additional/Voluntary Filing # 2023-06
Dated February 16, 2023

This Additional/Voluntary Filing does not concern an event described in Securities and Exchange Act Rule 15c2-12, as amended. The State of Wisconsin provides this information as it may be material to the financial evaluation of one or more obligations of the State of Wisconsin.

Issuer: State of Wisconsin

CUSIP Numbers: 977055 Prefix (All) 977087 Prefix (All)
977056 Prefix (All) 97709T Prefix (All)
97705L Prefix (All) 977100 Prefix (All)
97705M Prefix (All) 977123 Prefix (All)

Type of Information: Additional/Voluntary Disclosure
Financial/Operating Data Disclosures; 2023-25 Budget

On February 15, 2023, Governor Evers introduced his executive budget for the 2023-25 biennium. A copy of the “Budget in Brief” document is attached to this notice. In addition, detailed information on this proposed executive budget, along with the executive budget bill, can be located on the internet at the following URL:

<https://doa.wi.gov/Pages/2023-25-Executive-Budget%20ASE.aspx>

The executive budget bill has been introduced in both the Senate and Assembly and referred to the Joint Committee on Finance for review.

The State of Wisconsin is providing this Additional/Voluntary Filing with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system. This Additional/Voluntary Filing is also available on the State of Wisconsin Capital Finance Office website and State of Wisconsin investor relations website at:

doa.wi.gov/capitalfinance
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The undersigned represents that he is the Capital Finance Director, State of Wisconsin Capital Finance Office, which is the office of the State of Wisconsin responsible for providing additional/voluntary filings, annual reports, and Event Filings pursuant to the State’s Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019) and is authorized to distribute this information publicly.

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STATE OF WISCONSIN

Budget in Brief

2023 - 25

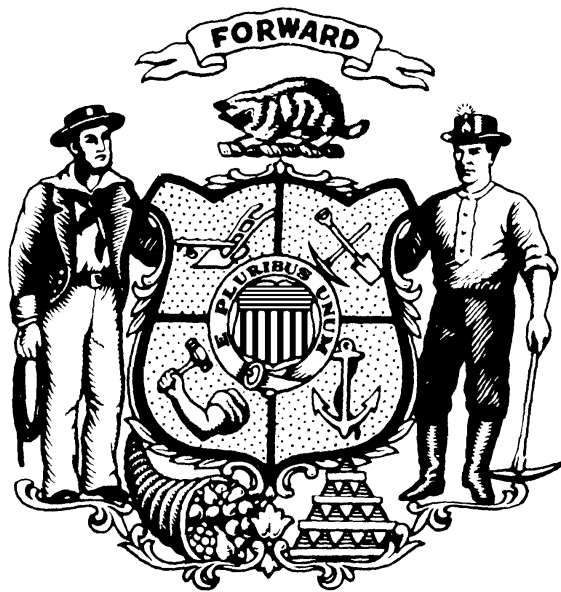


TONY EVERS, Governor

STATE OF WISCONSIN

BUDGET IN BRIEF

TONY EVERS, GOVERNOR



FEBRUARY 2023

DIVISION OF
EXECUTIVE BUDGET AND FINANCE
DEPARTMENT OF ADMINISTRATION

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**Development of
the 2023-25 Budget**

I. DEVELOPMENT OF THE 2023-25 BUDGET

A. OVERVIEW

Governor Tony Evers' first two biennial budgets have built a strong base for Wisconsin going forward by both investing in the people of this state and key priorities to maintain our economy's momentum while delivering tax relief for most Wisconsinites all at the same time.

A roughly \$7 billion opening balance in the general fund gives the state of Wisconsin a historic opportunity to make strategic investments in Wisconsin's future, address long-neglected needs, and simply do the right thing when we, as a state, under different times and circumstances, took actions to simply get by.

At the same time, doing the right thing also includes ensuring the state prudently plans for the future—a future that prepares the state to both weather economic turbulence and leverage periods of economic success to best position our state by investing only within our means. By taking this generational opportunity to not only boldly invest in our priorities but also to shore up our state's finances for the long term, we can reduce the likelihood of spending cuts to critical programs or the need for tax increases during future periods where state revenues may not keep pace with recent years.

In this budget, Governor Evers makes key investments that our historically high general fund balance fortunately—and in many cases, finally—allows the state to prepare for the future. These investments will allow us to meet our obligations, reduce our debt, maintain our economy's momentum, bolster our workforce for the future, and provide a more fiscally stable future for the benefit of our kids, our communities, and our state as a whole.

The first step in securing our state's financial future is increasing our state's "rainy-day" fund for a time when, rather than facing a large surplus of funds as our state does today, the state could experience an economic downturn and is forced to make difficult budget decisions. To fulfill this first step, the Governor recommends transferring \$500 million to the state's budget stabilization fund to raise our "rainy-day" fund balance total to over \$2.4 billion by the end of the biennium. This amount is over 10 percent of fiscal year 2023-24 estimated general fund tax collections and ensures our state is strongly positioned to weather any future economic downturns.

The second step is increasing the general fund's reserve amount to provide a meaningful cushion against drops in state tax collections. Today's general fund reserve amount is equal to less than one-half of 1 percent of estimated fiscal year 2023-24 general fund tax collections. The Governor's proposal lifts the reserve by \$500 million to fix the amount at \$600 million beginning in fiscal year 2023-24—enough to uphold our spending commitments if a 2 percent dip in tax collections occur versus current expectations.

The third step is decreasing our debt. To do so, the Governor's budget is prepaying, or buying-down, nearly \$380 million of our transportation fund's debt. This debt accumulated in past biennia as our spending needs increased while the political will to raise revenue for transportation diminished. By taking this action, a greater share of the fees that our residents pay going forward for annual auto registrations will be available to fix our roads today rather than pay for the debt service for what was done in years past.

As he has in building each of his biennial budgets, Governor Evers and members of his administration held budget listening sessions across the state to hear directly from Wisconsinites about their priorities, needs, and how the state can meet its obligation to provide the critical services the people of this state expect and deserve. For the third consecutive budget cycle, thousands of people shared their thoughts and ideas of what the Governor and the Legislature should do in this budget to address both immediate and long-term needs.

Many of the recommendations in the Governor's budget came directly from the people he has heard from over the past few months: increasing resources to support our K-12 public schools and the mental health needs of our kids; continuing to expand healthcare access and reduce costs; prudently investing in public safety at both the state and local levels; making sure child care is both affordable and accessible; further expanding broadband to every corner of the state; investing in workforce development for critical industries like health and education; and building on the successes to date in addressing our state's transportation infrastructure.

In addition, multiple individuals highlighted the importance of having the budget support initiatives the Governor implemented with one-time federal pandemic relief funds to keep investing in priorities such as our workforce, small businesses, and tourism promotion. While a 2023 report noted that, as a share of federal aid the state received under the American Rescue Plan Act, Wisconsin ranked first in the country in providing federal resources to support businesses and economic development, state assistance is necessary to continue these crucial investments to maintain our economy's momentum and to prepare and bolster our economy and our workforce for the future.

The Governor's budget is about focusing on our shared values as Wisconsinites—to do the right thing, to make prudent and responsible investments without being reckless, and to do what we can to make our state an even better place to live, work, play, visit, retire, and raise a family. It is about making wise and historic investments in our people. It is about continuing to reduce the tax burden on the middle-class. It is about responsibly setting some of our historic surplus aside to best ensure our state is prepared even in times of economic uncertainty to continue to meet the needs of Wisconsinites in the future.

B. REVENUE AND EXPENDITURE OUTLOOK

The revenue estimates released by the Legislative Fiscal Bureau (LFB) on January 25, 2023, suggest moderating economic growth. The bureau projects revenues will increase by \$804.9 million (3.9 percent) in the current fiscal year, by an additional \$188.5 million (0.9 percent) in fiscal year 2023-24, and by another \$849.6 million (3.9 percent) in fiscal year 2024-25.

The LFB estimates individual income tax revenues will increase by 4.3 percent this year, further increase by 1.7 percent in fiscal year 2023-24, and increase by another 5.4 percent in fiscal year 2024-25. Sales tax revenues are expected to increase by 7.2 percent this year, 1.6 percent in fiscal year 2023-24 and 2.4 percent in fiscal year 2024-25. Corporate tax revenues are projected to decrease by 1.7 percent this year, 2.1 percent in fiscal year 2023-24 and then rebound and increase by 4.2 percent in fiscal year 2024-25.

These projected increases in overall revenues during the upcoming biennium are extraordinary as they incorporate the nearly \$1.5 billion annually in general fund tax reductions the Governor has signed into law in his two previous biennial budgets.

Further, Wisconsin has made significant strides in its financial position over the past few years amid a global pandemic and considerable economic volatility. The state is expected to end this biennium with a \$7.1 billion balance in its general fund. In addition, the state has now had three consecutive years with a positive Generally Accepted Accounting Principles (GAAP) balance after 30 consecutive years of running a deficit. The state's GAAP surplus at the end of fiscal year 2021-22 was \$4.6 billion.

During Governor Evers' time in office, the state has used surplus revenues to eliminate a delayed school aid payment and make an unprecedented payment to retire previously issued debt. In addition, prior to this budget, the state has increased its Budget Stabilization Fund ("rainy day" fund) to its current record high of \$1.73 billion, which is more than five times larger than what it was in 2018.

In 2021, the state received multiple upgrades on its debt, including receiving a rating of AAA for the first time since 1982. It has decreased its reliance on bonding by an average of over \$400 million annually over the past three years alone and reduced the state's general purpose revenue debt as a percentage of tax revenues in the current fiscal year by one-third. State transportation revenue bonds have been reduced by over \$200 million since 2018.

C. GETTING THINGS DONE BY CONNECTING THE DOTS

Each of the Governor's biennial budgets has focused on delivering for all Wisconsinites, not just some of them, while recognizing that every challenge our state faces is connected to each of the others—something Governor Evers calls “connecting the dots.” This budget continues the Governor's efforts, building upon the advice and needs of the people of our state, recognizing that there is so much more that unites us than there is that divides us, and working to address our state's challenges, collectively, head-on.

The Governor's budget reflects these beliefs by investing in our kids, our families, our Main Streets, our neighbors, and our workers. This budget also reinforces that the issues we face are often interconnected, whether it's making child care more affordable to help support our workforce, addressing the climate crisis so that current and future generations of Wisconsinites can enjoy our natural resources, building infrastructure for the future so farmers can get product to market and businesses want to stay and develop here, investing in affordable housing to ensure workers come to Wisconsin and kids have stability at home to be their best selves in our classrooms, or addressing our state's burgeoning mental and behavioral health crisis that could affect our state, our workforce, and our economy for generations.

For the third consecutive time, the Governor's 2023-25 biennial budget continues to connect the dots and keeps us on course in moving Wisconsin forward.

Summary of Governor's Major Budget Initiatives

II. SUMMARY OF GOVERNOR'S MAJOR BUDGET INITIATIVES



A. INVESTING IN WHAT'S BEST FOR KIDS

- Ensure our kids and educators have the resources they need to succeed by providing an overall state investment of over \$2.64 billion all funds in general and categorical aids for public schools.
- Of this total state investment, provide just over \$1 billion GPR over the biennium through the state's general equalization aid formula. This is the largest proposed direct investment in state general school aids since the 1995-97 biennium.
- Provide school districts with the ability to bolster school programming and staffing resources through a sizable increase in revenue-raising authority. The Governor's budget provides per pupil revenue limit increases of \$350 in fiscal year 2023-24 and an additional \$650 in fiscal year 2024-25, which are the largest per pupil adjustments since revenue limits were imposed in fiscal year 1993-94. By coupling this combined increase of \$1,000 per pupil over the biennium with over \$1 billion in additional general school aid, the Governor will keep the estimated gross school levy increase below 1 percent on a statewide basis in both years of the next biennium.
- Increase the low revenue ceiling by \$450 per pupil in fiscal year 2023-24 and an additional \$750 per pupil in fiscal year 2024-25 to increase revenue limit equity among school districts by providing lower-spending school districts with additional revenue limit authority.
- Provide an increase in per pupil aid of \$24 per pupil in fiscal year 2023-24 and an additional \$45 per pupil in fiscal year 2024-25, for a total increase of \$46.5 million GPR over the biennium, which will further assist school districts in addressing many years of highly restrictive revenue controls.
- Provide \$491.4 million GPR in fiscal year 2023-24 and \$521.7 million GPR in fiscal year 2024-25 to increase state reimbursement of local special education costs to an historic, guaranteed 60 percent in both years of the biennium. Prior to the Governor taking office, special education aid funding was held flat for a decade, while costs increased dramatically over that same time period.
- Provide \$1.6 million GPR in fiscal year 2023-24 and \$5.9 million GPR in fiscal year 2024-25 to increase high-cost special education reimbursements. High-cost special education aid pays a portion of school districts' eligible special education costs for pupils with specific and elevated educational needs (defined under current law as 90 percent of costs over \$30,000 once other funding sources are considered). These costs currently are reimbursed at only 39.5 percent. The Governor's budget will increase the reimbursement rate for these costs to 60 percent at the end of the biennium.
- Address the rising number of students experiencing mental health difficulties, and the severity of their challenges, by providing over \$270 million GPR over the biennium to help schools help kids by making the Governor's "Get Kids Ahead" initiative a permanent program. This includes:
 - \$117.9 million GPR per year for a reformed, comprehensive school-based mental health services program that ensures predictability of funding through base per pupil payments rather than the competitive grant process under current law for this program.

- o \$18 million GPR per year to reimburse schools for costs around an expanded list of school mental health professionals, including social workers, school counselors, psychologists, and nurses.
 - o \$580,000 GPR in each year for training of school staff in mental health, bullying prevention, restorative practices, and other evidence-based strategies.
 - o Permitting schools to receive reimbursement of costs associated with mental health services provided to students through telehealth in the expanded aid programs.
- Create the Healthy Meals, Healthy Kids program by providing \$120.2 million GPR in fiscal year 2024-25 to fully fund school breakfast and lunches for all children, to ensure kids are prepared for the school day and experience less anxiety about where they might get their next meal.
 - Provide \$4.3 million GPR in fiscal year 2023-24 and \$4.7 million GPR in fiscal year 2024-25 for school breakfast reimbursement at 15 cents per meal under current law. Eligibility for the reimbursement is also extended to independent charter schools and state residential schools operated by the Department of Public Instruction.
 - Incentivize schools to support Wisconsin's farmers, food producers, and local economies by providing \$2.75 million GPR in fiscal year 2024-25 for an enhanced 10 cents per meal reimbursement for meals that include locally sourced foods.
 - Make a significant investment in improving reading and literacy rates for kids statewide by providing \$10 million GPR in each fiscal year for early literacy and reading improvement. These funds will support comprehensive training for 28 new coaches in literacy and 28 new professionals in early reading instruction practices.
 - Support several organizations that serve kids' literacy needs by providing: (a) \$1.4 million GPR over the biennium to The Literacy Lab; (b) \$1 million GPR in fiscal year 2023-24 and \$2 million GPR in fiscal year 2024-25 to the Wisconsin Reading Corps; and (c) \$250,000 GPR in each fiscal year to Reach Out and Read.
 - Improve schools' capacity to support English learners by providing: (a) \$8.2 million GPR in fiscal year 2023-24 and \$14.2 million GPR in fiscal year 2024-25 to increase reimbursement of costs for schools with higher concentrations of English learners from 7.9 percent currently to 20 percent by the end of the biennium; (b) \$25,992,000 GPR in each fiscal year for a new Aid for English Language Acquisition program to serve the more than 22,000 English learners currently enrolled in schools that are not eligible for aid under the current state bilingual-bicultural aid program; and (c) \$310,500 GPR over the biennium to formalize the process for Wisconsin English learners to earn a Seal of Biliteracy and to provide support to school districts that assist students in achieving this seal.
 - In order to enhance the ability of school districts to recruit and retain teachers, provide: (a) \$5 million GPR in fiscal year 2024-25 for grants to support "grow your own" initiatives to bolster Wisconsin's educator pipeline, which may include providing current employees with money to gain additional higher education credits, licenses or certifications; engaging with community organizations; and supporting student organizations with "future teacher" missions; (b) \$9.4 million GPR in fiscal year 2024-25 to provide stipends to student teachers and interns; (c) \$2 million GPR in fiscal year 2024-25 to provide stipends to teachers who agree to train and oversee student teachers or interns; and (d) \$50,000 GPR in fiscal year 2024-25 for stipends to school library interns.
 - Bolster our students' computer science knowledge, including at lower grade levels, by providing: (a) funding and 1.0 FTE GPR position at the Department of Public Instruction for a statewide computer science education coordinator; (b) \$20,000 GPR in fiscal year 2024-25 for a computer science education task force to be chaired by the new coordinator; and (c) \$5 million GPR annually for grants to school districts to access computer science curriculum, especially around programming concepts, as well as professional development.

The Governor's budget also includes a requirement that each high school in the state offer at least one computer science class.

- Provide \$2 million GPR per year to Graduation Alliance, which works to reengage students at risk of not finishing high school.
- Expand afterschool offerings by providing \$20 million GPR in fiscal year 2024-25 for out-of-school time grants. Enhanced afterschool offerings from schools and community organizations will help kids avoid risky and dangerous behavior in the community, keep kids engaged in their coursework, and receive assistance with their lessons or homework.
- Provide \$6.5 million GPR in fiscal year 2024-25 to subsidize the cost of providing driver's education to economically disadvantaged students. This program will ensure students learn necessary skills to safely and responsibly drive on our roads, while increasing students access to future job opportunities.
- Provide \$10 million GPR in fiscal year 2024-25 to the Milwaukee Mathematics Partnership, a collaboration among the Milwaukee Public Schools district, University of Wisconsin-Milwaukee, and Milwaukee Area Technical College focused on consistent implementation of mathematics curriculum and providing related professional development for current and aspiring Milwaukee teachers.
- Provide \$742,500 GPR in each year for Wisconsin Literacy to conduct adult literacy activities, including expert trainings, personalized consultations, and workforce connections.
- Provide \$2.5 million GPR in each year for a new "Do the Math" personal financial literacy initiative to help schools start or improve programs around financial literacy curriculum with an emphasis on innovative instruction.
- Provide \$630,200 GPR in each year to fully fund sparsity aid payments to continue to address the specific needs of rural school districts.
- Provide \$7.5 million GPR in each year, a total biennial increase of \$15 million GPR, to significantly increase state support for school districts with high per pupil transportation costs.
- Provide \$500,000 GPR in fiscal year 2024-25 to pay General Education Development (GED) testing costs to increase high school equivalency attainment and open doors to employment or postsecondary opportunities. Over half of GED test inquiries received by the Department of Public Instruction are from economically disadvantaged individuals; this subsidy will increase equity in high school diploma achievement.
- Provide \$704,000 GPR over the biennium to continue support for contract costs related to academic and career planning for pupils in grades 6-12.
- Require every school in the state to have opioid antagonists on hand in the event of a suspected opioid drug overdose.
- Bolster Wisconsin's workforce and pipeline with experienced professionals by authorizing state agencies and local units of government, including our schools, to rehire a retired annuitant to address workforce recruitment and retention issues, if: (a) at least 30 days have passed since the employee left employment; (b) at the time of retirement, the employee does not have an agreement to return to employment; and (c) upon returning to work, the employee elects to not become a participating employee and continue receiving their annuity. In particular, this will make it easier to hire experienced educators and school staff and will help keep class sizes small and improve student outcomes.
- Create a grant program administered by the Department of Public Instruction to reimburse expenses incurred by school districts that choose to change race-based mascots and logos, funded at \$200,000 in Tribal gaming revenue per year.

- Provide \$24,100 in fiscal year 2023-24 and \$49,400 in fiscal year 2024-25 in Tribal gaming revenues to increase Wisconsin Grants for Tribal college students by 5 percent in the first year and an additional 5 percent in the second year.
- Provide \$243,600 GPR in each year of the biennium to the Department of Natural Resources to provide fee waivers for annual admissions receipts to state parks for the families of fourth graders.
- Increase access to quality, affordable child care for Wisconsin children by continuing the successful Child Care Counts program, providing \$81 million GPR in fiscal year 2023-24 and \$221 million GPR in fiscal year 2024-25, and \$19 million TANF in each fiscal year to permanently establish Child Care Counts as the state's ongoing child care quality improvement program.
- Provide \$53,459,800 TANF in fiscal year 2023-24 and \$71,279,700 TANF in fiscal year 2024-25 to migrate to a full-time/part-time model for calculating Wisconsin Shares subsidies to align with federal child care funding requirements. This includes waiving copayments for the state's highest need families under 100 percent of the federal poverty level.
- Provide \$11,198,000 GPR annually to continue funding the Partner Up! Program to support partnerships between businesses who purchase child care slots for their employees and child care providers.
- Provide \$5 million TANF in each fiscal year for a New Provider grant program, which provides grants to newly certified or licensed child care providers to help encourage an increase in the supply of quality child care providers in the state. Specifically reserve \$500,000 of program funding to support newly certified and licensed providers in Tribal areas.
- Provide \$875,000 TANF for Tribal child care contracts to support recruitment, retention, and expansion of child care providers in Tribal areas.
- Provide \$1,680,000 all funds to support the creation of a quality early childhood education center in the city of Milwaukee.
- Continue current funding to support quality and affordable child care in economically disadvantaged areas within the city of Milwaukee.
- Provide \$1,421,300 over the biennium to migrate the child care provider licensing application process to an online process.
- Increase funding to the Boys and Girls Clubs by \$500,000 TANF in each year for the Wisconsin After 3 program to improve literacy skills and math proficiency for low-income students. Additionally, provide \$1,300,000 GPR annually to support youth mental health and substance use prevention.
- Provide \$1,327,200 TANF in fiscal year 2023-24 and \$1,963,900 in fiscal year 2024-25 for social-emotional training and technical assistance in child care settings with the goal of reducing instances of children being removed from daycare for behavioral issues.
- Provide \$600,000 TANF in each fiscal year to disregard \$10,000 of income for direct care workers when applying for Wisconsin Shares benefits.
- Help offset the high cost of child care and dependent care by increasing the Wisconsin match percentage of the federal child and dependent care tax credit from 50 percent to 100 percent, providing nearly \$30 million in tax relief in fiscal year 2023-24 and \$27.8 million in tax relief in fiscal year 2024-25 to approximately 107,000 Wisconsin taxpayers.

- Increase the Wisconsin percentage of the federal Earned Income Tax Credit from 4 percent to 16 percent for filers with one qualifying child and from 11 percent to 25 percent for filers with two qualifying children, providing \$60.7 million in tax relief in fiscal year 2023-24 and \$63.8 million in tax relief in 2024-25.
- Provide \$392,000 GPR, and \$206,200 PR-F in fiscal year 2023-24 and \$784,100 GPR and \$412,300 PR-F in fiscal year 2024-25 to increase foster care age-based rates by 5 percent and allow foster care level one providers to receive the age-based rates. Further, provide \$8,264,700 TANF in fiscal year 2023-24 and \$16,482,300 TANF in fiscal year 2024-25 to allow kinship care providers to receive the age-based rates.
- Provide \$6,100 GPR, \$3,300 PR-F, and \$171,600 TANF in fiscal year 2023-24 and \$6,700 GPR, \$3,600 PR-F, and \$342,100 TANF in fiscal year 2024-25 to allow foster care level one and kinship care providers to qualify for the sibling exceptional rate and one-time clothing payments.
- Increase kinship care funding by \$7,826,700 TANF in fiscal year 2023-24 and \$9,661,300 TANF in fiscal year 2024-25 to expand eligibility for kinship caregiving to others such as like-kin caregivers.
- Provide \$8,259,400 GPR in fiscal year 2023-24 and \$8,237,100 GPR in fiscal year 2024-25 for additional kinship care program support, including flexible support payments to caregivers and family search services for child welfare agencies.
- Modify statutes to allow additional payments to kinship care providers if funds are made available during an emergency.
- Provide \$395,800 all funds in fiscal year 2023-24 and \$436,000 all funds in fiscal year 2024-25 to reimburse Tribal Nations for subsidized guardianship placements as the state currently does with counties.
- Enable the Department of Children and Families to conduct congregate care provider training by providing \$200,000 GPR annually, continuing the one-time funding in the 2021-23 biennial budget.
- Add state support for Tribal family services and to offset the high cost of Tribal out-of-home care placements by providing \$3,825,000 GPR in fiscal year 2023-24 and \$4,100,000 GPR in fiscal year 2024-25.
- Provide \$1,505,100 GPR, \$268,800 TANF, and \$913,800 PR-F in each fiscal year for one-time improvements to the eWisACWIS child welfare data system. The Governor further recommends that a portion of that funding be ongoing into the next biennium, equivalent to a 10 percent increase to base funding, to fund additional projects and support of the system.
- Provide \$4,381,000 GPR in fiscal year 2023-24 and \$11,082,000 GPR in fiscal year 2024-25 to improve the continuum of care in the Milwaukee child welfare system with stabilization centers, aftercare services, mental and behavioral health services, and a Qualified Residential Treatment Program.
- Increase Milwaukee child welfare operations funding by \$484,600 GPR and \$26,300 PR-F in fiscal year 2023-24 and \$767,900 GPR and \$35,000 PR-F in fiscal year 2024-25, including 5.0 FTE all funds positions for case aides, performance monitors, and staff to support on-site child care for children removed from their homes.

- Modify Milwaukee child welfare prevention services by replacing current TANF funding with an equivalent amount of GPR to allow for more flexible use of the funding. In addition, expand funding to support respite child care services for a total of \$4,398,000 GPR and -\$4,031,900 TANF in fiscal year 2023-24 and \$4,764,100 GPR and -\$4,031,900 TANF in fiscal year 2024-25.
- Provide \$75,000 GPR grants in each fiscal year to provide siblings who have been separated in adoption with opportunities to be reunited, such as at summer camps.
- Increase funding in the Bureau of Youth Services by \$2,020,000 GPR in each year to increase services in runaway and homeless youth programming.
- Expand independent living services to youth, including Tribal youth with an additional investment of \$3,852,500 GPR in each fiscal year.
- Support family resource centers across the state by providing \$4,150,000 GPR in each fiscal year.
- Expand home visiting services to approximately 24 additional counties and Tribes with \$1,200,000 GPR in fiscal year 2023-24 and \$3,896,000 GPR and \$104,000 PR-F in fiscal year 2024-25.
- Provide \$1,820,000 GPR in fiscal year 2023-24 and \$3,640,000 GPR in fiscal year 2024-25 for behavioral and mental health services for youth as part of a larger initiative to provide a continuum of care for families in Milwaukee involved with the child welfare system.
- Increase domestic abuse base funding by approximately 50 percent in each fiscal year with \$6,217,300 GPR and continue the domestic abuse Living Independently Through Financial Empowerment (LIFE) program with \$14,000,000 GPR in each fiscal year.
- Increase funding by \$14,705,900 all funds in each fiscal year to child support agencies to improve collection of delinquent child support in the state.
- Create a child support debt reduction program and provide \$3,472,000 TANF in fiscal year 2023-24 and \$6,944,000 TANF in fiscal year 2024-25 to assist low-income noncustodial parents participating in a work program with paying child support arrears.
- Provide \$7,163,700 all funds in fiscal year 2023-24 and \$20,517,200 all funds in fiscal year 2024-25 to support the continuation of the Child Support Modernization IT project to implement an improved system for Wisconsin to continue meeting federal performance standards and more quickly and easily accommodate changes in the child support landscape.
- Support critical cybersecurity activities with \$1,185,800 GPR in each fiscal year to ensure the continued integrity and protection of child welfare and child care data.
- Increase funding for the Department of Children and Families' Office of Legal Counsel, by \$246,100 all funds in fiscal year 2023-24 and \$328,100 all funds in fiscal year 2024-25 to support 2.0 FTE positions to meet increasing demands.
- Provide \$250,000 TANF in each fiscal year, coupled with a match requirement, to expand the Families and Schools Together (FAST) program.
- Provide \$187,200 TANF in each fiscal year to fund a contractor position to conduct a pilot program, known as the Housing, Opportunity, Planning and Empowerment (HOPE) program, to provide financial literacy and empowerment services to families receiving W-2 benefits.



B. STRENGTHENING OUR ECONOMY & FUTURE WORKFORCE

- Support Wisconsin families by modifying and expanding the Wisconsin Family Medical Leave Act (FMLA) as follows: (a) permit leave to be taken to care for a grandparent, grandchild, or sibling with a serious health condition; (b) expand the definition of “qualifying exigency” to include deployment of a spouse or child, and an unforeseen or unexpected closure of a school or child care facility; (c) expand the definition of “serious health condition” to include medical quarantine to allow workers to take FMLA leave when under a medical quarantine or caring for someone under quarantine, regardless of whether the person is exhibiting symptoms; (d) reduce the number of hours an employee is required to work before qualifying to 680, instead of 1,000; and (e) extend the statute of limitations for filing a FMLA complaint to 300 days, instead of 30 days.
- Further support Wisconsin families by implementing paid family and medical leave for both public and private sector workers. Workers who qualify for FMLA would be entitled to 12 weeks of benefits for any of the reasons described in the preceding bullet point. On a long-term basis, private sector benefits will be supported by employer and employee payroll contributions; however, to effectuate this groundbreaking benefit as quickly as possible, the state will transfer \$158.9 million from the general fund to a new, related trust fund to support initial benefit payments as the new fund builds a balance. Additionally, the state will support the 2023-25 administrative costs of the program by transferring an additional \$84.5 million from the general fund into the new fund and provide 198.0 FTE SEG positions over the biennium.
- Expand the Transitional Jobs and Transform Milwaukee Jobs programs by providing an additional \$1.7 million TANF in each fiscal year, removing the requirement that individuals are unemployed for at least four weeks before being eligible, and allowing individuals who are eligible for unemployment insurance (UI), but not receiving UI benefits, to participate in the program.
- Provide \$500,000 TANF in each fiscal year to expand the Jobs for America’s Graduates-Wisconsin program to provide educational support and job or postsecondary readiness for TANF-eligible youth.
- Provide \$10 million GPR annually beginning in fiscal year 2023-24 to increase the Wisconsin Economic Development Corporation’s block grant on an ongoing basis to \$51,550,700, supporting economic development opportunities across Wisconsin.
- Provide \$40 million GPR on a one-time basis to the Wisconsin Economic Development Corporation as temporary additional assistance to support continued economic recovery efforts throughout Wisconsin.
- Provide \$5 million GPR annually to support the Wisconsin Economic Development Corporation in its talent attraction and retention efforts, including coordination with industry partners, to help address the state’s long-term workforce needs.
- Provide a major \$200 million GPR investment to continue the Workforce Innovation Grant Program at the Department of Workforce Development, with \$100 million allocated specifically for enhancing the state’s health care workforce. The program will support the development of long-term, locally based solutions for businesses to locate and train workers, resulting in individuals gaining new skills and higher wages and helping employers address labor shortages. The grant program was previously funded with federal funding received by the state under the American Rescue Plan Act of 2021.

- In addition, provide \$4.5 million GPR in one-time dollars to fund the Reengaging Out-of-Work Barrired and Underserved Individuals through System Transformation (ROBUST) Pilot Program to help find methods to more effectively reach and serve population groups that are underserved and disconnected from the labor force.
- Provide \$12 million GPR for the continuation of the Worker Advancement Initiative, which provided assistance to individuals whose employment was eradicated due to the pandemic. This initiative was previously funded with \$20 million of federal funding received by the state under the American Rescue Plan Act of 2021.
- Additionally, provide \$5 million GPR in additional funding for the Worker Advancement Initiative to support efforts by technical colleges and nursing schools to reduce barriers to graduation and assist students in becoming career ready.
- Provide state funding to workforce development boards to support services for youth, which generally are not supported by federal workforce grants. Over the biennium, \$8.8 million GPR will enhance greater in-school and out-of-school services including employment counseling and work experiences for kids.
- Help prepare individuals who are currently incarcerated for post-prison employment by providing almost \$900,000 GPR and 6.0 FTE GPR positions over the biennium for staffing at correctional institutional job centers.
- Provide 3.0 FTE GPR positions and \$709,800 GPR to increase Job Centers of Wisconsin staffing and expand the number of individuals who receive services and ultimately obtain family-supporting employment.
- As recommended by the Blue Ribbon Commission on Veteran Opportunity, provide \$450,000 GPR annually to assist employers that hire veterans who are transitioning to civilian life. The funding will help employers provide training and wraparound services to veterans.
- Increase the state's healthcare workforce by providing to the Department of Workforce Development: (a) \$500,000 GPR on a one-time basis to support healthcare profession apprenticeship curriculum development; (b) \$200,000 GPR on a one-time basis to implement licensed practical nurse apprenticeships at state-run care facilities; and (c) \$236,600 GPR and 1.0 FTE GPR position over the biennium for outreach to potential stakeholders and partners and to develop new collaborations related to healthcare workforce.
- Provide 2.0 FTE GPR positions at the Department of Workforce Development to serve as dedicated staff for vocational rehabilitation self-employment customers.
- Protect migrant laborers by providing 3.0 FTE GPR positions to perform housing inspections at migrant labor camps, provide greater outreach to migrant workers and develop outreach plans, conduct prevailing wage and practice surveys, and investigate complaints and potential violations to state migrant worker protections.
- Ensure safety at public works job sites by providing 3.0 FTE GPR positions to conduct outreach and inspections related to enforcement of state standards regarding substance use disorders.
- Dramatically enhance pathways to information technology careers by providing \$9 million GPR in one-time funding to expand registered apprenticeship within the information technology sector in southeast Wisconsin.
- Provide an additional \$200,600 GPR annually to supplement federal employment demonstration projects to fund community action agencies and organizations.
- Encourage individuals to follow conservation and environmental career paths by providing \$1 million GPR annually under the Wisconsin Fast Forward framework for training in green jobs.

- Establish a clean energy and reemployment program with \$5 million annually GPR to connect workers with employers that will utilize apprenticeship and technical college programs to deliver training for clean energy jobs.
- Provide \$2 million GPR in fiscal year 2023-24 to establish a Southeast Wisconsin Green Jobs Corps Pilot Program to encourage young adults facing barriers to employment to enter energy efficiency, conservation, and environmental job sectors.
- Provide the largest increase in general aid ever to the Wisconsin Technical College System by investing \$32.9 million GPR in each year of the biennium. This increase means general aid will exceed inflation-adjusted pre-2011 appropriation levels and will provide the necessary resources to allow the system to expand the state's talent pipeline and grow Wisconsin's skilled workforce.
- Bolster Workforce Advancement Training grants awarded by the Wisconsin Technical College System by providing an additional \$3.5 million GPR over the biennium for skilled worker training. These grants are in high demand and additional resources will help provide a relief valve for the employer demand for skilled talent.
- Provide \$3 million GPR over the biennium to provide grants to technical colleges to create open educational resources and course materials, which will help to address the rising cost of educational materials such as textbooks for students.
- Provide \$2 million GPR annually to technical colleges in order to offset the costs associated with providing transcribed credit to high school students in health sciences and to encourage the expansion of health sciences-related offerings.
- Provide \$250,000 GPR annually for capital equipment and supplies, information technology equipment, and equipment for student learning infrastructure and to support staffing at a new Advanced Manufacturing, Engineering Technology, and Apprenticeship (AMETA) Center at Mid-State Technical College.
- In addition, provide \$250,000 GPR annually for the Wisconsin Institute for Sustainable Technology (WIST) at the University of Wisconsin-Stevens Point to broaden its technical contributions and support to reinforce the well-being of the Wisconsin forest and paper industries.
- Provide \$700,000 GPR over the biennium to jumpstart the Farm and Industry Short Course (FISC) 2.0 program based at the University of Wisconsin-River Falls, in partnership with multiple other University of Wisconsin System schools and stakeholder groups.
- Provide \$2.5 million GPR on a one-time basis for equipment and supplies to support the creation of a regional emergency medical services training facility in Baraboo through Madison College.
- Provide \$2 million all funds annually of additional funding to Wisconsin's navigator program to regularly engage industry partners and help assisted living, nursing homes, home health agencies, and other providers inform new workers about HealthCare.gov and help workers understand eligibility for tax credits and subsidies available in the healthcare marketplace.
- Strengthen workers' voices in their workplaces by repealing the prohibition on contracts between labor unions and employers that specify employers may only hire unionized workers and repeal the prohibitions on the following as a condition of obtaining or continuing employment: (a) refraining or resigning from membership or affiliation with a labor organization; (b) becoming or remaining a member of a labor organization; (c) paying dues or other amounts to a labor organization; or (d) paying a third party amounts in place of dues to a labor organization.

- Increase the state minimum wage for general workers to \$8.25 on or after the effective date of the budget bill and prior to January 1, 2025; to \$9.25 on or prior January 1, 2026; to \$10.25 on or after January 1, 2026; and finally, by the change in the consumer price index for each year thereafter. In addition, create a task force to study options for achieving a statewide minimum wage of \$15 per hour.
- Require employers conducting projects of public works, both state and local, to pay workers the hourly wage and benefits paid to most workers in the project's area, commonly known as prevailing wage.
- Expand the concept of employment discrimination to specify that employers cannot discriminate based upon gender identity and expression.
- Strengthen the enforcement of employment discrimination law prohibitions by allowing the Department of Workforce Development, or an individual who is alleged or was found to have been discriminated against, including on the basis of equal pay for equal work, or subjected to unfair honesty or genetic testing, to bring an action in circuit court to recover compensatory and punitive damages caused by an act of discrimination, unfair honesty testing, or unfair genetic testing in addition to or in lieu of filing an administrative complaint.
- Prohibit employers from requiring compensation history of current and prospective employees and prohibit discrimination against employees who choose not to disclose information on compensation.
- Establish collective bargaining rights for state and local government frontline workers and their bargaining units. Frontline workers are defined as employees with a substantial portion of job duties interacting with members of the public or large populations. The Wisconsin Employment Relations Commission would settle definitional disputes.
- Eliminate the annual recertification requirement for state and local government bargaining units, as well as the provision that approval by a majority of bargaining unit members, instead of majority of the vote, is required to certify.
- Require employers to meet at least quarterly, or upon change in policies affecting wages, hours, and working conditions of general employees, with certified representatives of collective bargaining units if applicable or with other representatives in order to receive employee input.
- Provide two additional positions at the Wisconsin Employment Relations Commission to assist employees, bargaining units and units of government with the expansion of collective bargaining rights.
- Require local government employers to include a just cause standard of review of termination in their grievance procedures. Additionally, require existing local government grievance procedures to address employee discipline and workplace safety issues.
- Require an additional impartial hearing officer from the Wisconsin Employment Relations Commission to oversee employee grievance hearings.
- The Governor's budget includes funding in the compensation reserve, and any statutory language changes needed for the following items to make investments in the state government's workforce, address recruitment and retention challenges in key state positions, and ensure the state can be a competitive employer. The state's compensation plan will also have to be approved by the Joint Committee on Employment Relations:
 - Provide \$415.7 million GPR over the biennium for a general wage adjustment for most state employees of 5 percent on July 1, 2023, and an additional 3 percent on July 1, 2024.

- Provide \$39.7 million GPR over the biennium for targeted market and parity wage adjustments for employees within certain classifications in state agencies to better align their wages to those paid by private and other public sector employers.
- Provide \$4.3 million GPR over the biennium to support development of a semiautomatic pay progression for many classifications that will allow employees to increase pay based on performance and experience.
- Provide \$2.1 million GPR over the biennium to support market and parity wage adjustments for employees within information technology classifications to better align their wages to those paid by private and other public sector employers.
- Provide \$269,000 GPR over the biennium to support a pay progression for wardens at the Department of Natural Resources and Capitol Police within the Department of Administration.
- Provide \$18.9 million GPR over the biennium to support a pay progression for probation and parole agents within the Department of Corrections.
- Enhance the pay structure for correctional officers, sergeants, psychiatric care technicians, and youth counselors at the Department of Corrections and the Department of Health Services to address critical recruitment and retention needs. In total, this budget provides \$327.6 million GPR over the biennium to address compensation issues within these critical areas, including:
 - \$261.2 million GPR over the biennium to: (a) continue and roll into the employee's base hourly wage the \$4/hour add-on for all security staff, including supervisors, within these classifications and (b) support an enhanced pay progression for these classifications. As a result, starting hourly pay would increase from \$20.29 to \$33, increasing to \$39 per hour for correctional officers with 25 or more years of experience.
 - \$30.5 million GPR over the biennium to continue the \$5/hour add-on for security staff working at correctional institutions with vacancy rates greater than 40 percent.
 - \$24.6 million GPR over the biennium to increase the existing add-on for correctional staff at the Department of Corrections working in maximum security institutions from \$2/hour to \$4/hour. This provision also provides staff working at maximum security facilities within the Department of Health Services with the \$4/hour add-on.
 - \$8.1 million GPR over the biennium to support a \$1/hour add-on for correctional staff working in medium security institutions.
 - Provide \$3.2 million GPR over the biennium to support add-ons for supervisors of employees in maximum and medium security institutions.
- Provide funding to support the continuation of pilot add-ons implemented by the Division of Personnel Management within the Department of Administration to address critical recruitment and retention needs within specific classifications at several state agencies, including:
 - \$3.7 million GPR over the biennium to the Department of Health Services to support add-ons for respiratory therapists, income maintenance specialists, disability program associates, disability determination supervisors, and several nursing classifications.
 - \$3.6 million GPR over the biennium to the Department of Corrections to support add-ons for several nursing classifications.

- \$6.7 million in non-GPR funding to the Department of Veterans Affairs to support add-ons for several nursing classifications.
 - \$2.3 million in non-GPR funding collectively to the Department of Administration, Department of Safety and Professional Services, and Department of Military Affairs to support add-ons for Capitol Police, licensing staff and office operations associates, and military security officers.
 - Provide \$34.1 million GPR over the biennium to support a new paid family and medical leave program for state and University of Wisconsin System employees for 12 weeks annually.
 - Decrease the waiting period for all new state employees to receive the employer share of their health insurance premiums from three months to one month.
 - Fund paid sick leave for limited term employees that work for state agencies.
 - Modify the vacation allowance during the first five years of state employment to improve retention of employees for state agencies.
 - Establish Juneteenth and Veterans Day as holidays for all of state government.
- Provide \$93.9 million GPR in fiscal year 2023-24 to adjust agency compensation budgets to reflect an additional biweekly payroll.
 - Provide funding and position authority to the Division of Personnel Management within the Department of Administration to support human resources and payroll functions associated with the development of the Wisconsin Paid Family and Medical Leave Program within the Department of Workforce Development and the paid family and medical leave program that will be developed for state and University of Wisconsin System employees.
 - Create a small business retirement savings program for privately employed individuals who are not currently eligible for an employer-sponsored retirement plan to help fill the retirement savings gap that is most acute for the employees of small businesses. Allocate \$2 million GPR in one-time funding for program start-up costs. The Small Business Retirement Savings Board, attached to the Department of Financial Institutions, will have oversight of this new program and will be empowered to contract with a vendor to administer the retirement program. The program will target businesses with 50 or fewer employees and enhance the long-term finances of Wisconsin workers.
 - Continue the Rural Wisconsin Entrepreneurship Initiative which aims to develop entrepreneurial activity throughout rural areas of Wisconsin through education, training, research, and technical assistance to small businesses and entrepreneurs, economic development practitioners, and communities by providing the University of Wisconsin-Madison Division of Extension with \$254,100 GPR and 2.0 FTE GPR positions in fiscal year 2024-25.
 - Bolster local communities with \$25 million GPR annually beginning in fiscal year 2023-24 to continue state support of the Main Street Bounceback Grant program. The Wisconsin Economic Development Corporation will use these funds to continue the Governor's successful efforts aimed at restoring business occupancy in vacant commercial spaces. Program funding for the Main Street Bounceback Grant program had previously been provided through federal assistance received by the state under the American Rescue Plan Act of 2021.
 - Spur economic growth through entrepreneurship by creating a venture capital program located at Wisconsin Economic Development Corporation with \$75 million in one-time GPR funding in a continuing appropriation in fiscal year 2023-24. The program will be required to

be a fund of funds investment program aimed at enhancing the vibrancy of Wisconsin's venture capital ecosystem.

- Further encourage investments in entrepreneurship by removing the requirement that the Badger Fund of Funds program repay its initial investment from the state and instead continue to reinvest those funds as they are returned from current investments.
- Encourage investment in research and development by Wisconsin businesses through increasing the refundable share of the research credit from 15 percent to 50 percent beginning with tax year 2024. This will reduce taxes on businesses engaging in research and development by \$16.1 million in fiscal year 2023-24 and \$64.4 million annually beginning in fiscal year 2024-25.
- Promote the development of cooperative networks in Wisconsin by requiring the Wisconsin Economic Development Corporation to allocate \$500,000 over the biennium from its available funds to support feasibility studies and other technical support and implementation efforts.
- Encourage growth in wages by raising the wage thresholds under the Enterprise Zone Jobs Tax Credit and the Business Development Tax Credit to account for inflationary pressures on wages.
- Promote Wisconsin as a premier business, cultural, and recreational destination by providing a record investment of \$33.6 million GPR over the biennium to the Department of Tourism for marketing activities.
- Expand the state's growing outdoor recreation market by providing \$1.1 million GPR and 3.0 FTE GPR positions over the biennium to make the Department of Tourism's Office of Outdoor Recreation a permanent hub for outdoor partners, brands, and industry.
- Recruit large-scale events to Wisconsin by creating and funding an opportunity and attraction fund with \$30 million GPR over the biennium. This substantial investment to help showcase everything Wisconsin has to offer will reap significant benefits for local and regional businesses and workers, Main Streets and the statewide economy.
- Create a new Meetings, Conventions, and Sports Bureau within the Department of Tourism, supported by \$2.7 million GPR and 2.0 FTE GPR positions over the biennium, to focus on promoting the state as a destination for large company meetings, conventions, and sporting events.
- Provide \$1,883,200 GPR in fiscal year 2023-24 and \$1,000,000 GPR in fiscal year 2024-25 for the Wisconsin Initiative for Agricultural Exports to help build Wisconsin's agricultural brand in international markets and increase agricultural exports.
- Provide \$100,000 GPR in each year for grants to help farms hire business consultants to examine their farm business plans.
- Provide an additional \$800,000 GPR in each year to increase the available funding for the Dairy Processor Grant program.
- Create the Value-Added Agriculture Grant program with \$400,000 GPR in each year. The program will help farmers expand agricultural practices that produce value-added products.
- Create the Farm to Fork Grant Program with \$200,000 GPR in each year. The program will connect nonschool entities that operate cafeterias with local farmers to purchase locally grown food.
- Provide a one-time infusion of \$200,000 GPR in each year into the Something Special *from Wisconsin*® program.

- Provide an additional \$800,000 GPR in each year to increase the available funding for the Meat Processor Grant program.
- Make the Meat Talent Development Grant program permanent with \$1,237,500 GPR in fiscal year 2024-25 to support meat industry workforce development needs by providing funds for curriculum development and tuition assistance to individuals pursuing meat processing programming at Wisconsin universities, colleges, and technical schools.
- Convert 4.0 FTE GPR project positions that were approved in the 2021-23 biennial budget to permanent positions for the meat inspection program at the Department of Agriculture, Trade and Consumer Protection. Also provide \$476,900 GPR in each year for supplies and services related to meat inspections.
- Provide \$74,300 GPR in fiscal year 2023-24, \$93,200 GPR in fiscal year 2024-25, and 1.0 FTE GPR agricultural economist position at the Department of Agriculture, Trade and Consumer Protection.
- Create a biennial agricultural assistance appropriation to fund various farmer and producer-focused grant programs. This single appropriation will allow the Department of Agriculture, Trade and Consumer Protection to direct resources in an efficient and effective manner to help grow Wisconsin's agricultural economy.
- Provide \$15 million GPR in each year for grants to nonprofit food assistance agencies to combat food insecurity and purchase Wisconsin made or grown agricultural products.
- Provide \$2 million Tribal gaming revenues each year for a Tribal Food Box program to support producers and those requiring sustainable food in Tribal Nations.
- Increase Tribal gaming funding for Native American economic development technical assistance administered by Department of Administration by \$40,500.
- Replace \$8,967,100 Tribal gaming revenues for tourism marketing with an equal amount of GPR and replace \$1,309,500 Tribal gaming revenues for snowmobile enforcement with an equal amount of conservation SEG funds.
- Provide to the Department of Safety and Professional Services \$2,966,100 PR in fiscal year 2023-24 and \$3,212,300 PR in fiscal year 2024-25 to support technology infrastructure upgrades and automation which will bring efficiencies to the department.
- Ensure that the Department of Safety and Professional Services can provide efficient and effective processing of license applications that helps bolster our state's workforce and our economy by increasing the agency's expenditure authority by \$968,700 PR in fiscal year 2023-24 and \$1,246,900 PR in fiscal year 2024-25. The increased authority will support 16.0 FTE PR positions in each year, who will ensure quick and efficient review at all stages of the credential application process and allow qualified applicants to gain employment quickly, in turn providing skilled workers and necessary services in the state's economy.
- Meet substantially increased public demand for licensed occupation assistance in the Department of Safety and Professional Services' professional credential processing customer service center by providing increased spending authority of \$793,000 PR in fiscal year 2023-24, \$1,018,300 PR in fiscal year 2024-25, and 14.0 FTE PR permanent positions. This increase will provide the staffing needed to best serve applicants and bolster the safety and economic wellbeing of the state.
- Allow the Department of Safety and Professional Services to provide scheduled plan review services to better serve the design-build industry. Scheduled plan reviews place construction projects on the agency's review calendar early in the project time line so that review is accomplished in a timely and efficient manner. To effectuate scheduled plan review, provide 7.0 FTE PR permanent positions and increased expenditure authority of \$470,300 PR in fiscal year 2023-24, \$610,200 PR in fiscal year 2024-25.

- Reduce building plan review and approval time lines to improve customer satisfaction at the Department of Safety and Professional Services by providing plan review within four weeks by providing 14.0 FTE PR permanent positions and increased expenditure authority of \$972,500 PR in fiscal year 2023-24, \$1,263,000 PR in fiscal year 2024-25.
- Increase the Department of Safety and Professional Services' capability to provide one-week plan review of certain small and common building plans by providing 4.0 FTE PR permanent positions and increased expenditure authority of \$270,000 PR in fiscal year 2023-24 and \$350,200 PR in fiscal year 2024-25.
- Streamline the Department of Safety and Professional Services' credentialing process and make it more efficient by helping individuals, employers, and higher education institutions better understand the application and approval process, including standard application requirements and requirements for those applicants with unique circumstances. Provide 2.0 FTE PR permanent positions and increased expenditure authority of \$113,200 PR in fiscal year 2023-24 and \$143,000 PR in fiscal year 2024-25, to support these efforts. Similar efforts to simplify application processes undertaken by the Evers Administration at the Department of Workforce Development have yielded positive results in both customer satisfaction and efficient application review.
- Provide resources at the Department of Safety and Professional Services for training and oversight to increase the number of delegated municipalities for commercial plan review and inspection functions. This will ensure consistent application of building code standards across the state. Increase expenditure authority by \$70,800 PR in in fiscal year 2023-24 and \$90,400 PR in fiscal year 2024-25, and provide 1.0 FTE PR permanent position.
- Enhance the Department of Safety and Professional Services' presence for building plan and related inspections through increased outreach and training related to code compliance and inspection standards. Provide increased spending authority of \$315,300 PR in fiscal year 2023-24, \$408,300 PR in fiscal year 2024-25, and 5.0 FTE PR permanent positions to support such outreach and training.
- Provide the Department of Safety and Professional Services with increased spending authority of \$100,000 PR in fiscal year 2023-24 to develop an assured provider pilot program to modernize the continuing education certification process for realtors.
- Accelerate the license review process by providing the Department of Safety and Professional Services and affiliated credentialing boards with the authority to investigate whether the circumstances of an arrest, conviction, or other offense are substantially related to the circumstances of the license activity without specifically reviewing certain types of violations.
- Enhance licensure opportunity and portability in Wisconsin through increased participation in multistate compacts, reciprocity agreements, including for Deferred Action for Childhood Arrivals (DACA) recipients and undocumented individuals who wish to obtain professional licenses, and integration of internationally trained professionals. Provide the Department of Safety and Professional Services with increased expenditure authority of \$341,200 PR in fiscal year 2023-24, \$434,900 PR in fiscal year 2024-25, and 5.0 FTE PR permanent positions to support licensure portability.
- Provide \$500,000 PR in each year of the biennium to make the trade exam process at the Department of Safety and Professional Services more efficient by moving from a manual process to an online, electronic platform.
- Ensure continued modernization of Department of Safety and Professional Services information technology by providing increased expenditure authority of \$580,000 PR in fiscal year 2023-24 and \$520,000 PR in fiscal year 2024-25 to work with the Department of Administration Division of Enterprise Technology. Also, provide \$2,966,100 PR in fiscal year 2023-24 and \$3,212,300 PR in fiscal year 2024-25 to maintain system platform subscriptions

and customer-facing services including electronic permit services, license application review, and call center flexibility.

- Continue to fund the successful youth firefighter training grant program and increase the number of volunteer firefighters in the state by providing \$100,000 PR in each year of the biennium to the Department of Safety and Professional Services.
- Provide \$20,000 PR annually to the Department of Safety and Professional Services to support the awarding of funds for environmentally sound disposal of abandoned manufactured homes, and critical repairs to low income, elderly or disabled homeowner occupied manufactured homes.
- Allow the Department of Safety and Professional Services to keep all fees paid for credentials and other department approvals to be used for licensing, rule-making, and regulatory functions of the department.
- Allow the Department of Safety and Professional Services to adjust credential renewal schedules to better align with industry needs.
- Continue information technology modernization at the Higher Educational Aids Board including cloud hosting, software maintenance, support and contingency, upgrades, and additional enhancements by providing \$712,800 GPR in fiscal year 2023-24, \$752,100 GPR in fiscal year 2024-25, and 2.0 FTE GPR permanent positions that will serve as portal and application software administrators.
- Improve affordability for college students by increasing funding for need-based financial aid in the Wisconsin Grants program as follows: (a) \$3,094,800 GPR in fiscal year 2023-24 and \$6,344,300 GPR in in fiscal year 2024-25 for University of Wisconsin System students; (b) \$1,148,600 GPR in fiscal year 2023-24 and \$2,354,700 GPR in fiscal year 2024-25 for Wisconsin Technical College students; (c) \$24,100 PR in fiscal year 2023-24 and \$49,400 PR in fiscal year 2024-25 for Tribal college students; and (d) \$1,425,300 GPR in fiscal year 2023-24 and \$2,921,800 GPR in fiscal year 2024-25 for students of private, nonprofit colleges.
- Double funding for the nurse educators program at the Higher Educational Aids Board by providing an additional \$5 million GPR in each year of the biennium for: (a) student fellowships for students pursuing a doctor of nursing or doctor of philosophy in nursing degrees; (b) postdoctoral fellowships to recruit faculty for system nursing programs; or (c) educational loan repayment assistance to recruit and retain faculty for system nursing programs.
- Ensure Wisconsin financial aid recipients are eligible by changing the current federal terminology for calculating financial aid eligibility from “expected family contribution” to “student aid index.” The change will go into effect on July 1, 2024, and first apply in financial award year 2024-25.
- Allow the Higher Educational Aids Board to increase its information technology programming capacity by providing \$209,900 GPR in fiscal year 2023-24, \$130,600 GPR in fiscal year 2024-25, and 1.5 FTE GPR permanent positions.
- Increase the number of Wisconsin Technical College students eligible for Wisconsin Grants by granting eligibility to students attending at least quarter-time.
- Clarify Wisconsin Grant eligibility by matching Pell Grant eligibility. This would allow students to be eligible for Wisconsin Grants for 12 semesters instead of 10 semesters. Additionally, for students enrolled less than full time, only the fraction of the student’s enrollment in proportion to full-time enrollment will be counted towards the semester limit.
- Allow more students who are enrolled in a University of Wisconsin System institution to receive a greater amount of Wisconsin Grant funding by changing the award cap to an

amount not to exceed half of the in-state undergraduate tuition and fees charged at the University of Wisconsin-Madison for an academic year.

- Align the Higher Educational Aids Board method for determining the private nonprofit Wisconsin Grant amount with the standard used to award Wisconsin Grants to students enrolled in University of Wisconsin System institutions, technical colleges, and Tribal colleges.
- Provide \$1 million GPR in fiscal year 2023-24 to permit the University of Wisconsin System to evaluate and discern an effective direct admission model in order to ease the path to higher education for Wisconsin high school students. The Governor's budget directs that the system will consult with the Department of Public Instruction, Wisconsin Technical College System, and other interested stakeholders to develop a plan to implement direct admission no later than academic year 2025-26.
- Enhance affordability for aspiring college students with significant economic need by providing \$24.5 million in fiscal year 2024-25 for a tuition promise grant program that pays tuition and segregated fees on behalf of students whose household adjusted gross income is \$62,000 or less at University of Wisconsin System institutions, excluding University of Wisconsin-Madison which already administers its own tuition promise program.
- Provide \$22.1 million GPR in fiscal year 2023-24 and \$44.3 million GPR in fiscal year 2024-25 to allow the University of Wisconsin System to provide ongoing funding to support key initiatives, recruit and retain critical faculty and staff, and address inflationary costs of supplies and expenses.
- Increase support for veterans, military personnel, and their families attending University of Wisconsin System institutions by providing \$1,209,500 GPR in fiscal year 2023-24, \$1,612,500 GPR in fiscal year 2024-25, and 21.5 FTE GPR permanent positions to the system.
- Bolster foster youth programming at University of Wisconsin System institutions by providing \$500,000 GPR in each year of the biennium.
- Provide \$500,000 GPR in each year of the biennium for the University of Wisconsin Missing-in-Action Recovery and Identification Project for missions to recover and identify Wisconsin veterans who went missing during deployment.
- Make financial education and coaching more widely available in the state by providing the University of Wisconsin-Madison Division of Extension with \$1 million GPR in each year and 2.0 FTE GPR permanent positions dedicated to fund the Wisconsin Financial Futures Incentive Program.
- Support journalism programs and fellowships for students and graduates of journalism programs at University of Wisconsin institutions by providing \$1 million GPR in each year of the biennium.
- Provide \$300,000 GPR in each year of the biennium to support the UniverCity Alliance program at the University of Wisconsin-Madison to improve the sustainability, resilience, livability, and general well-being of communities through education, outreach, technical assistance, and research addressing the priorities of local governments.
- Improve access to University of Wisconsin System institutions for undocumented individuals by exempting a person who is a citizen of another country from nonresident tuition rates if that person meets certain criteria.
- Allow certain students to qualify for resident tuition and fee rates at University of Wisconsin System institutions or Wisconsin Technical College System schools if: (a) the student, or the student's parent or grandparent, is a citizen of a federally recognized Tribal Nation or band in Wisconsin or is a citizen of a federally recognized Tribe in Minnesota, Illinois, Iowa, or

Michigan; and (b) the student has resided in Wisconsin, Minnesota, Illinois, Iowa, or Michigan, or in any combination of these states, for at least 12 months prior to enrollment.

- Create the Family and Individual Reinvestment (FAIR) credit to provide a 10 percent cut in individual income taxes for most middle-class filers. Individuals with incomes below \$100,000 and married-joint filers with incomes below \$150,000 will receive a nonrefundable credit equal to 10 percent of their remaining net tax liability or \$100, whichever is greater. The credit phases out gradually for individuals between \$100,000 and \$120,000 in adjusted gross income and for married-joint filers between \$150,000 and \$175,000 in adjusted gross income. The FAIR credit provides over \$400 million in total income tax relief annually to the middle class with \$418.7 million in fiscal year 2023-24 and \$420.9 million in fiscal year 2024-25.
- Create state tax-preferred savings accounts that would allow first-time homebuyers to subtract from their adjusted gross income up to \$5,000 in contributions for single filers and up to \$10,000 in contributions for married-joint filers. Earnings on those accounts would also be exempt from state taxation. Contributions to these accounts would first be eligible for the individual income tax subtraction in tax year 2024. The fiscal impact is an estimated reduction in tax revenue of \$4.8 million in fiscal year 2024-25.
- Provide tax relief to lower income retirees by increasing the current law retirement income subtraction by raising the income limits to \$30,000 for single filers and \$60,000 for married-joint filers and raising the maximum amount that can be subtracted from adjusted gross income to \$5,500 beginning in tax year 2023. This will provide tax relief of \$8.1 million in each year of the biennium.
- Raise the income limits on the current law disability income subtraction to \$30,000 for single filers and \$60,000 for married-joint filers beginning in tax year 2023. This will provide tax relief of \$260,000 annually.
- Create a nonrefundable individual income tax credit equal to 10 percent of the amount individuals pay for flood insurance premiums in a tax year beginning with tax year 2023, limited to \$60. The fiscal impact of this provision is an estimated reduction in individual income tax revenues of \$400,000 in each year.
- Encourage investments in clean energy by creating a new earnings activity for the Business Development Credit for energy efficiency and renewable energy project expenditures by a business, specifying that the Wisconsin Economic Development Corporation may provide an incentive of up to 25 percent of expenditures on real or personal property for such projects.
- Ensure everyone in Wisconsin pays their fair share by limiting the amount of qualified production activities income that may be claimed by manufacturing firms under the manufacturing and agriculture credit to \$300,000 per tax year, while leaving the agricultural portion of the credit unchanged. The fiscal impact is an estimated increase in tax revenue of \$348.7 million in fiscal year 2023-24 and \$306.4 million in fiscal year 2024-25.
- Adopt numerous changes made to the federal Internal Revenue Code, including major provisions of the Tax Cuts and Jobs Act of 2017 and other more recent changes. The net fiscal impact of these changes is an increase in tax revenue of \$187.6 million in fiscal year 2023-24 and \$200.6 million in fiscal year 2024-25.
- Prohibit the use of the 30 percent long-term capital gains exclusion for nonfarm capital gains for individuals with income exceeding \$400,000 and married-joint filers with income exceeding \$533,000. Taxpayers with noncapital gains income below those thresholds could claim capital gains income that, when combined with other sources, would stay within those limits for purposes of the exclusion, but not those amounts above the income limits. These modifications will preserve the exclusion for low- and middle-income investors while creating greater equity in the tax treatment of different sources of income for higher-income taxpayers. These modifications do not affect the 60 percent capital gains exclusion for farm assets. The fiscal impact is an estimated increase in tax revenue of \$185.2 million in fiscal year 2023-24 and \$154.2 million in fiscal year 2024-25.

- Create a nonrefundable individual income tax caregiver credit for qualified expenses incurred by a family caregiver to assist a qualified family member. For the purposes of the credit, a qualified family member must be at least 18 years of age, must require assistance with one or more daily living activities as certified by a physician, and must be the credit claimant's spouse or related by blood, marriage, or adoption within the third degree of kinship. The credit is equal to 50 percent of qualified expenses in the taxable year, limited to \$500 for most filers and \$250 for married-separate filers. The credit is subject to income limits that phase out the credit between \$75,000 and \$85,000 in income for single, married-separate, and head of household filers and \$150,000 and \$170,000 in income for married-joint filers. The credit first applies to taxable years beginning after December 31, 2022. This will provide \$96.7 million in tax relief in fiscal year 2023-24 and \$98.3 million in fiscal year 2024-25.
- Provide property tax relief for low-income seniors and individuals with disabilities by increasing the maximum income threshold of the homestead credit to \$35,000 in tax year 2023 and annually index all parameters for inflation. This will provide \$43.2 million in tax relief in fiscal year 2023-24 and \$56.2 million in fiscal year 2024-25.
- Increase eligibility for the Veterans and Surviving Spouses Property Tax Credit, as recommended by the Blue Ribbon Commission on Veteran Opportunity, by allowing those with disability ratings of at least 70 percent to claim the credit beginning with tax year 2023. This will provide tax relief of \$21.1 million in fiscal year 2023-24 and \$22.1 million in fiscal year 2024-25.
- Allow renters to claim the Veterans and Surviving Spouses Property Tax Credit as recommended by the Blue Ribbon Commission on Veteran Opportunity, at a rate of 20 percent when heat is included in rent and 25 percent when heat is not included beginning with tax year 2023. This provides tax relief of \$5.1 million in fiscal year 2023-24 and \$5.2 million in fiscal year 2024-25.



C. SUPPORTING HEALTHIER WISCONSINITES

- Increase access to crisis services by providing \$64,700 GPR in fiscal year 2023-24 and \$10,038,500 GPR in fiscal year 2024-25 to establish up to two crisis urgent care and observation centers that will serve as regional crisis receiving and stabilization facilities, offer seamless transitions between levels of services offered at the centers, arrange for the transfer to more appropriate treatment options as needed, coordinate the connection to ongoing care, and promote the effective sharing of information between providers to improve service delivery and patient outcomes. The centers will also help alleviate a significant portion of time that law enforcement and other first responders dedicate to emergency detention cases by offering a dedicated first responder drop-off location that accepts custody of emergency detention cases and does not require that medical clearances be completed before drop-off. Provide 1.0 FTE GPR position to develop and evaluate the centers on an ongoing basis.
- Provide \$3.5 million GPR in each year of the biennium to the Medical College of Wisconsin to support the recruitment and training of psychiatry and behavioral health residents throughout Wisconsin.
- Provide \$1.8 million GPR in fiscal year 2024-25 to establish a 25-bed psychiatric residential treatment facility to provide psychiatric care and treatment to children and youth under the age of 21 with complex behavioral health conditions. Allow Medicaid benefits to include a psychiatric residential treatment facility benefit.

- Provide \$898,700 GPR in fiscal year 2023-24 and \$2.1 million GPR in fiscal year 2024-25 to support in-state 988 Suicide & Crisis Lifeline call centers to meet the needs of those contacting the Lifeline and to address the increase in Lifeline call volume.
- Provide \$1.9 million GPR in fiscal year 2024-25 for a grant to establish a behavioral health treatment program for those who are Deaf, Hard of Hearing, or Deaf-Blind that will offer direct treatment from a provider fluent in American Sign Language and educated on the culturally unique challenges faced by the Deaf, Hard of Hearing, and Deaf-Blind community.
- Create a suicide prevention program to coordinate and strengthen suicide prevention efforts, and a grant of \$500,000 GPR in each year for suicide prevention efforts, as well as grants specific to the prevention of suicide by firearm use.
- Provide 1.0 FTE GPR position for a violence and self-harm prevention coordinator position in the Injury and Violence Prevention Program.
- Provide the Medical College of Wisconsin with \$7.5 million GPR in each year of the biennium to support the Wisconsin Community Safety Fund to improve the quality of life, safety, and well-being of children, youth, and families in Wisconsin through violence prevention.
- Provide \$996,400 GPR in each year of the biennium as state support for youth crisis stabilization facilities to ensure the facilities have a reliable, ongoing funding source.
- Provide \$260,000 GPR in each year of the biennium to support existing peer recovery centers and to support the development of two additional peer recovery centers in counties not currently served by existing centers.
- Provide \$1,644,000 GPR in each year to support stimulant treatment services in high-need counties to meet increased demand and to support evidence-based stimulant prevention training programs.
- Provide \$30,000 GPR in each year as ongoing support for the online addiction treatment platform used to locate, compare, and review addiction treatment program options available close to home.
- Provide \$63,800 GPR in fiscal year 2023-24 and \$78,500 GPR in fiscal year 2024-25 to support a 1.0 FTE GPR program and policy advisor position within the Office of Children's Mental Health to support carrying out the duties of the office.
- Expand Medicaid benefits to include a benefit for adult residential integrated behavioral health stabilization, residential withdrawal management, and residential intoxication monitoring services.
- Provide \$1,576,600 GPR in fiscal year 2024-25 to support the Qualified Treatment Trainee grant program, which facilitates the licensure and certification of those in the process of obtaining or already possessing a graduate degree in psychology, counseling, marriage and family therapy, social work, nursing, or a closely related field to help address a shortage in the behavioral health workforce.
- Provide \$16,900 GPR and \$39,200 FED in fiscal year 2023-24 and \$721,400 GPR and \$50,000 FED in fiscal year 2024-25 to modernize the healthcare provider licensing, certification, and healthcare staff misconduct incident reporting computer systems. This modernization effort aims to improve system efficiency, transparency, and accountability within the Department of Health Services and between the department and the providers that interact with the systems. Provide 1.0 FTE GPR position to oversee the system project.
- Create a segregated fund and direct the Department of Health Services to distribute all excise tax revenue generated from the legalization of recreational and medicinal marijuana to counties to support their mental health and substance use disorder services.

- Provide \$2 million GPR in each year of the biennium to purchase and distribute opioid antagonist medication to entities to reverse opioid overdoses.
- Provide \$5 million GPR over the biennium to convert funding for the Resilient Wisconsin program from FED to GPR, expand the Child Psychiatry Consultation Program into a broader Mental Health Consultation Program and sunset the school-based mental health consultation pilot program.
- Provide an additional \$500,000 GPR annually for free and charitable clinics.
- Provide \$259,100 Tribal gaming revenues annually for the Oneida Nation's Healing to Wellness Court program for staff and service costs to support a coordinated, postconviction substance use disorder program that will reduce recidivism and break the cycle of addiction.
- Provide \$100,000 GPR in each year for mental health assistance to farmers and farm families.
- Create a regional farm support program with \$157,400 GPR in fiscal year 2023-24, \$195,200 GPR in fiscal year 2024-25, and 2.0 FTE GPR positions to provide services including financial counseling and mental health training and referrals.
- Provide \$380,867,800 GPR over the biennium to fully fund the Medicaid program and provide \$527,783,700 GPR in each year of the biennium to restore base funding in the Medicaid program that was impacted by a one-time transfer included by the Legislature in 2021 Wisconsin Act 58.
- Expand Medicaid under the federal Affordable Care Act by covering all low-income Wisconsin residents who earn incomes between 0 percent and 138 percent of the federal poverty level. Medicaid Expansion will result in 89,700 low-income individuals becoming eligible for Medicaid while saving \$1.6 billion GPR and drawing down an additional \$2.2 billion FED over the biennium.
- Provide \$19,239,100 GPR in fiscal year 2023-24 and \$21,516,500 GPR in fiscal year 2024-25 to begin using state funding to pay the nonfederal share of the Medicaid Community Support Program. Currently the nonfederal share of the Community Support Program is paid by counties.
- Provide \$69,304,700 all funds over the biennium to expand Medicaid benefits to include the following: (a) psychosocial rehabilitation services provided by noncounty providers; (b) services provided by community health workers; (c) room and board costs for residential substance use disorder treatment; (d) acupuncture services; (e) doula services; (f) expanded coverage of certified peer specialists; and (g) coverage of continuous glucose monitoring devices and insulin pumps through the pharmacy benefit.
- Create a Medicaid community health benefit that invests \$25,500,000 all funds over the biennium for nonmedical services to reduce and prevent health disparities that result from the economic and social determinants of health. Services include housing referrals, nutritional mentoring, stress management, and other services that would positively impact an individual's economic and social condition.
- Provide the following to hospitals that serve Medicaid recipients: (a) \$68,148,800 all funds over the biennium for a Medicaid rate increase for hospital services that is intended to increase hospital rates to approximately 85 percent of hospital costs; (b) \$531,012,400 all funds over the biennium to increase acute care hospital access payments; (c) \$7,033,800 all funds over the biennium to increase critical access hospital access payments; and (d) \$20 million all funds over the biennium to increase pediatric supplemental payments.

- Provide the following increases to Medicaid reimbursement rates: (a) \$189,161,100 all funds over the biennium to increase reimbursement rates for primary care services; (b) \$32,475,400 all funds over the biennium to increase reimbursement rates for emergency physician services; (c) \$12,225,600 all funds over the biennium to increase reimbursement rates for autism treatment services; and (d) \$17,000,000 all funds over the biennium to increase reimbursement rates for outpatient mental health and substance use disorder services and child-adolescent day treatment.
- Provide \$529,200 GPR in fiscal year 2024-25 to implement an easy enrollment program where individuals would be able to check a box on their individual income tax return indicating they would like the state to evaluate their eligibility for Medicaid or subsidized healthcare coverage on the exchange. This initiative aims to reduce the number of uninsured individuals in the state.
- Provide \$16,949,900 all funds in fiscal year 2023-24 and \$17,464,000 all funds in fiscal year 2024-25 to expand Medicaid postpartum coverage from 60 days to 12 months.
- Provide \$3,644,900 all funds in fiscal year 2023-24 and \$7,322,000 all funds in fiscal year 2024-25 to allow schools to receive Medicaid reimbursement for telehealth origination costs.
- Provide \$133,600 all funds in fiscal year 2023-24, \$174,600 all funds in fiscal year 2024-25, and 2.0 FTE all funds positions to create a Medicaid Tribal reimbursement support team.
- Increase access to dental services in the state by licensing dental therapists, a midlevel dental provider, and providing \$1.8 million all funds over the biennium to support community dental health coordinators across the state.
- Provide \$1.8 million all funds over the biennium as a grant to conduct data analysis and identify low-value care in the Medicaid program and other healthcare coverage offered by the state.
- Provide \$12,224,000 all funds in fiscal year 2023-24 and \$8,464,000 all funds in fiscal year 2024-25 to create a Medicaid incentive for nonhospital providers who participate in health information exchange.
- Provide \$3,750,000 all funds over the biennium to expand grant funding for graduate medical education.
- Ensure that all eligible children receive service under the Children's Long-Term Support waiver program, providing long-term services to children with intellectual, physical and/or developmental disabilities, and severe emotional disturbances. This creates parity between long-term care eligibility for children and adults.
- Provide increased funding for caregivers through: (a) providing \$88.8 million all funds over the biennium to increase the direct care and services portion of the capitation rates the Department of Health Services provides to long-term care managed care organizations in recognition of the direct caregiver workforce challenges facing the state; and (b) providing \$88.8 million all funds over the biennium to fund rate increases for personal care direct care services.
- Provide increased funding to build upon the work done in the 2021-23 biennium utilizing one-time federal funds to enhance home and community-based services in long-term care. A total of \$281.1 million all funds (\$105.8 million GPR) are provided for the following home and community-based services initiatives: (a) providing \$43.1 million all funds in fiscal year 2023-24 and \$183.8 million all funds in fiscal year 2024-25 to fully fund a 5 percent rate increase for home and community-based long-term care services; (b) \$44.5 million all funds in fiscal year 2024-25 to fund the development of a minimum fee schedule for home and community-based services; (c) \$627,000 GPR in fiscal year 2024-25 to sustain the Wisconsin Personal Caregiver Workforce Careers Program to continue enrolling an additional

- 5,000 caregivers into the professional certificate program; (d) \$101,500 GPR in fiscal year 2024-25 to provide ongoing funding for the WisCaregiver Career IT platform to remain up to date with available resources for caregivers and maintain the technical quality of the website; (e) \$5.5 million GPR in fiscal year 2024-25 to provide grants to the 11 federally recognized Tribal Nations to make improvements to Tribal community facilities and Tribal citizen housing; (f) \$1.7 million GPR in fiscal year 2024-25 to support the ongoing costs of the Tribal aging and disability resource specialists to serve as liaisons between the Tribes and the aging and disability resource centers (ADRCs); (g) \$1.1 million GPR in fiscal year 2024-25 to build a centralized ADRC website and database that is accessible to the public, providing Wisconsinites with information about long-term care supports and services they can access from the comfort of their home while also providing ADRCs with a database that centers the individual rather than the facility; (h) \$100,000 GPR in fiscal year 2024-25 for continued licensure and maintenance of a system to coordinate certification status work between the department and managed care organizations; and (i) \$100,000 GPR in fiscal year 2024-25 for licensure and maintenance of a system devised as a technical solution to allow streamlined data entry, review, and reporting to comply with a federal rule requiring states to define the qualities of settings eligible for Medicaid home and community-based services.
- Provide \$8 million GPR in fiscal year 2024-25 to expand the successful WisCaregiver Careers program, which aims to recruit certified nursing assistant (CNA) candidates.
 - Provide 1.0 FTE PR position to administer the civil money penalty reinvestment program, which returns a portion of penalty revenue to states to be reinvested to support activities that benefit nursing home residents.
 - Provide \$500,000 GPR annually to provide additional community aid funding for the Wisconsin Alzheimer's Family and Caregiver Support Program and increase the maximum joint income an individual and their spouse may earn per year from \$48,000 to \$60,000 to qualify for the program.
 - Provide \$750,000 GPR annually to supplement the revenue collected from assisted living facilities and program certification fees for outpatient mental health facilities.
 - Provide \$15 million GPR over the biennium for the implementation of a complex patient pilot program to address challenges, including insufficient staffing, to improve post-acute care facilities' ability to accept patients being discharged from Wisconsin hospitals.
 - Invest in aging and disability resource centers (ADRCs) across the state by providing:
 - (a) \$2.5 million GPR in fiscal year 2023-24 and \$5 million GPR in fiscal year 2024-25 to increase base allocations to ADRCs, which have been unchanged since 2013; and
 - (b) \$3.1 million GPR in fiscal year 2023-24 and \$6.3 million GPR in fiscal year 2024-25 to allocate funding that supports at least 0.5 FTE position to provide caregiver support services in every county.
 - Provide 19.68 FTE GPR positions and 12.32 FTE FED positions and associated funding to the Bureau of Assisted Living to manage the bureau's increased workload and to address backlog.
 - Provide 11.0 FTE all funds positions to increase staff in the Office of Caregiver Quality to increase investigations into allegations of misconduct in long-term care facilities and expand the background check program.
 - Provide \$13.6 million GPR to increase base funding to the allocations for adult protective services, elder abuse, and domestic violence. Funding would also be provided for training initiatives and technical support.
 - Provide \$621,000 GPR in fiscal year 2023-24 to support a pilot project in Dane County to address the impact of the pandemic on the mental health of the healthcare workforce.
 - Provide \$63,500 GPR annually to manage the training modules developed to train guardians.

- Provide \$22.5 million GPR to provide grants for healthcare providers to implement best practices that increase worker recruitment and retention.
- Invest \$153,363,400 all funds over the biennium into the following Emergency Medical Services items:
 - (a) provide \$150 million GPR for flexible grants to public and private emergency medical services providers;
 - (b) begin certifying individuals as emergency medical responders who complete a certified training program without additional examination or who pass the National Registry of Emergency Medical Technicians examination for emergency medical responders;
 - (c) provide \$1,265,600 all funds over the biennium to implement the public ambulance provider certified public expenditure provisions of 2021 Wisconsin Act 228;
 - (d) create statutory language to implement the private ambulance provider assessment provisions of 2021 Wisconsin Act 228;
 - (e) create statutory language that removes the barriers first responders with post-traumatic stress disorder face when seeking worker's compensation;
 - (f) provide \$1,440,000 GPR to purchase epinephrine for public ambulance providers;
 - (g) provide 1.0 FTE GPR position to staff an ambulance inspection program; and
 - (h) provide 1.0 FTE GPR position to expand the Office of Preparedness and Emergency Health Care.
- Invest in the following public health initiatives: (a) \$1,200,000 GPR over the biennium for grants to entities that provide healthy aging programs; (b) \$5,225,900 GPR over the biennium for state funding to support the Newborn Screening Program; (c) \$3,360,000 GPR over the biennium for a child wellness grant that would support programming related to parenting, the educational needs and supports for chronically ill children, and case management for children with asthma; (d) \$500,000 GPR over the biennium for a grant to an organization that supports individuals with amyotrophic lateral sclerosis; (e) \$3,000,000 GPR over the biennium for a spinal cord injury research grant; (f) \$400,000 GPR over the biennium for an existing respite care grant; (g) \$200,000 GPR over the biennium for an existing Alzheimer's disease grant; and (h) \$2 million GPR over the biennium for the Mike Johnson Life Care and Early Intervention Services Grant.
- Provide \$17,195,300 GPR over the biennium to purchase and maintain the state's stockpile of personal protective equipment (PPE).
- Provide \$4,172,000 GPR in fiscal year 2024-25 for a pilot program to provide electrocardiogram screening for youth participating in athletics in Milwaukee and Waukesha counties.
- Provide \$2,870,900 GPR in fiscal year 2023-24, \$2,807,000 GPR in fiscal year 2024-25, and 2.0 FTE GPR positions to support grants for maternal and infant mortality prevention, expansion of fetal and infant mortality review teams, a grief and bereavement resource for families who have lost a fetus or infant, and technical assistance.

- Lower the definition of lead poisoning or lead exposure to 3.5 micrograms per deciliter and require a public health investigation for every lead poisoned child under age 6. Provide \$8,397,700 all funds in fiscal year 2023-24, \$8,736,300 all funds in fiscal year 2024-25, and 16.5 FTE GPR positions to respond to the increased number of lead investigations, provide assistance to local health departments, and increase Medicaid lead investigation reimbursement rates. In addition, provide \$3,086,500 GPR in fiscal year 2023-24 and \$6,173,100 GPR in fiscal year 2024-25 to expand eligibility for the Birth to 3 Program to children with a blood lead level greater than 3.5 micrograms per deciliter.
- Provide \$50,000 GPR in fiscal year 2023-24 in one-time funding for the development of a program at the Department of Natural Resources to promote the voluntary use of nonlead fishing tackle and ammunition.
- Increasing funding by \$1 million GPR in fiscal year 2024-25 for financial assistance under the state well compensation program. Amend the well compensation program to bring the program's contamination criteria in line with federal water quality standards and address emerging contaminants like PFAS. Update the program's financial qualifications to allow the program to serve more Wisconsin residents. Expand the program to include owners of transient noncommunity public water systems.
- Provide \$833,000 GPR in fiscal year 2023-24, \$850,600 GPR in fiscal year 2024-25, and 1.0 FTE GPR position to support the Office for the Blind and Visually Impaired, the Telecommunications Assistance Program, interpretation services, and grants to independent living centers.
- Reform existing tobacco and vapor product statutes by increasing the age to purchase tobacco and vapor products from age 18 to age 21 to align with federal law, prohibit the use of vapor products indoors, and prohibit the use of vapor products on school grounds. In addition, provide \$1,005,000 GPR over the biennium to support the American Indian Quitline.
- Create an Animal Disease Response and Prevention Unit at the Department of Agriculture, Trade and Consumer Protection with \$528,300 GPR in fiscal year 2023-24, \$542,200 GPR in fiscal year 2024-25, and 6.0 FTE GPR positions. The unit will respond to all animal disease outbreaks and enhance secure food supply planning.
- Transfer 110.0 FTE GPR correctional officer positions at the Wisconsin Resource Center from the Department of Corrections to the Department of Health Services to ensure that these correctional staff are administered by the agency that supervises them. Currently, these staff are Department of Corrections staff who are supervised by Department of Health Services staff.
- Provide 92.0 FTE GPR positions to expand the intensive treatment program at Northern Wisconsin Center to address the growing list of individuals with developmental disabilities who are referred for intensive treatment program services.
- Provide \$12.9 million all funds over the biennium to establish two forensic assertive community treatment teams, which are intended to be an intervention that bridges the behavioral health and criminal justice systems. The program is intended for individuals with a serious mental illness who are involved with the criminal justice system and is designed to improve clients' mental health outcomes, reduce recidivism, divert individuals in need of treatment away from the criminal justice system, manage costs by reducing reoccurring arrest, incarceration and hospitalization, and increase public safety.
- Fully fund the Wisconsin Healthcare Stability Plan to stabilize the individual healthcare market and lower premiums for Wisconsinites. Provide \$230 million all funds in each fiscal year to reinsure high-cost individuals across all health insurance exchanges.

- Establish a Prescription Drug Affordability Review Board to oversee the pharmaceutical industry and drug market, analyze other state and national drug policies and practices, establish spending limits for public sector entities, and set price ceilings to limit price-gouging of prescription drugs.
- License and regulate entities involved in the prescription drug supply chain, including pharmacy benefit management brokers and consultants, pharmacy services administration organizations, and pharmaceutical sales representatives.
- Provide 16.0 FTE PR positions, \$2 million PR in fiscal year 2023-24, and \$1.9 million PR in fiscal year 2024-25 to establish the Office of Prescription Drug Affordability to oversee the prescription drug regulatory provisions enacted under this budget and further analyze and develop policy initiatives to continue reducing prescription drug costs.
- Establish a prescription drug importation program to reduce costs and generate savings from importing low-cost generic prescription drugs from abroad.
- Require pharmacy benefit managers and other third-party payers to reimburse certain 340B drug discount program participants, specifically federally qualified health centers, critical access hospitals, and Ryan White HIV/AIDS programs, at the same rate that non-340B program participants are reimbursed to end discriminatory reimbursement practices.
- Require pharmacy benefit managers to owe a fiduciary duty to insurers and other payers they contract with when using their discretion to spend plan assets. Pharmacy benefit managers would consider the benefit plan's best interests instead of their own and be required to disclose any conflicts of interest in order to avoid additional wasteful spending within the prescription drug industry.
- Establish a maximum copayment of \$35 for a month's supply of insulin.
- Establish an Insulin Safety Net Program to ensure those with an urgent need for insulin, as well as those with lower incomes and limited to no insurance coverage, have access to affordable insulin.
- Establish a value-based diabetes medication pilot program to develop a value-based formulary, focus on medications that work, and reduce spending waste.
- Direct the Office of the Commissioner of Insurance to study the creation of a state prescription drug purchasing entity to pool state and local purchasing power and leverage for lower prescription drug costs.
- Provide 10.0 FTE GPR positions, \$982,400 GPR in fiscal year 2023-24, and \$1.3 million GPR and \$3 million PR in fiscal year 2024-25 to establish a state-based health insurance marketplace by plan year 2026 to improve health insurance marketing and outreach efforts, administer the marketplace in a more efficient and affordable manner, and gain more state autonomy over aspects of the health insurance marketplace such as open enrollment duration and the quality of plans offered.
- Provide \$1 million GPR in fiscal year 2023-24 and \$1 million PR in fiscal year 2024-25 to study and develop a public option health insurance plan to be offered alongside other plans on the individual health insurance marketplace to increase competition and reduce plan costs.
- Establish parity provisions to ensure patients utilizing telehealth services are not charged or have their services limited any more than if they received an equivalent in-person service to increase the availability and affordability of telehealth services.
- To ensure that all Wisconsin residents are guaranteed the same health insurance issuance and coverage protections, require health insurance providers to guarantee the issuance of health insurance to individuals that apply for coverage regardless of preexisting conditions,

- sexual orientation, gender identity, health status or medical history, among others; prohibit health insurance providers from charging greater premiums or out-of-pocket costs based on those factors; prohibit health insurance providers from establishing annual or lifetime limits on health insurance plan benefits; require all health insurance plans to provide coverage for the ten essential health benefits categories covered under the federal Affordable Care Act; and require all health insurance plans provide coverage for certain preventive services at no cost to the plan holder.
- Regulate the initial and aggregate plan duration for short-term, limited duration health insurance plans, also known as junk insurance plans, from 12 months to 3 months and from 18 months to 6 months, respectively.
 - Regulate the practice of balance billing, also referred to as surprise billing, in situations where patients have little or no control or knowledge over who provides their care, such as when emergency services are delivered by an out-of-network provider, when ancillary services are delivered at an in-network facility by an out-of-network provider, or when mental health services are delivered during a crisis. Require health care providers to deliver a good-faith cost estimate of services to the patient before those services are delivered.
 - Require prescription drug cost reductions received from prescription drug manufacturer coupons and other discounts to count towards a plan holder's deductible or out-of-pocket maximum. Only discounts for brand name drugs that have no generic equivalent and brand name drugs that have undergone prior authorization by a prescriber or the insurer are eligible in order to avoid incentivizing the purchasing of more expensive brand name drugs over their generic equivalents.
 - Require health insurance plans offered in the state to cover services provided by substance use disorder counselors if those services are covered under the plan by any other providers.
 - Modify current law to require fully insured health insurance policies and self-insured governmental health plans that cover medical or hospital expenses to cover diagnosis of and treatment for infertility and standard fertility preservation services.
 - Require the Office of the Commissioner of Insurance to establish standards for insurer networks for all health insurance plans offered in the state. Establishing network adequacy standards would ensure that a covered service is available within a minimum time and distance of the plan holder, improving access to services. The office may also establish further standards that are found to improve access to services, such as maximum wait times for scheduling appointments.
 - Annually adjust the spending limit of the Wisconsin Healthcare Stability Plan reinsurance program, starting January 2024 to affect payments covering plan year 2025, in order to reflect changes in the consumer price index for medical care spending, as determined by the U.S. Department of Labor.
 - Provide \$106,900 PR in fiscal year 2023-24 and \$142,500 PR in fiscal year 2024-25 to support a 1.0 FTE PR program administrator position for the Wisconsin Healthcare Stability Plan reinsurance program to oversee operational responsibilities, such as data analysis, contract management, and strategy development to ensure the availability of affordable coverage for consumers.
 - Provide \$341,400 PR in fiscal year 2023-24 and \$455,100 PR in fiscal year 2024-25 to support 5.0 FTE PR positions in the Division of Market Regulation to manage increased regulatory responsibilities in areas such as licensure application reviews and renewals, rate and form filings and reviews, consumer complaints, and expanded consumer outreach.

- Provide \$358,000 PR in fiscal year 2023-24 and \$477,400 PR in fiscal year 2024-25 to support 5.0 FTE PR positions in the Division of Financial Regulation to manage increased regulatory duties and complexity, implement legislation, and continue to meet state accreditation requirements to ensure Wisconsin's reputation as a trusted insurance regulator continues.
- Restore funding for the Office of the Commissioner of Insurance's general program operations.
- Fully fund the Board on Aging and Long-Term Care's Medigap Helpline that provides seniors with information on health insurance options.
- Provide \$500,000 GPR to the Department of Veterans Affairs to conduct an evaluation of post-9/11 veteran needs arising from an increase in multiple deployments, higher survival rates, and longer-term use of skilled nursing services. The evaluation would include a review of the nature of injuries and advances in technology that can shift the approach to patient monitoring, assisting with labor shortages, and improving quality of care.
- Require the Department of Veterans Affairs to explore expansion opportunities at all existing sites of the Veterans Housing and Recovery Program.
- Provide \$1,096,600 SEG annually to double state grants to support county and Tribal veterans service offices (CVSOs and TVSOs). Veterans service offices are the primary point of contact for veterans and advocates in navigating the benefits veterans have earned.
- Provide 7.0 FTE SEG positions and \$957,200 SEG over the biennium to expand the Veterans Outreach and Recovery Program, which provides outreach mental health services and support to veterans who may have a mental health condition or substance use disorder. The goal of the program is to reduce the suicide rate among veterans and to provide veterans access to mental health supports, housing, and other services.
- Increase support for veterans, military personnel, and their families attending University of Wisconsin System institutions by providing \$1,209,500 GPR in fiscal year 2023-24, \$1,612,500 GPR in fiscal year 2024-25, and 21.5 FTE GPR permanent positions.
- Provide \$450,000 GPR annually to assist employers that hire veterans who are transitioning to civilian life. The funding will help employers provide training and wraparound services to veterans.
- Provide \$250,000 GPR over the biennium to award grants to organizations that train service dogs for the purpose of assisting providers in attaining accreditation specific to post-traumatic stress disorder from Assistance Dog International.
- Provide \$50,000 PR in each year of the biennium to the Department of Safety and Professional Services provide grants to organizations to accomplish the direct translation of military training and credits to licensure requirements, and where possible, to adjust programming to allow military training to fulfill these requirements.
- Provide \$450,000 GPR in each year of the biennium as state support for the peer-run respite center for veterans to ensure the center has a reliable, ongoing funding source.
- Expand access to the Assistance for Needy Veterans Grant by including medical devices as an allowable expense under the program. The Governor also recommends increasing the annual and lifetime caps for support under this program.
- Provide funding to the state veterans homes to address their ongoing needs so that each home has adequate resources to provide the best possible care to the most vulnerable veterans in Wisconsin.

- Provide funding to the Department of Veterans Affairs to create a master plan to assess the current status of the campus of the State Veterans Home at King.
- Provide 2.9 FTE GPR positions and 3.1 FTE FED positions to better maintain the facilities under management by the department.
- Provide \$821,400 GPR and 11.0 FTE GPR positions to provide ongoing funding for the comprehensive wellness program, which works to improve the culture of health and wellness within the Wisconsin National Guard.
- Strengthen and clarify statutes as they relate to sexual misconduct in the Wisconsin National Guard and make updates to the Wisconsin Code of Military Justice.
- Maximize access to and utilization of the Department of Safety and Professional Services' enhanced Prescription Drug Monitoring Program for all Wisconsin healthcare providers through increased expenditure authority of \$253,800 PR in fiscal year 2023-24 and \$261,400 PR in fiscal year 2024-25. Also, provide \$600,000 PR in fiscal year 2024-25 for electronic health records integration to ensure the accuracy and efficacy of the enhanced Prescription Drug Monitoring Program. The system improves patient care and safety and reduces misuse and diversion of prescription drugs.
- Create a new advanced practice nurse practitioner license for registered nurses. An advanced practice nurse practitioner will have a greater scope of practice, including issuing prescription orders and delegating certain tasks to other clinically trained healthcare workers, increasing access to healthcare services.
- Expand the Health Care Provider Loan Assistance Program by providing \$500,000 GPR in each year of the biennium to increase access to medical and dental services across the state by providing incentives for medical assistants, dental assistants, dental therapists, and dental auxiliaries to work in Wisconsin.
- Support newborn screening operations at the Wisconsin State Laboratory of Hygiene, which screens infants born in Wisconsin for 48 disorders, hearing loss, and critical congenital heart disease by providing \$2.2 million GPR in each year of the biennium.
- Provide \$735,000 GPR in each year to provide electronic benefit transfer processing equipment to farmer's markets and direct-marketing farmers to expand healthy food options for those enrolled in the FoodShare program.
- Provide \$88,200 GPR and \$88,200 FED in fiscal year 2023-24 and \$448,400 GPR and \$448,400 FED in fiscal year 2024-25 to implement a Double Up Food Bucks Pilot Program to assist FoodShare households by providing discounts on fresh fruits and vegetables at participating retailers.
- Fully fund the county income maintenance consortia.
- Repeal the requirement for able-bodied adults without dependents to clear a drug screening in order to participate in the FoodShare Employment and Training program.
- Repeal the onerous work requirement for able-bodied adults enrolled in the FoodShare program.
- Repeal the pay-for-performance incentives for vendors of the FoodShare Employment and Training program.
- Provide \$247,500 PR in fiscal year 2023-24 and \$275,000 PR in fiscal year 2024-25 to implement and administer a qualified Achieving a Better Life (ABLE) Savings program, which helps individuals with disabilities save money through tax-favored savings accounts that can be used to help pay for qualified expenses. An estimated 140,000 Wisconsinites would be eligible to benefit from this program.

- Make gun safes, barrel locks, and trigger locks sales tax exempt to encourage safe, secure, and responsible storage of firearms when they are not in use.
- Make basic family needs including diapers, incontinence products, menstrual products, tampons, and breast pumps exempt from sales tax.
- Tax little cigars as cigarettes to close a cigarette tax loophole.
- Impose on all e-cigarette and vapor products the existing tobacco tax rate of 71 percent of the manufacturer's list price to ensure these products receive equal tax treatment as other similar tobacco products, and consequently, reduce the appeal of these products as entries to smoking and nicotine addiction.
- Establish an Affordable Workforce Housing Grant program and provide \$150 million GPR in fiscal year 2023-24 to provide funding to local municipalities to encourage the development and maintenance of additional affordable workforce housing in the state. Allowable costs have been expanded to include infrastructure projects (streets, sidewalks, water and sewer) related to new residential developments that include affordable housing. In addition, municipalities that change zoning criteria in order to support additional affordable housing development would qualify for a bonus.
- Provide \$100 million GPR in fiscal year 2023-24 to create a Municipal Home Rehabilitation Program to award grants to municipalities to renovate and restore blighted residential properties with the goal of increasing available affordable housing options within the municipality.
- Provide \$100 million GPR in fiscal year 2023-24 to support a revised and more robust Workforce Housing Rehabilitation Loan Program at the Wisconsin Housing and Economic Development Authority. The revised program would provide low-interest and forgivable loans to low- to moderate-income households to renovate or repair their current home, including lead remediation. The authority would be allowed to use a portion of the funding for housing navigators and administration.
- Create a Housing Safety Grant Pilot Program and provide \$5 million GPR in fiscal year 2023-24 to award grant funding to the city of Milwaukee for activities that support the improvement of rental housing safety.
- Provide \$7.25 million GPR in fiscal year 2023-24 to create a pilot program that provides funding for whole-home upgrades within the city of Milwaukee with the goal of reducing energy burdens and creating a healthier living environment for households with lower incomes.
- Provide \$232,200 GPR in fiscal year 2023-24, \$310,900 GPR in fiscal year 2024-25 and 3.0 FTE GPR positions to the Department of Administration to staff the housing grant programs.
- Modify the State Housing Tax Credit program to help address the need for affordable housing in the state by: (a) increasing the limit on the total amount of state housing tax credits that may be authorized annually by the authority from \$42 million to \$100 million; and (b) increasing the credit period from six taxable years to ten taxable years.
- Increase the limit on notes and bonds the authority can issue that are secured by a capital reserve fund from \$800 million to \$1.2 billion to continue to finance projects supported with an allocation of state and federal housing tax credits.
- Modify statutory language related to landlord-tenant responsibilities and eviction processes and procedures that were enacted over the past decade to provide a better balance of rights and protections for landlords and tenants. Under the modifications, municipalities are no longer restricted from enacting certain ordinances related to inspection fees, prohibiting

evictions in winter months and safety disclosures.

- Create a civil legal assistance program and provide \$30 million GPR in each fiscal year to allocate funds to the Wisconsin Trust Account Foundation, Inc. to support grants for civil legal services to indigent persons, with a focus on establishing a statewide right to counsel for evictions. Civil legal services may also include unemployment compensation, consumer law, domestic violence and health insurance matters.
- Expand the civil legal assistance program at the Department of Children and Families by \$500,000 TANF in each fiscal year to provide legal services related to eviction matters.
- Increase funding for the same homeless prevention programs recommended by the Interagency Council on Homelessness, but at higher funding levels: (a) \$1 million GPR in each fiscal year for the Homelessness Prevention Program; (b) \$1 million GPR in each year for the creation of a new diversion program; (c) \$700,000 GPR in each fiscal year for the State Shelter Subsidy Grant; (d) \$5 million GPR in each fiscal year for the Housing Assistance Program; (e) \$500,000 TANF in each fiscal year for the Homeless Case Management Services Grant; (f) \$250,000 GPR in each fiscal year for the Skills Enhancement Grant at the Department of Children and Families; (g) \$2 million GPR in each fiscal year to create a new housing quality standards grant; and (h) \$600,000 GPR in each fiscal year to create a grant for housing navigation. Also, create a veteran rental assistance program funded at \$1 million GPR in each fiscal year. Finally, provide 2.0 FTE GPR positions within the Department of Administration's Division of Energy, Housing and Community Resources to support the expanded programs and 1.0 FTE FED position funded with TANF to support the Homeless Case Management Services Grant.
- The Governor recommends modifying tax incremental finance policies to support the development of workforce housing by increasing the amount of a tax incremental finance district's area that can be comprised of newly platted residential developments to 60 percent instead of the current law 35 percent, if that additional amount is used solely for workforce housing. The Governor also recommends allowing municipalities to extend the life of a tax incremental finance district by up to three years, rather than the current one year, if the municipality adopts a resolution specifying how it will increase the number of affordable or workforce housing units. The Governor further recommends that municipalities may adopt workforce housing initiatives by implementing one or more of several enumerated policies aimed at improving the availability of workforce housing and that implementing three or more of these enumerated policies shall give those municipalities priority in housing grants from state agencies responsible for such grants. In addition, the Governor recommends that workforce housing for the purposes of these provisions be defined to mean housing that costs a household no more than 30 percent of the household's gross median income and housing that comprises residential units for initial occupancy by individuals whose household income is no more than 120 percent of the county's gross median income.



D. BUILDING STRONG, SAFE COMMUNITIES

- Reform Shared Revenue to provide the largest increase in aid to municipalities and counties in decades. The Governor's budget creates a new shared revenue appropriation that will provide increased aid to municipalities and counties of \$576.2 million GPR for their calendar year 2024 budgets (state fiscal year 2024-25). Future allocations will grow with sales tax collections. The appropriation's allocation for each calendar year will be 20 percent of the state's sales tax collections of the fiscal year ending in that calendar year after subtracting the amount needed to continue existing County and Municipal Aid, Expenditure Restraint, and the county and municipal components of personal property aid. The remaining funds will be divided between public safety aid and general aid to municipalities and counties:

- Public safety aid will be 43.4 percent of the total funds available under the new appropriation. Public safety aid payments can be used to support law enforcement, fire, and EMS services as well as courts and district attorneys' offices and the formula ensures that no government shall receive less than \$10,000 under the public safety aid distribution.
- The remaining 56.6 percent of the aid will be distributed as general aid with 70 percent allocated to municipalities and 30 percent to counties. General aid will be distributed with 15 percent of the general aid distribution being made on a per capita basis while the remaining 85 percent will be distributed based on aidable revenues as adjusted by the local government's equalized value per capita relative to statewide equalized value per capita.
- For future distributions under the new shared revenue, no local government may receive less than 95 percent of their prior year's allocation. Existing shared revenue programs will continue under their current law provisions.
- Provide \$300 million GPR in one-time funding over the biennium to the Department of Administration to support the continuation of three transformative community investment programs that were funded with federal funding received by the state under the American Rescue Plan Act of 2021:
 - Neighborhood Capital Investment Fund Grant Program (\$150 million), which provides grants to local and Tribal governments to invest in community and regionally-based solutions to bolster Wisconsin's workforce for the future, such as projects to build affordable housing, increase transit and transportation access, and expand child care, or other areas based on unique local workforce needs.
 - Healthcare Infrastructure Capital Grant Program (\$100 million), which provides grants for investments in healthcare infrastructure necessary to expand access to affordable healthcare, build facilities in areas of high-need, and reduce disparities in healthcare outcomes and services statewide, among other key priorities.
 - Tourism Capital Investment Grant Program (\$50 million), which provides funding to assist local and Tribal governments and nonprofit organizations to bolster Wisconsin's tourism, travel, and lodging economies.
- Provide parity between low and high growth municipalities and counties by allowing a minimum growth factor of 2 percent for county and municipal levy limits.
- Eliminate an existing disincentive for local government service consolidation by removing the required negative levy limit adjustment that the transferring government must take when transferring the provision of a service to another government.
- Make it easier for communities to work together to create cross-boundary transit corridors by creating an exclusion to county and municipal levy limits for cross-municipality transit routes where the counties and municipalities meet a number of criteria, including that the counties and municipalities claiming the exclusion must be adjacent, must have entered into an intergovernmental cooperation agreement to provide new or enhanced transit services across county or municipal boundaries, and that each participating county or municipality must have passed a referendum approving the agreement.
- Enhance local control by removing the current law negative county and municipal levy limit adjustment for fees for covered services.
- Provide greater flexibility to local governments by removing the current law supermajority requirement for the utilization of carryover county and municipal levy limit capacity.
- Prevent erosion of the property tax base and protect property taxpayers and local governments by closing the dark store loophole for commercial property assessments.

- Encourage service sharing between local units of government on emergency medical services and fire protection by broadening the types of service sharing arrangements that qualify for the levy limit adjustments related to service sharing.
- Provide greater flexibility in the creation of tax incremental finance districts by allowing municipalities to exceed the 12 percent of equalized value limitation if those municipalities have a district expiring in the following year that would bring them below that limitation.
- Repeal Wisconsin's outdated and burdensome personal property tax on businesses and provide \$202.4 million in fiscal year 2024-25 to compensate all local taxing jurisdictions for the reduction in their property tax base. The payments to local governments will increase in future years with inflation.
- Allow Milwaukee County to impose an additional 1 percent sales tax, with 50 percent of the resulting new revenue distributed to the city of Milwaukee, to diversify local revenue sources and improve the ability of both Milwaukee County and the city of Milwaukee to address unique needs in the state's largest metropolitan area, if approved by local referendum.
- Allow counties, other than Milwaukee County, to impose an additional 0.5 percent sales tax and allow municipalities with populations over 30,000, other than the city of Milwaukee, to impose a 0.5 percent sales tax to diversify local revenue sources and better empower local governments to fund police and fire protection, transit, roads, and other important services, if approved by local referendum.
- Revise the expenditure restraint program budget test for municipalities to increase local control and to ensure they are not excluded from the program's payments because of increases in their spending due to accepting federal dollars or increased levies approved by voters via referendum.
- Provide \$578,000 GPR in fiscal year 2023-24 and \$520,200 GPR in fiscal year 2024-25 to the towns and counties that experienced a reduction in their property tax base due to a recent federal court decision that exempted from property taxation certain Tribal Lands, with this funding phasing out over 10 years.
- Increase the payments for municipal services appropriation by 5 percent, providing a \$929,200 GPR annual increase to governments serving tax-exempt state property.
- Invest \$750 million GPR for the Broadband Expansion Grant program with a requirement that the Public Service Commission spend at least \$75 million annually on grants. This historic proposal builds upon the Governor's previous record-setting investments in expanding broadband across the state and is more than four times larger than the total funding provided to the grant program over the Governor's past two budgets.

Strengthen the Broadband Expansion Grant program to ensure that all Wisconsinites have access to reliable and affordable broadband service by:

- Increasing the statutory speed standard for areas considered to be broadband "unserved" to service speeds less than 100 megabits per second (Mbps) download and 20 Mbps upload.
- Allowing the commission to reevaluate the statutory speed standard every two years to align with changes in technology and market conditions.
- Requiring an area to have access to broadband service that is "available, reliable, and affordable" in order for it to be considered served, and all other areas to be considered "unserved."
- Requiring the commission to give priority to grant applications contributing matching funds of at least 40 percent of the total requested funding amount.

- Requiring the commission to give priority to grant applicants capable of offering service at the speed threshold of 100 mbps download and 100 mbps upload.
- Requiring the commission to consider the affordability of service and all federal funding for broadband in the proposed project area when evaluating grant applications.
- Establishing a procedure for Internet service providers (ISP) to challenge a grant award. To challenge a grant award, the ISP must demonstrate that it currently provides “available, reliable, and affordable” service at minimum speeds defined under state law or must commit to do so within two years.
 - If the commission withholds grant funding from an applicant as a result of an ISP challenge and the ISP does not fulfill its commitment to provide service, the commission is prohibited from awarding grant funding to the ISP for the following two grant cycles and the ISP is barred from submitting a challenge for the following two grant cycles.
- Provide 2.0 FTE PR positions and associated expenditure authority to the State Broadband Office to assist with the expanded Broadband Expansion Grant program and the challenge process.
- Eliminate several statutory restrictions for certain municipalities defined as broadband “unserved” to enable them to directly invest in broadband infrastructure and provide service to residents. Allow these communities to apply directly for broadband expansion grant funding from the Public Service Commission.
- Create a Broadband Line Extension Grant Program, funded at \$1.75 million GPR in fiscal year 2023-24 and \$3.5 million GPR in fiscal year 2024-25, to provide grants and financial assistance to eligible households to subsidize the cost of a line extension from existing broadband infrastructure to a residence that is not served by a broadband provider.
- Modify current law to protect broadband customers by requiring broadband service providers to meet certain service requirements, including prohibiting a broadband service provider from denying service to residential customers based on race or income and requiring providers to award credits to customer’s internet bills based on service outages.
- Modify current law to create a Digital Equity program supported by funding from the state Universal Service Fund.
- Use nearly \$380 million GPR of the state’s historic surplus to pay down debt in the transportation revenue bond program. This action will allow funds currently devoted to debt service to become available for improving Wisconsin roads as well as saving the state money on interest payments.
- Provide two new sources of revenue to fund infrastructure improvements throughout Wisconsin and maintain a healthy transportation fund. The first is an amount calculated from the state sales tax generated by the sale of electric vehicles. The second is a transfer of a portion state sales tax on the sale of auto parts, tires, and repair services. These transfers will allocate nearly \$190 million from the general fund to the transportation fund over the biennium.
- Provide \$16 million in bonding for dredging, seawall reconstruction, and other projects associated with the Harbor Assistance Program.
- Provide \$20 million in bonding for the Freight Rail Preservation Program.
- Provide \$47.2 million in bonding to begin the Blatnik Bridge reconstruction project in partnership with the Minnesota Department of Transportation.

- Provide \$140.8 million in bonding for the reconstruction and widening of I-94 East-West in Milwaukee County.
- Increase general transportation aids for both counties and municipalities by 4 percent in calendar year 2024 and another 4 percent in calendar year 2025. The Governor's Executive Budget provides the highest level of funding for general transportation aids in the program's history.
- Establish a new program with \$60 million GPR in funding for traffic calming grants.
- Improve the safety of travel on Wisconsin's highways by providing 35.0 FTE SEG positions for additional state troopers and 10.0 FTE SEG positions for motor carrier inspectors.
- Establish a program to utilize federal funding to further build out Wisconsin's electric vehicle charging infrastructure. This action will enable the state to use \$17.1 million of federal funding in fiscal year 2023-24 and \$17.4 million of federal funding in fiscal year 2024-25 along with potential state funds to allow greater use of electric vehicles throughout the state.
- Provide \$234,900 GPR in fiscal year 2023-24, \$177,300 GPR in fiscal year 2024-25, and 2.0 FTE GPR positions to the Department of Agriculture, Trade, and Consumer Protection to provide consumer protection oversight of electric vehicle charging stations.
- Modify current law to explicitly exempt from the definition of a public utility, a nonutility that supplies electricity through an electric vehicle charging station and charges by duration or the kilowatt-hour.
- Provide \$16,000 SEG to develop and implement electric vehicle identifier plate stickers to assist first responders in emergency response.
- Provide an ongoing \$50 million SEG supplement to the local road improvement program each year beginning in fiscal year 2023-24 to increase direct support of local road and bridge projects throughout the state. In addition, provide a funding increase of 4 percent in each year of the biennium for the current law elements of the local road improvement program.
- Increase state support of mass transit aids by 4 percent in each calendar year of the biennium to further support nondrivers' access to employment, healthcare, and recreation throughout the state. In addition, increase funding to programs supporting transportation for the elderly and people with disabilities, paratransit, and employer-sponsored commuting options.
- Restore the ability of cities, villages, and towns to use eminent domain to build pedestrian and bike paths.
- Provide \$1.2 million annually to provide matching funds for Transportation Alternatives Program (TAP) projects for small communities.
- Restore roadway design considerations in state law that support nonmotorist infrastructure known as complete streets.
- Allow local governments to establish Regional Transit Authorities throughout the state as local governments deem necessary for the benefit of their residents.
- Implement Driver Licenses for All, regardless of documented status, to improve the safety of Wisconsin roads for everyone in Wisconsin.
- Increase the number of days that an employee of a farm service industry employer can carry a seasonal Commercial Driver's License from 180 to 210 days to match federal law.

- Provide \$50 million in bonding to support the Southern Bridge project on the Fox River in Brown County.
- Direct \$1.2 million SEG for pressing repairs to the Ray Nitschke Memorial Bridge in Green Bay.
- Allocate \$8 million SEG in new funding to support local government administration of federal local road program funding opportunities. This total includes \$3 million SEG to help local governments perform the administrative steps that must occur before a local road project becomes eligible for federal funds. The remaining \$5 million SEG will enable the Department of Transportation to provide technical assistance to local governments so that communities in our state can meet federal reporting requirements throughout the duration of local road projects.
- Provide \$62,800 PR in fiscal year 2023-24, \$82,300 PR in fiscal year 2024-25, and 1.0 FTE PR position to oversee a team at the Department of Natural Resources that provides environmental reviews of transportation projects statewide to ensure these projects move forward in a timely manner.
- Provide \$150,000 SEG in fiscal year 2023-24 and \$50,000 SEG in fiscal year 2024-25 to develop and maintain a database to support the cooperative agreement between the Department of Natural Resources and the Department of Transportation.
- Provide \$45 million GPR for the design and implementation of a new statewide interoperable communications system, which is a shared land mobile radio public safety communications system allowing emergency personnel and first responders to communicate for their daily missions, during a major disaster, or a largescale incident.
- Provide \$506,400 GPR annually for training and equipment for an urban search and rescue task force to allow the department to reach its goal of building Wisconsin Task Force 1 into a Type 1 urban search and rescue task force capable of 24-hour operations.
- Provide 1.0 FTE GPR position to manage the department's wireless network throughout its locations in the state.
- Provide \$100,000 GPR annually to hire a consultant to navigate the federal process of choosing locations for the bed down of new aerial refueling aircraft to best position Wisconsin as the location for updated aircraft.
- Provide \$6 million GPR annually to double the amount of funding available for grants to public safety answering points to help in the transition to Next Generation 911 by training staff, purchasing equipment, and upgrading software.
- Provide \$557,700 GPR and 4.0 FTE GPR positions to create an Office of Homeland Security to coordinate with the federal Department of Homeland Security and state and local law enforcement agencies to identify, investigate, assess, report, and share tips and leads linked to emerging homeland security threats.
- Provide \$2.1 million GPR over the biennium to provide state matching funds for a cybersecurity grant program.
- Provide \$1 million GPR in fiscal year 2023-24 to the town of Silver Cliff to assist in the rebuilding of the public safety building destroyed by a tornado in June 2022.
- Provide \$290 million GPR for a grant to a professional baseball park district to ensure the district has the financial resources to meet its obligations to assist in the development, construction, improvement, repair, and maintenance of the district's baseball park facilities. To receive the funds, the district must have: a lease with a professional baseball team for a term that expires not earlier than December 31, 2043; a nonrelocation agreement with the team; and an agreement reflecting the team's financial contribution to the baseball park

facilities. In addition, the Governor recommends providing certain property and sales tax exemptions for activities related to the baseball park.

- Provide \$200 million GPR for the replacement of lead service lines through the Safe Drinking Water Loan Program.
- Modify current law to allow utilities to provide financial assistance in the form of 100 percent grant funding to support the replacement of lead service lines for property owners.
- Provide grants of equal amounts to each Tribe to support programs that meet the needs of Tribal citizens, as determined by each Tribe. In total, the grants will be funded at \$15,524,900 PR-S in each fiscal year, an amount intended to return the remaining Tribal gaming revenues received by the state over the biennium to the Tribes.
- Create new grants for Native American language revitalization and cultural preservation, funded at \$5,500,000 Tribal gaming revenues each fiscal year, to be distributed equally to each Tribe.
- Increase the Native American Tourism of Wisconsin (NATOW) marketing contract by \$115,000 PR-S Tribal gaming revenues annually starting in fiscal year 2023-24 and transfer management of the contract from the Department of Tourism to the Department of Administration.
- Provide specific grants using Tribal gaming revenues, including:
 - An annual grant of \$110,100 to the Oneida Nation to support a coordinator position within the National Estuarine Research Reserve (NERR) system. The coordinator will work with NERR and Great Lakes Tribal Nations.
 - An annual grant of \$175,000 to the Oneida Nation to support Audubon Great Lakes projects.
 - An annual grant of \$266,600 to the Menominee Nation to support transit services to improve access to necessary resources, including youth services, court-ordered visitations, and other family services appointments.
- Reestablish \$109,300 PR-S Tribal gaming revenues in each year to the University of Wisconsin-Green Bay for educational programs developed in partnership with the Oneida Nation of Wisconsin that was made one-time in the 2021-23 biennial budget.
- Modify statutes to allow Tribal Nations to place welcome signs along roadways to mark Tribal boundaries in the same manner that municipalities currently do.
- Legalize the sale of marijuana for recreational use if it is sold by a retailer holding a permit issued by the Department of Revenue and direct all resulting excise tax collections into a newly created Community Reinvestment Fund to support \$44.4 million of grants to counties to provide mental health and substance use disorder services during fiscal year 2024-25.
- Provide \$1,535,900 all funds in fiscal year 2023-24 and \$1,853,700 all funds in fiscal year 2024-25 in one-time funding for pay progression for assistant attorneys general to increase retention of experienced attorneys.
- Provide \$7,013,400 GPR in each year for market-based salary adjustments for assistant and deputy district attorneys, providing a competitive starting rate of \$35 per hour. Also, provide \$1,672,100 GPR in fiscal year 2024-25 for a one-step pay progression for assistant and deputy district attorneys to increase retention of experienced attorneys. Finally, provide \$854,300 GPR in fiscal year 2024-25 to increase compensation for elected district attorneys, beginning with their new term in 2025.

- Provide additional assistant district attorney positions across the state by: (a) providing an additional 42.9 FTE GPR assistant district attorney positions in each fiscal year; (b) providing 1.4 FTE GPR positions to increase part-time positions in three counties; and (c) converting 8.5 FTE positions from PR to GPR for positions where grant funding has or will run out.
- Allow counties with a population between 200,000 and 750,000 to appoint up to four deputy district attorneys.
- Provide \$3 million GPR annually in one-time funding to rebuild and modernize the District Attorneys' caseload management system, also known as the PROTECT system.
- Provide \$7,033,500 GPR in fiscal year 2023-24 and \$9,021,200 GPR in fiscal year 2024-25 for market-based salary adjustments for assistant state public defenders to increase retention of experienced attorneys. This funding would be sufficient for a starting rate of \$35 per hour and a one-step pay progression in fiscal year 2024-25.
- Provide \$2,784,200 GPR and 50.0 FTE GPR positions in fiscal year 2023-24 and \$3,579,000 GPR and 50.0 FTE GPR positions in fiscal year 2024-25 for the State Public Defender to hire additional administrative staff and reduce oversized staff workloads.
- Provide \$10,803,300 GPR in each fiscal year to increase the private bar reimbursement rate and improve the State Public Defender's ability to recruit and retain private attorneys. This funding would be sufficient for a private bar rate of \$100 per hour and a travel rate of \$50 per hour.
- Modify statutes to increase the number of trial division attorneys that may be exempted from caseload standards from 10 to 25. These modifications will allow attorneys to perform other duties, such as providing office management, leading legal trainings, or participating in Treatment Alternatives and Diversion program and other diversion programs.
- Assist prosecutors or public defenders in receiving loan repayment assistance through the John R. Justice Student Loan Repayment Program by providing the Higher Educational Aids Board with \$28,300 GPR in fiscal year 2023-24, \$41,800 GPR in fiscal year 2024-25, and 0.5 FTE GPR position to administer the program.
- Provide \$65,700 PR in fiscal year 2023-24, \$84,200 PR in fiscal year 2024-25, and 1.0 FTE PR position to hire an attorney to represent executive branch attorneys in Office of Lawyer Regulation complaints.
- Require, with certain exceptions, that any firearm transfers be done through federally licensed firearm dealers, including background checks conducted on recipients.
- Create an extreme risk protection injunction process similar to the existing domestic violence injunction for law enforcement and concerned loved ones to use where a court, after a hearing, may order an individual to refrain from possessing a firearm for up to one year if it finds by clear and convincing evidence that they are substantially likely to injure themselves or another by possessing a firearm. The Department of Justice would, in addition to checking for prohibitions under current law, check whether an applicant for a license to carry a concealed weapon is prohibited from possessing a firearm under an extreme risk protection injunction.
- Require district attorneys to offer a diversion and restitution alternative for certain misdemeanor offenses.
- Permit county sheriffs and local appointing authorities to choose whether to hire noncitizens as officers as long as that person has valid employment authorization from the U.S. Department of Homeland Security.

- Establish that requesting an applicant for employment to supply information regarding their conviction record, or otherwise considering the record, prior to selection for an interview constitutes employment discrimination.
- Provide \$975,800 GPR in each year for ongoing funding to the Department of Corrections to operate six mobile labs.
- Clarify and bolster the duties of the Parole Commission and the Department of Corrections to notify family members when a person applies for parole or is released on parole or extended supervision.
- Provide \$2,227,700 GPR in fiscal year 2023-24 and \$4,443,200 GPR in fiscal year 2024-25 to expand community-based options for alternatives to revocation. This funding will be used to provide an additional 100 alternatives to revocation beds.
- Provide \$1,859,400 GPR and 34.0 FTE GPR positions in fiscal year 2023-24 and \$1,003,400 GPR and 36.0 FTE GPR positions in fiscal year 2024-25 to expand capacity for the Earned Release Program, Substance Use Disorder programming, and other needed programming at adult institutions.
- Provide \$1,106,800 GPR in fiscal year 2023-24, \$3,915,800 GPR in fiscal year 2024-25, and 1.0 FTE GPR position to expand a medication assisted treatment program at the Department of Corrections.
- Provide \$250,000 GPR in each year to expand the Windows to Work program.
- Expand the Opening Avenues to Reentry Success program statewide by providing \$2,309,200 GPR in fiscal year 2023-24 and \$3,078,900 GPR in fiscal year 2024-25.
- Extend the Opening Avenues to Reentry Success 2 Probation Pilot program by providing \$1,140,400 GPR in fiscal year 2023-24 and \$2,268,000 GPR in fiscal year 2024-25.
- Provide 2.0 FTE GPR positions at the Department of Health Services to administer the expansion of the Opening Avenues to Reentry Success program, a program that strives to reduce recidivism in Department of Corrections clients who experience a serious mental illness through intensive case management and mental health services.
- Create an earned compliance credit for certain eligible individuals on supervision. The earned compliance credit would equal the amount of time served on extended supervision or parole without violating any conditions or rules of extended supervision or parole.
- Expand the Earned Release Program to include educational, vocational, treatment, or other qualifying training programs that are evidence-based to reduce recidivism.
- Provide \$463,000 GPR in fiscal year 2023-24, \$542,700 GPR in fiscal year 2024-25, and 6.0 FTE GPR positions to provide additional staffing at the Robert E. Ellison Correctional Center and the Milwaukee Women's Correctional Center. The staffing supplement will provide a chaplain position for both institutions and supervising officer positions for the Robert E. Ellison Correctional Center.
- Provide \$85,300 GPR in fiscal year 2024-25 to fund nonpersonnel costs related to the opening of the health services unit at the Wisconsin Secure Programming Facility.
- Provide \$209,000 all funds in each year of the biennium to fully fund GPS tracking of sex offenders that are currently under monitoring by the Department of Corrections.
- Provide \$208,900 all funds in fiscal year 2023-24 and \$471,900 all funds in fiscal year 2024-25 for GPS monitoring of sex offenders that are estimated to need monitoring beginning in the 2023-25 biennium.

- Provide \$153,300 GPR and 5.0 FTE GPR positions in fiscal year 2023-24 and \$319,000 GPR and 10.0 FTE GPR positions in fiscal year 2024-25 to convert part-time pharmacy technicians to full-time pharmacy technicians at the Department of Corrections. This conversion will improve pharmacy workflow and employee retention.
- Provide \$386,400 GPR in fiscal year 2023-24, \$429,300 GPR in fiscal year 2024-25, and 5.0 FTE GPR positions for a training team at the Department of Corrections.
- Provide \$527,900 GPR in fiscal year 2023-24, \$566,000 GPR in fiscal year 2024-25, and 6.0 FTE GPR positions to create a regional maintenance team for the Department of Corrections. This team would not be tied to any specific institution and would be involved in projects outside the scope of day-to-day operations.
- Provide \$464,000 GPR in fiscal year 2023-24, \$533,500 GPR in fiscal year 2024-25, and 5.0 FTE GPR positions to supplement the Department of Corrections' Facilities Infrastructure and Innovative Technologies team, which maintains IT infrastructure in institutions.
- Provide 3.0 FTE GPR positions in each year to convert three Department of Corrections IT contractors to full-time, state employees.
- Expand the conditions under which an individual may have their criminal record expunged of a crime.
- Require that courts order the use of an ignition interlock device for all offenses involving the use of alcohol and operating a motor vehicle while intoxicated.
- Provide \$1 million GPR over the biennium to reimburse counties for circuit court costs related to implementing pretrial risk assessments.
- Create an intensive preservation services program in three regions of the state with \$16,567,500 GPR and \$1,321,500 PR-F in fiscal year 2023-24, \$16,595,900 GPR and \$1,349,900 PR-F in fiscal year 2024-25, and 2.0 FTE PR-F positions for families at risk of having a child or youth enter either out-of-home care or the juvenile justice system.
- Develop a youth justice data and reporting system and continue funding for the Youth Assessment Screening Instrument with \$936,700 GPR and \$435,100 PR-F in fiscal year 2023-24 and \$945,500 GPR and \$435,100 PR-F in fiscal year 2024-25.
- Provide \$1,563,500 GPR in fiscal year 2023-24 and \$2,102,000 GPR in fiscal year 2024-25 to create a state training program for youth justice workers and provide continued training for those workers, as well as booster training for the Youth Assessment Screening Instrument.
- Modify the youth justice statutes and appropriations to provide more flexibility in allocating Youth Aids funding and to enhance system improvements.
- Create a new sum sufficient appropriation and provide \$5 million GPR in each fiscal year to reimburse counties for increased costs associated with raising the age that a circuit court or municipal court exercises adult court jurisdiction on individuals from 17 to 18 years of age.
- Create a Juvenile Justice Reform Review Committee at the Department of Children and Families to study and provide recommendations on reforming the juvenile justice system, including jurisdiction and sentencing, to the Department of Children and Families and the Department of Corrections on options for juvenile justice reforms.
- Allocate \$750,000 GPR starting in fiscal year 2024-25 to provide counties with bonuses for operating secured residential care centers for children and youth that serve youth from more than one county, as required by current law.

- Provide 174.0 FTE GPR positions to the Mendota Juvenile Treatment Center to fully staff the expansion of the facility. The expansion will increase capacity at the Mendota Juvenile Treatment Center from 29 to 93 juveniles, and will serve juvenile girls for the first time.
- Increase expenditure authority by \$250,000 PR in each year at the Department of Justice for local law enforcement supporting the Internet Crimes Against Children Task Force.
- Provide \$387,800 GPR in fiscal year 2023-24, \$601,000 GPR in fiscal year 2024-25, and 7.0 FTE all funds positions at the Department of Justice to provide the Office of School Safety with additional permanent positions.
- Provide an additional \$12.5 million GPR for the treatment alternatives and diversion program to greatly expand the program. Convert \$1 million of treatment alternatives and diversion program funding in each year from justice information system surcharge funding to general purpose revenue to address a current deficit of surcharge funding. Provide \$232,000 PR in fiscal year 2023-24 for the treatment alternatives and diversion program.
- Provide \$10 million GPR over the biennium to fund and create a grant program administered by the Department of Justice for law enforcement agencies to fund programs that recruit and retain law enforcement officers and that promote officer wellness.
- Provide \$10 million GPR over the biennium to fund and create a grant program administered by the Department of Justice to provide local governments and Tribes funding for community policing and community prosecution programs.
- Provide \$10 million GPR over the biennium to fund and create a grant program administered by the Department of Justice to support organizations that provide services for crime victims.
- Provide an additional \$10 million GPR over the biennium for the Sexual Assault Victim Services Grant Program.
- Provide an additional \$5,724,700 GPR in fiscal year 2023-24 and \$6,004,200 GPR in fiscal year 2024-25, with the goal of reimbursing counties up to 90 percent of their eligible costs associated with providing services to crime victims and witnesses.
- Provide \$190,800 PR of expenditure authority in fiscal year 2023-24 to help offset overtime costs for beat patrol efforts of law enforcement.
- Provide \$58,400 GPR in fiscal year 2023-24, \$78,000 GPR in fiscal year 2024-25, and 1.0 FTE GPR position at the Department of Justice to continue providing training and resources for prosecutors on sexual assault cases. This position would continue the responsibilities of a project position, created under 2019 Wisconsin Act 9, that ends in July 2023.
- Provide \$116,900 GPR in fiscal year 2023-24, \$155,800 GPR in fiscal year 2024-25, and 2.0 FTE GPR positions to serve as field prosecutors at the Division of Criminal Investigation's Wausau and Appleton field offices and assist with investigating and prosecuting drug-related offenses.
- Provide \$773,500 GPR in fiscal year 2023-24, \$961,500 GPR in fiscal year 2024-25, and 10.0 FTE GPR positions at the Department of Justice to investigate crime in the department's Division of Criminal Investigation. The positions include both special agents and criminal analysts.
- Provide \$237,300 GPR in fiscal year 2023-24, \$513,200 GPR in fiscal year 2024-25, and 9.0 FTE GPR positions at the Department of Justice for additional staff at the State Crime Laboratories.

- Provide \$185,800 GPR in fiscal year 2023-24, \$242,800 GPR in fiscal year 2024-25, and 3.0 FTE GPR positions at the Department of Justice to help district attorneys prosecute violent crime.
- Increase funding for grants for Tribal law enforcement programs by \$695,000 PR-S in each year.
- Create the Office of Missing and Murdered Indigenous Women within the Department of Justice, which will administer a grant program, provide training, and provide services to crime victims and witnesses who are citizens of a Tribal Nation. Provide \$3,675,200 GPR in fiscal year 2023-24 and \$3,733,500 GPR in fiscal year 2024-25 for the office, create a new 1.0 FTE GPR unclassified office director position that will be appointed by the Attorney General, and 2.0 FTE GPR positions for classified office staff.
- Create a hate crime hotline administered by the Department of Justice to encourage victims to report hate crimes and enable law enforcement to better address hate crimes.
- Provide \$250,000 GPR in fiscal year 2024-25 to create a grant program administered by the Department of Justice to promote the protection of elders and support the elder abuse hotline.
- Convert \$817,000 FED in each year and 5.0 FTE FED positions at the Department of Justice from federal Victims of Crime Act (VOCA) funding to general purpose revenue to address a projected reduction of VOCA funding available for awards to local agencies providing services to crime victims.
- Provide \$441,100 GPR in fiscal year 2023-24, \$550,000 GPR in fiscal year 2024-25, and 6.0 FTE GPR positions for the Department of Justice to administer new and existing programs.
- Provide \$790,000 GPR of one-time funding in each year of the biennium for the court system to install digital audio recording devices for court reporting.
- Make changes to certificates of qualification for employment to improve administration.
- Create a false claims with qui tam provision for private parties to bring an action on behalf of the state where fraud against state-funded programs is alleged.
- Support the Wisconsin State Laboratory of Hygiene's mission to provide forensic toxicology services, such as testing, to coroners, medical examiners, and law enforcement, by providing \$2 million GPR in each year of the biennium.



E. PROTECTING & CONSERVING OUR NATURAL RESOURCES

- Provide \$100 million all funds over the biennium for a municipal grant program for the testing and remediation of per- and polyfluoroalkyl substances (PFAS) by local units of government.
- Provide \$729,400 SEG in fiscal year 2023-24, \$934,200 SEG in fiscal year 2024-25, 10.0 FTE SEG permanent positions, and 1.0 FTE SEG four-year project position in the Department of Natural Resources for the implementation of the PFAS action plan. This includes:
 - 2.0 FTE positions to develop and prioritize a list of sources that may be emitting PFAS compounds into the air.

- 3.0 FTE positions for drinking and groundwater monitoring.
- 2.0 FTE positions to develop and implement standards to remediate PFAS contamination on sites where a responsible party cannot be identified, or the responsible party does not have the financial means to remediate the site.
- 2.0 FTE positions to develop water quality guidelines and standards related to PFAS, particularly for wastewater treatment facilities.
- 1.0 FTE position to develop standards related to PFAS disposal.
- 1.0 FTE position to develop sampling methodologies and perform sampling in cases where wildlife is suspected of having been contaminated by PFAS.
- Provide \$1,480,000 SEG in fiscal year 2023-24 and \$730,000 SEG in fiscal year 2024-25 for statewide monitoring and testing for PFAS. This includes:
 - - \$600,000 annually for testing at state-led sites.
 - \$55,000 annually for waterway monitoring.
 - \$50,000 for testing fish and wildlife
 - \$25,000 annually for testing wastewater treatment plants.
 - \$750,000 one-time in fiscal year 2023-24 for sampling municipal water supplies.
- Provide \$900,000 SEG annually for emergency measures related to PFAS, such as providing temporary drinking water to homes impacted by groundwater contamination.
- Provide \$1 million SEG in fiscal year 2023-24 for the collection, disposal, and replacement of firefighting foam that contains PFAS.
- Establish and enforce various environmental standards for PFAS, including creating enforceable standards for PFAS in groundwater, to ensure the public health of all Wisconsinites and further hold potential polluters accountable.
- Provide \$200,000 GPR over the biennium for PFAS awareness and outreach activities.
- Establish the Office of Environmental Justice within the Department of Administration, created by Executive Order #161, to facilitate collaboration across state agencies and engage with farmers and agricultural industries, environmental justice advocates, communities of color, Tribal Nations, and low-income populations, and design climate policy recommendations that reduce emissions and pollutants and address the cumulative and harmful impact of their concentration within these communities. Provide a 1.0 FTE GPR unclassified office director position appointed by the secretary of the Department of Administration and a 1.0 FTE GPR position and associated funding to support the office.
- Provide \$25,000 GPR per year to the Office of Environmental Justice for the execution of state and local government climate risk assessment and resilience plans. Provide a 1.0 FTE GPR unclassified position for a new chief resilience officer to oversee the development and execution of these plans.
- Establish a technical assistance grant program to assist municipalities and Tribal Nations in developing plans to be carbon-free by 2050. Provide \$125,000 GPR per year at the Office of Environmental Justice for this purpose.

- Require comprehensive plans developed by municipalities to address climate change, require that local hazard mitigation plans include consideration of climate change, and require communities throughout the state to include climate change impacts in their community health improvement assessment and plans.
- Establish a Clean Energy Small Business Incubator within the Department of Administration, which will provide business development, mentorship, and expertise to Wisconsin small businesses operating in the clean energy sector. Provide \$5 million GPR over the biennium to support a one-time pilot clean energy small business start-up grant program. Additionally, provide a 1.0 FTE GPR position to administer the incubator and the grant program.
- Establish the existing Office of Sustainability and Clean Energy in statute within the Department of Administration, which will continue to promote the development and use of clean and renewable energy across the state, advance innovative sustainability solutions that improve the state's economy and environment, diversify the resources used to meet the state's energy needs, and generate family supporting jobs by promoting the expansion of Wisconsin's clean energy economy. Provide an additional 1.0 FTE GPR classified position and associated funding to support the office.
- Create a renewable and clean energy research grant with one-time funding of \$4 million GPR in fiscal year 2023-24 administered by the Office of Sustainability and Clean Energy within the Department of Administration.
- Provide \$62,800 PR in fiscal year 2023-24, \$82,300 PR in fiscal year 2024-25, and 1.0 FTE PR project position at the Department of Natural Resources to assist with reviewing and permitting solar energy projects.
- Double the required utility contribution for the Focus on Energy program from 1.2 percent to 2.4 percent of annual operating revenues, which would generate an additional \$100 million in annual funding for the program.
- Modify the types of eligible projects under the Focus on Energy program to include projects that deploy electric technologies to meet energy needs currently served by other fuel sources.
- Require the Public Service Commission to consider the social cost of carbon when determining whether to issue construction certifications. Additionally, require the commission to reevaluate the appropriate social cost of carbon every two years, in consultation with the Department of Natural Resources, and report the findings in a biennial report to the standing legislative committees.
- Authorize regulated utilities to offer inclusive on-bill financing to residential and commercial customers for energy efficiency improvements, allowing customers to pay for energy efficiency improvements incrementally over time and making such improvements more accessible.
- Expand the types of remaining costs incurred by retiring power plants that can be securitized using environmental trust bonds, which can result in cost savings for customers.
- Specify that the establishment of discounted utility rates for low-income customers does not qualify as rate discrimination, if rates are approved by the Public Service Commission and published in the utility's schedule or tariffs.
- Provide \$170,000 PR annually for advanced engineer modeling software and associated licensing to allow the Public Service Commission to better evaluate utility rate adjustment applications.

- Modify current law to require electric utilities with owned generation to submit integrated resource plans evaluating the utility's ability to meet long-term electricity demand and its planned approach to integrate clean energy into its energy generation portfolio.
- Provide \$773,400 PR in fiscal year 2023-24, \$612,500 PR in fiscal year 2024-25 and 2.0 FTE PR positions to the Public Service Commission to establish a water loss control training program for water utilities serving populations of 3,300 or more residents, to modernize the commission's water utility reporting database, and to support an enhanced water utility data reporting compliance review program.
- Reserve \$50,000 annually in intervenor compensation funding for entities who plan to review economic and environmental issues impacting low-income populations.
- Increase civil penalties for gas pipeline operators that commit safety violations, aligning state statutes with guidance issued by the U.S. Department of Transportation.
- Allow the Department of Safety and Professional Services to analyze recent state groundwater study data to determine whether the age of private on-site wastewater treatment systems correlates with contamination found in private wells near the system. Provide increased expenditure authority of \$116,000 PR in fiscal year 2023-24 and \$100,000 PR in fiscal year 2024-25 to support this analysis and protect public health through effective system regulation.
- Continue the Private On-Site Wastewater Treatment System Replacement and Rehabilitation Program for residence owners and small commercial establishments meeting certain family resident income and system eligibility criteria. The program allows those eligible to repair or replace failing private on-site wastewater treatment systems. Increase expenditure authority for the Department of Safety and Professional Services by \$840,000 PR in both years of the biennium for grants and provide 2.0 FTE PR permanent positions in each year to meet industry demand for expedited review of septic plans.
- Provide \$250,000 PR in fiscal year 2023-24 and 1.0 FTE PR position to establish a stretch energy code working group to develop a stretch energy code for Wisconsin. A stretch energy code permits local governments to voluntarily enact regulations that improve energy efficiency relative to the base energy code.
- Provide \$97,400 GPR in fiscal year 2023-24, \$129,800 GPR in fiscal year 2024-25, and 1.0 FTE GPR soil health faculty position at the Wisconsin State Laboratory of Hygiene to advance, sustain, and protect the state's soil resources as well as the agriculture sector that is highly dependent on these soil resources.
- Provide the Wisconsin State Laboratory of Hygiene with \$121,800 GPR in fiscal year 2023-24 to purchase instrumentation that will allow for more rapid testing of state waters for cyanobacterial blooms to better track and inform the public of these harmful toxins.
- Include utility-owned battery storage facilities in the calculation of shared revenue utility aid payments to counties and municipalities to encourage the construction of facilities necessary for renewable energy storage and incentivize local governments to host this form of utility property in their communities.
- Include utility-owned electric vehicle charging infrastructure in the calculation of shared revenue utility aid payments to counties and municipalities to promote the use of renewable energy and reward local governments that host these facilities in a manner similar to other utility property.
- Create the Revitalize Wisconsin program with \$5,640,000 SEG in fiscal year 2023-24, \$3,640,000 SEG in fiscal year 2024-25, and 1.0 FTE SEG position. The program will address discharges of hazardous substances or the existence of environmental pollution, help reduce the backlog of Dry Cleaner Environmental Response Fund claims, and aid in the disposal of waste materials at abandoned properties.

- Authorize \$15 million in bonding for contaminated sediment removal from sites in the Great Lakes or their tributaries that are on Wisconsin's impaired waters list.
- Prohibit the sale and use of sealants that contain coal tar, coal tar pitch, coal tar volatiles, or high concentrations of polycyclic aromatic hydrocarbons, which are considered cancer-causing substances.
- Authorize \$11 million in environmental fund-supported general obligation bonding authority for the Department of Natural Resources for urban nonpoint source cost-sharing and the municipal flood control program.
- Provide \$1 million SEG in expenditure authority in each year for the Department of Natural Resources to provide funding for the preparation of flood insurance studies and other flood mapping projects.
- Provide \$169,800 GPR in fiscal year 2023-24, \$220,300 GPR in fiscal year 2024-25, and 2.0 FTE GPR project positions to coordinate the development and implementation of total maximum daily load restoration plans on impaired waters throughout the state.
- Provide \$250,000 SEG in each year for the Wisconsin Clean Sweep Program, which provides reimbursement to communities that collect and dispose of household hazardous wastes, agricultural pesticides, and prescription drugs.
- Provide \$6,135,900 all funds in fiscal year 2023-24 and \$6,735,900 all funds in fiscal year 2024-25 for grants to counties for county conservation staff to support land and water conservation activities.
- Provide \$310,800 SEG in fiscal year 2023-24, \$330,300 SEG in fiscal year 2024-25, and 1.0 FTE SEG position to maintain and improve the Water ePermitting System at the Department of Natural Resources.
- Provide \$80,000 SEG as one-time funding to modernize the Department of Natural Resources' interactive Permit Primer. This system serves as an interactive wizard to guide permit applicants through the permit application process.
- Authorize \$10 million in bonding for grants to counties for capital projects that implement land and water resource management plans under the Targeted Runoff Management Program.
- Provide an additional \$400,000 SEG in each year for non-capital projects under the Targeted Runoff Management Program.
- Authorize \$7 million in bonding and \$100,000 SEG for grants to counties for implementation of land and water resource management plans, including cost-share grants to landowners through the Soil and Water Resource Management Program.
- Provide \$250,000 SEG in each year to support the Producer-Led Watershed Protection Grant Program.
- Expand the Farmland Preservation Planning Grant Program to allow for activities that implement certified farmland preservation plans.
- Provide \$2.4 million SEG in each year to continue the Commercial Nitrogen Optimization Pilot Program, as well as the cover crop insurance program.
- Create a new biodigester planning grant, funded at \$250,000 GPR in each year.
- Provide \$50,000 GPR annually for biodigester operator certification grants.

- Provide \$62,800 SEG in fiscal year 2023-24, \$82,300 SEG in fiscal year 2024-25, and 1.0 FTE SEG position to support the permitting of advanced wastewater treatment systems on Wisconsin farms.
- Increase the annual fee assessed to operators of Concentrated Animal Feeding Operations from \$345 to \$545.
- Increase the well notification fee and establish an application fee for well variance construction approvals for wells.
- Provide \$49,400 GPR in fiscal year 2023-24, \$64,300 GPR in fiscal year 2024-25, and 1.0 FTE GPR position for administration of the Wastewater General Permit Program and to enhance compliance monitoring efforts.
- Create a Water Stewardship Grant Program with \$250,000 GPR in each year. The program will reimburse agricultural producers who undertake the process to gain certification under the Alliance for Water Stewardship Program.
- Provide \$5 million GPR annually and 1.0 FTE GPR position to continue a Water Utility Assistance program to help customers defray the cost of water utility bills.
- Create a new food waste reduction pilot project, funded at \$100,000 GPR in each year.
- Provide \$250,000 SEG in fiscal year 2024-25 as one-time funding for management and implementation of a landfill food waste study.
- Provide \$200,000 GPR in each year for manoomin (wild rice) stewardship efforts in ceded territory waters.
- Provide \$227,100 SEG in fiscal year 2023-24, \$197,100 SEG in fiscal year 2024-25, and 1.0 FTE SEG permanent position at the Department of Natural Resources for brook trout habitat improvement efforts.
- Provide \$109,900 SEG in fiscal year 2023-24, \$146,500 SEG in fiscal year 2024-25, and 2.0 FTE SEG permanent positions as additional staff support for the Winnebago Lake System.
- Provide \$196,000 SEG in fiscal year 2023-24 in one-time funding for maintenance on the Department of Natural Resources' research vessels.
- Provide \$775,000 SEG in fiscal year 2023-24 in one-time funding for the development of a forestry industry strategic plan and roadmap.
- Increase funding for the Urban Forestry Grant Program by \$475,000 SEG in each year to combat emerging threats to urban forestry.
- Provide \$589,500 SEG in each year for terrestrial invasive species prevention.
- Increase funding for the County Wildlife Habitat Grant program by \$128,300 SEG in each year.
- Increase funding for the Wisconsin Forest Landowner Grant Program by \$250,000 SEG in each year.
- Increase funding for the Weed Management Area Grant Program by \$60,000 SEG in each year.

- Increase funding for the County Forest Administration Grant Program by \$200,000 SEG in each year to support salaries for county forest administrators in a new continuing appropriation.
- Increase funding for the Sustainable Forestry Grant Program by \$50,000 SEG in each year to support sustainable forest management projects on county forest land.
- Provide \$667,500 SEG in each year to establish a grant program for reforestation, forest regeneration, and forest management activities on public lands.
- Provide \$286,200 SEG in fiscal year 2023-24, \$341,600 SEG in fiscal year 2024-25, and 2.0 FTE SEG permanent positions to support additional seedling production in the state nursery program.
- Provide \$395,000 SEG in each year for tree planting projects on state-owned lands.
- Provide \$657,600 SEG in fiscal year 2023-24 in one-time funding for the Department of Natural Resources to purchase new fire suppression equipment to combat wildfires. Additionally, provide \$150,000 SEG in each year to establish a fire suppression equipment replacement schedule.
- Provide \$84,200 SEG in fiscal year 2023-24, \$110,800 SEG in fiscal year 2024-25, and 1.0 FTE SEG permanent position at the Department of Natural Resources to hire a forestry-focused outreach officer to work with groups underserved by traditional forestry and environmental higher education programs.
- Provide \$148,200 SEG in fiscal year 2023-24 and \$144,500 SEG in fiscal year 2024-25 for operations costs in the Menominee River State Recreation Area, Sauk Prairie State Recreation Area, Lizard Mound State Park, Mazomanie Day Use Area, State Ice Age Trail Areas, and Brule River State Forest Cabin.
- Provide \$11,402,600 all funds in fiscal year 2023-24 and \$10,402,600 all funds in fiscal year 2024-25 for capital development projects in the state park system.
- Provide \$350,000 SEG in each year to implement a maintenance plan for mobile equipment in the state park system.
- Expand the Department of Natural Resources' online vehicle admission sales system to include trail pass sales. Provide \$338,000 SEG in each year for the online system in a new, continuing appropriation.
- Provide \$165,000 SEG in each year to expand accessible outdoor recreation opportunities in the state park system.
- Provide \$152,500 SEG in each year in one-time funding for technology upgrades in the state park system. Additionally, provide \$29,400 SEG in each year for credit card terminal security software.
- Provide \$2,925,000 SEG in fiscal year 2024-25 in one-time funding to electrify campsites in state parks and forests.
- Increase funding for utility expenses in the state park system by \$431,900 SEG in fiscal year 2023-24 and \$440,600 SEG in fiscal year 2024-25.
- Provide \$1,095,500 SEG in each year to hire additional limited term employees and contract services to support the state park system.

- Create an Erosion Control Loan Program to assist municipalities and owners of homes located on the shores of Lake Michigan, Lake Superior, or the Mississippi River where the structural integrity of municipal buildings or homes is threatened by erosion of the shoreline. Provide \$7 million SEG in fiscal year 2023-24 as an initial capitalization for the programs.
- Authorize \$10 million in bonding for the repair, reconstruction, and removal of dams. Of the authorized amount, provide \$500,000 in bonding in fiscal year 2023-24 in one-time funding to rebuild the Sheboygan Marsh Dam located near the Department of Natural Resources' Sheboygan Marsh Wildlife Area.
- Establish an annual license fee for large dams that would vary according to hazard rating.
- Increase the GPR match limit for all taxpayer designations for the endangered species program by \$450,000 in each year.
- Increase the inland waters trout stamp to \$14.75 per stamp.
- Increase the nonresident deer hunting license to \$182.25 per license.
- Provide \$1 million SEG in one-time funding in fiscal year 2023-24 to issue grants for the purchase of deer carcass disposal sites to limit the spread of chronic wasting disease. Also, provide \$50,000 SEG in each year for chronic wasting disease education for hunters.
- Improve capacity for and response to both chronic wasting disease testing and foreign animal disease surveillance by providing the Veterinary Diagnostic Laboratory with \$352,400 GPR in fiscal year 2023-24, \$469,800 GPR in fiscal year 2024-25, and 6.0 FTE GPR positions in both years of the biennium.



F. ADDITIONAL KEY PRIORITIES

- Increase the general fund's reserve by \$500 million beginning in fiscal year 2023-24 to provide a stronger cushion against economic turbulence, an economic recession, or unexpected downturns in state tax collections. This action increases the General Fund reserve amount to \$600 million and will increase the general fund's immediately available cushion against economic downturns to approximately 2.8 percent of fiscal year 2023-24 estimated tax collections. The current law reserve is inadequate as it amounts to under one-half of one percent (0.5 percent) of fiscal year 2023-24 projected tax collections. Under current law, the General Fund's reserve amount increases at a mere \$5 million annually, meaning that it would take 100 years for the reserve amount to climb from \$100 million to \$600 million. Instead of taking a full century, this action implements this prudent gain immediately.
- Deposit \$500 million to the Budget Stabilization Fund in fiscal year 2023-24 to raise the total balance of the state's 'rainy day fund' to over \$2.2 billion, an amount which will be more than 10 percent of fiscal year 2023-24 estimated tax collections. This will be the largest balance ever in the state's 'rainy day fund', approximately seven times greater than the amount at the end of fiscal year 2017-18.
- The actions to place a combined \$1 billion into the general fund reserve and the 'rainy day fund' will greatly improve the state's ability to sustain its constitutional obligations and other commitments to schools, families, and communities into the future.

- Transfer \$1.955 billion from the general fund balance to the Capital Improvement Fund to support the 2023-25 Capital Budget. This will reduce the need to authorize new bonding and reduce future debt service costs for the state.
- Increase the statutory general obligation refunding authority to \$11.235 billion.
- Provide \$93.9 million GPR in fiscal year 2023-24 to adjust agency compensation budgets to reflect an additional biweekly payroll.
- Increase staffing in the Division of Capitol Police within the Department of Administration by 12.0 FTE PR-S positions and \$850,100 PR-S in fiscal year 2023-24 and \$1,079,100 PR-S in fiscal year 2024-25 to provide appropriate security without having to rely on outside law enforcement agencies for assistance.
- Establish the Wisconsin Front Door online services hub, which would allow users to access a comprehensive portfolio of state resources in a consolidated, centralized, and easy-to-use format. The Governor's budget provides \$2 million GPR in fiscal year 2023-24 to support the development and launch of the Wisconsin Front Door hub and \$465,000 GPR annually thereafter to support maintenance and upkeep of the portal as well as supporting data-sharing initiatives among state agencies. The Wisconsin Front Door would improve the online experience for customers of state government in the following ways:
 - Require only a single customer credential and account profile to access services from across state government.
 - Develop a searchable, online centralized customer data hub that makes over 700 publicly available datasets currently found on state agency websites accessible.
 - Develop online services and data-centric websites, oriented around key issues and interests of Wisconsin residents.
- Provide one-time funding to the Department of Administration to support a redesign of the One Stop Business Portal website to promote user-friendliness.
- Create a Local Government Grant Resource Team at the Department of Administration, by providing \$411,300 GPR in fiscal year 2023-24, \$548,400 GPR in fiscal year 2024-25 and 5.0 FTE GPR positions, to assist local governments in navigating state and federal grant application processes, bolstering Wisconsin's ability to draw down federal resources.
- Implement the following initiatives within the Department of Administration to enhance state and local government cybersecurity efforts. In total, the budget invests almost \$23.7 million all funds over the biennium at the Department of Administration to strengthen the state's cybersecurity resources.
 - In conjunction with the University of Wisconsin System and the Wisconsin Technical College System Board, provide funding and position authority to support a 24/7 state operation center to provide IT security monitoring, prevention, and response for state agencies and local units of government.
 - Provide funding to support annual testing of state government cybersecurity defenses.
 - Provide funding to support a security event information and monitoring system to ensure ongoing compliance with state and federal security-related IT event reporting requirements.
 - Provide additional funding to implement additional cybersecurity technologies within the Division of Enterprise Technology within the department.

- Provide 1.0 FTE PR position and associated expenditure authority to support the department with adherence to IT security policy.
- Provide one-time and ongoing funding to support the cost of information technology services the Department of Administration provides to the Wisconsin Historical Society, the Department of Safety and Professional Services, and the Office of the Commissioner of Insurance.
- Provide ongoing funding in certain state operations appropriations to reflect increased supplies and services costs related to the provision of current programmatic requirements.
- Establish “Wisconsin For All” Diversity, Equity and Inclusion initiatives that promote and advance equity across state government and state programs. These initiatives include:
 - Creation of a cabinet-level chief equity officer within the Department of Administration and agency equity officers at 18 state agencies and commissions that will collaborate to identify opportunities to advance equity in government operations, including determining how current government practices and policies impact communities of color and individuals with disabilities.
 - Establish and provide funding for a Governor’s Fellowship Program, Governor’s Progress Summit and a state-sponsored annual diversity, equity, and inclusion conference for state and local government employers.
 - Establish and provide expenditure authority for an equal opportunity paid internship program for state agencies and the Legislature for eligible young adults that are from a household with an income that does not exceed 300 percent of the federal poverty level.
 - Expand the Wisconsin Supplier Diversity Program to establish supplier certification programs for businesses owned by persons with disabilities and LGBTQ-owned business enterprises. Expand the existing disabled veteran-owned program to all veterans. Modify statutory purchasing goals accordingly. Additionally, eliminate all fees currently charged for the existing disabled veteran-owned and woman-owned business certifications and provide an additional 3.0 FTE GPR positions and associated funding to support the expanded program.
- Make a one-time transfer of \$18 million PR-S from the capital planning and building construction services appropriation to the Building Trust Fund in fiscal year 2023-24 to better support building project design efforts.
- Make a one-time transfer of \$40 million PR-S from the facilities operations and maintenance appropriation to the Capital Improvement Fund in fiscal year 2023-24 for state building projects enumerated in the Capital Budget.
- Improve services from the Department of Administration’s Division of Facilities Development by adding 10.0 FTE PR-S positions, including construction representatives and capital project managers, and \$964,000 PR-S in fiscal year 2023-24 and \$1,285,400 PR-S in fiscal year 2024-25.
- Add a 1.0 FTE PR-S maintenance staff position to provide services for the new veterans museum funded with \$45,100 PR-S in fiscal year 2023-24 and \$60,100 PR-S in fiscal year 2024-25.
- Acquire a new aircraft for the University of Wisconsin Organ and Tissue Donation Program using base resources within the Department of Administration to replace an aircraft that can no longer be used for that program. In addition, provide \$312,500 PR-S in fiscal year 2023-24 and \$395,200 PR-S in fiscal year 2024-25 to support two pilots, a mechanic, and other related costs to maintain the new aircraft.

- Acquire a new aircraft for the Department of Military Affairs that will be used to continue counterdrug operations as well as other supportive duties like search and rescue. This aircraft will replace one that was decommissioned by the federal government, and the new aircraft will be purchased using master lease financing funded with up to \$2,577,300 PR-S in fiscal year 2023-24 and \$2,599,100 PR-S starting in fiscal year 2024-25. These funds will also support an additional mechanic position and maintenance costs at the Wisconsin Air Services within the Department of Administration.
- Adjust the Department of Administration's Technology for Educational Achievement (TEACH) Universal Service Fund appropriation to accommodate new and expanded programming at the Department of Public Instruction and to reflect estimated expenditures. A portion of the reduction is offset by new GPR. Additionally, modify current law to remove outdated references to a grant program that ended in June 2021.
- Transfer the University of Wisconsin worker's compensation claims administration program to the Department of Administration to increase efficiencies and program continuity.
- Provide additional expenditure authority in the Department of Administration's existing risk management administrative appropriation for excess insurance premiums due to the unpredictability of insurable events.
- Provide one-time funding to the Bureau of Risk Management within the Department of Administration to complete a comprehensive inventory and valuation of state-owned historical and fine arts collections.
- Establish the Higher Educational Aids Board as an administrative attachment to the Department of Administration and provide an additional 1.0 FTE GPR position and expenditure authority to support the increased administrative duties.
- Transfer administration of high-voltage transmission line fee administration from the Department of Administration to the Public Service Commission.
- Create an unclassified 1.0 FTE PR-S Director of Native American Affairs position to actively manage relations between the state and Tribal Nations, funded with \$90,400 PR-S Tribal gaming revenues in fiscal year 2023-24 and \$120,500 PR-S in fiscal year 2024-25.
- Provide agency Tribal liaisons at the Departments of Administration; Tourism; Workforce Development; Agriculture, Trade and Consumer Protection; Corrections; Justice; and the Public Service Commission, which currently do not have a position dedicated to this purpose.
- Provide \$25,000 GPR in fiscal year 2023-24 to establish a Tribal relations pilot project at the Department of Natural Resources.
- Create a new GPR appropriation within the Department of Administration's Division of Gaming dedicated to investigations and outreach services. Provide an overall increase of \$75,600 GPR in fiscal year 2023-24 and \$96,700 GPR in fiscal year 2024-25 to support 1.0 FTE GPR position in addition to replacing existing gaming revenues.
- Provide ongoing funding to the Department of Employee Trust Funds to support ongoing operational expenses associated with the modernization of the department's insurance administration system. Additionally, provide 7.0 FTE SEG positions and associated expenditure authority to support the long-term information technology modernization project, which includes the modernization of the insurance administration system and the pension administration system. Moreover, direct the department to include a request for funding to support the modernization of the pension administration system in its 2025-27 biennial budget submission.
- Provide one-time and ongoing funding and position authority to the Department of Administration to support changed processes and increased workload in the department's human resources, payroll and information technology areas resulting from the large-scale

- information technology modernization project at the Department of Employee Trust Funds.
- Provide 7.0 FTE SEG positions and associated expenditure authority to the Department of Employee Trust Funds to provide support for the department's customer service functions for members and employees.
 - Provide 2.0 FTE SEG positions and associated expenditure authority to the Department of Employee Trust Funds to better support the department's accounting and actuarial responsibilities.
 - Adjust the premium structure of the state and University of Wisconsin System employee Income Continuation Insurance program to remove consideration of employee sick leave balances in the employee premium calculation in favor of a selected elimination period structure. Additionally, realign oversight of all of the Department of Employee Trust Funds employee disability insurance programs to the Employee Trust Funds Board.
 - Shift oversight of the Department of Employee Trust Funds' Office of Internal Audit from the Office of the Secretary to the Employee Trust Funds Board.
 - Modify current law to align language regarding the Department of Employee Trust Funds' allocation of trust fund earnings with current administrative practice.
 - Reinstate domestic partnership benefits for all state and local government employee insurance programs administered by the Department of Employee Trust Funds. These benefits were eliminated under 2017 Wisconsin Act 59, effective January 1, 2018.
 - Modify current law to make references to marriage, spouses and parentage gender-neutral, providing greater flexibility and inclusion for all individuals and families.
 - Remove the Legislature's exemption from open records law by requiring that records and correspondence of any member of the Legislature be included in definition of a public record to provide greater transparency for the people of Wisconsin. Provide a 1.0 FTE GPR position and related funding at the Legislative Technology Services Bureau to administer the requirement.
 - Reduce barriers to public access to information by raising the threshold at which an authority may charge an open records location fee, increasing the threshold amount from \$50 to \$100 and defraying out-of-pocket costs to requesters in an effort to increase government transparency and accountability.
 - Provide \$1,000 GPR in one-time funding in each year to allow the Office of Open Government to update documents and training materials related to open records.
 - Repeal statutory modifications made in 2017 Wisconsin Act 369 during the extraordinary session in December 2018 related to the expansion of legislative powers and duties, including: (a) advice and consent of the Senate in relation to gubernatorial nominations; (b) ability of the Legislature to retain legal representation for legislators, legislative staff, and the Legislature; (c) administrative rule modifications; and (d) approval of Capitol security changes.
 - Increase transparency by preventing anonymous objections from members of the Joint Committee on Finance and instead requiring that the member and the nature of the objection for any objection to items before the Joint Committee on Finance for passive review be announced publicly.
 - Allow existing board or council members to remain in their appointed positions once their term has expired only until the Governor has made a nomination for appointment to the same position.

- Statutorily create a Legislative Human Resources Office and provide 2.0 FTE GPR positions.
- Provide \$156,100 GPR in fiscal year 2023-24 and \$16,600 GPR in fiscal year 2024-25 for the Wisconsin Elections Commission to work with the Department of Transportation to implement automatic voter registration. The commission should facilitate the initial registration of all eligible electors as soon as practicable. Appropriate \$349,000 SEG in fiscal year 2023-24 to the Department of Transportation to address one-time costs.
- Modify certain voter identification requirements to comply with current court rulings. In addition, require the University of Wisconsin System and the Wisconsin Technical College System to issue identification cards that meet the revised requirement.
- Provide \$902,000 GPR in fiscal year 2023-24, \$1,036,000 GPR in fiscal year 2024-25 and 10.0 FTE GPR positions to support the Wisconsin Elections Commission's request to create an Office of Election Transparency and Compliance that will respond to inquiries and complaints regarding potential election law violations. This office will also be provided resources to improve audits on voting equipment, databases and potentially hire an outside contractor to review certain information such as the voter lists.
- Allow a county or municipal clerk to canvass absentee ballots on the day before an election after working with the Wisconsin Elections Commission to ensure it will be conducted fairly and effectively.
- Eliminate the restriction on how soon a person may complete an absentee ballot in person.
- Modify the scheduling of special elections to ensure they are scheduled with sufficient time to comply with federal requirements for sending ballots to military and overseas voters.
- Enable the Wisconsin Elections Commission to reimburse counties and municipalities for certain costs incurred in the administration of special primaries and special elections by creating a GPR sum sufficient appropriation for this purpose.
- Restore residency requirements that ensure a resident of Wisconsin is eligible to vote in an election in a municipality or ward if the voter has been a resident of that location for at least ten consecutive days before an election.
- Require polling places to post a voter bill of rights that informs voters of voting rights guaranteed under current law.
- Modify the Wisconsin Elections Commission's training appropriation to explicitly allow funds to be used to train municipal and county clerks on all aspects of election administration, in addition to voter ID requirements.
- Modify the Wisconsin Elections Commission's recount appropriation to allow local units of government and petitioners to be reimbursed in a timely manner.
- Restore prior law that would require public high schools (and allow private high schools) to be a location for voter registration for eligible students and staff.
- Provide \$400,000 GPR in fiscal year 2023-24 for a one-time grant program to provide municipalities with Badger Books, the electronic poll book authorized for use in Wisconsin.
- Create a new campaign finance system with \$183,300 GPR and \$110,000 PR of one-time financing in each fiscal year.
- Increase funding by \$203,500 PR-S in fiscal year 2023-24 and \$218,700 PR-S in fiscal year 2024-25 to create an unclassified deputy secretary of state position and a classified office operations associate position within the Office of the Secretary of State and provide one-time financing for move costs.

- Create 1.0 FTE PR-S position for an office manager in the Office of the State Treasurer, funded with \$52,200 PR-S in fiscal year 2023-24 and \$69,600 PR-S in fiscal year 2024-25.
- Provide 2.0 FTE PR positions and associated expenditure authority to strengthen the Public Service Commission's cybersecurity initiatives.
- Provide additional funding to the Wisconsin Employment Relations Commission to support current operations.
- Provide \$50,700 GPR in fiscal year 2023-24 and \$45,700 GPR in fiscal year 2024-25 to the Wisconsin Women's Council for limited term employee costs to provide additional operational support.
- Modify the National and Community Service Board federal administration appropriation language which would allow the board to expend all federal funding received under the appropriation without additional approval and increase the appropriation by \$72,000 FED in fiscal year 2023-24 and \$82,800 FED in fiscal year 2024-25 to reflect projected program administration costs over the next biennium.
- Provide \$99,900 PR-S in fiscal year 2023-24, \$120,400 PR-S in fiscal year 2024-25 and 1.0 FTE PR-S position to the National and Community Service Board to better fulfill match requirements for federal funding, which would allow for program expansion. An additional \$25,000 GPR in fiscal year 2023-24 and \$30,100 GPR in fiscal year 2024-25 were provided to the Department of Administration help pay the match that is associated with the board's increase.
- Provide \$1 million GPR annually to provide funding for the Black Historical Society.
- Support the development and building of the new Wisconsin History Center Museum by providing \$2.5 million GPR over the biennium to the Wisconsin Historical Society, which will enable the society to manage the transition to a new facility by effectively maintaining and preparing priceless Wisconsin historical artifacts for the move.
- Provide \$4.8 million GPR and 4.0 FTE GPR positions to the Wisconsin Historical Society to transition the provision of information technology services to the society from the University of Wisconsin-Madison to the Department of Administration's Division of Enterprise Technology.
- Transfer \$100 million GPR from the General Fund to the Artistic Endowment Fund, managed by the Wisconsin Artistic Endowment Foundation. Interest earnings generated from these funds will be used to support the arts across the state through both this foundation and the Wisconsin Arts Board.
- Increase funding for the Wisconsin Arts Board by \$552,500 GPR over the biennium to maximize the drawdown of available federal funds and continue supporting individuals and organizations engaged in the arts.
- Provide \$1,115,900 PR on a one-time basis in fiscal year 2024-25 for the Department of Financial Institutions to modernize the department's charitable and professional organization's technology system. This project will better enable Wisconsin residents to determine whether a charitable organization merits their donations.
- Provide \$753,700 PR in fiscal year 2023-24, \$976,900 PR in fiscal year 2024-25, 9.0 FTE PR permanent positions, and 1.0 FTE PR project position to the Department of Safety and Professional Services to ensure existing and newly created boards attached to the department receive policy, legal, and administrative services to manage professions.
- Create a separate appropriation in the Department of Safety and Professional Services to eliminate barriers to utilizing contracted support and to ensure transparent accounting of vendor revenues.

- Provide \$271,200 GPR in fiscal year 2023-24 and \$371,100 GPR in fiscal year 2024-25 to restore state support of 50 percent of rent costs for the Wisconsin State Laboratory of Hygiene.
- Expand the Veterinary Diagnostic Laboratory's diagnostic testing capabilities to detect new outbreaks and emerging pathogens in order to improve animal health and the productivity and profitability of Wisconsin agriculture industry. Provide \$91,100 GPR in fiscal year 2023-24 and \$121,500 GPR in fiscal year 2024-25 for a 1.0 FTE GPR bioinformatician position.
- Provide \$449,200 PR-S in fiscal year 2023-24, \$414,200 PR-S in fiscal year 2024-25, and 1.0 FTE position to provide additional staffing and equipment in the Bureau of Laboratory Services at the Department of Agriculture, Trade and Consumer Protection.
- Provide \$3,012,700 GPR in fiscal year 2023-24 and \$2,950,900 GPR in fiscal year 2024-25 to expand the Bureau of Correctional Enterprise's metal stamping operations. Increased funding will allow the Department of Corrections to replace license plates for all vehicles with registrations over ten years old.
- Provide \$70,000 GPR in each year to increase support for the Wisconsin Livestock Identification Consortium.
- Authorize the Department of Natural Resources to use state-issued identification cards to validate residency for the purchase of recreational licenses.
- Provide \$10,000 SEG in each year to support the annual maintenance of the snowmobile automated reporting system.
- Provide \$194,300 SEG in each year to modernize off-road vehicles utilized by the Department of Natural Resources' law enforcement staff.
- Provide \$723,700 GPR in fiscal year 2023-24 and \$851,900 GPR in fiscal year 2024-25 as one-time funding for the digitization of hard copy records at the Department of Natural Resources.
- Create truth-in-labeling protections for manoomin (wild rice) that is traditionally harvested.
- Align the ballast water program with federal ballast water statutes under the federal Vessel Incidental Discharge Act.
- Provide \$1,832,100 PR in fiscal year 2023-24 and \$2,092,100 PR in fiscal year 2024-25 to implement new and ongoing cybersecurity initiatives and related maintenance for the court system.
- Provide \$11,300 PR-S in fiscal year 2023-24, \$15,000 PR-S in fiscal year 2024-25, and 0.25 FTE PR-S position to support central administrative work for the court system.
- Create a new continuing appropriation to provide for the collection of payments from counties for materials or other services for county law libraries. This was recommended in a recent compliance audit of the courts system.

State Budget Overview

III. STATE BUDGET OVERVIEW

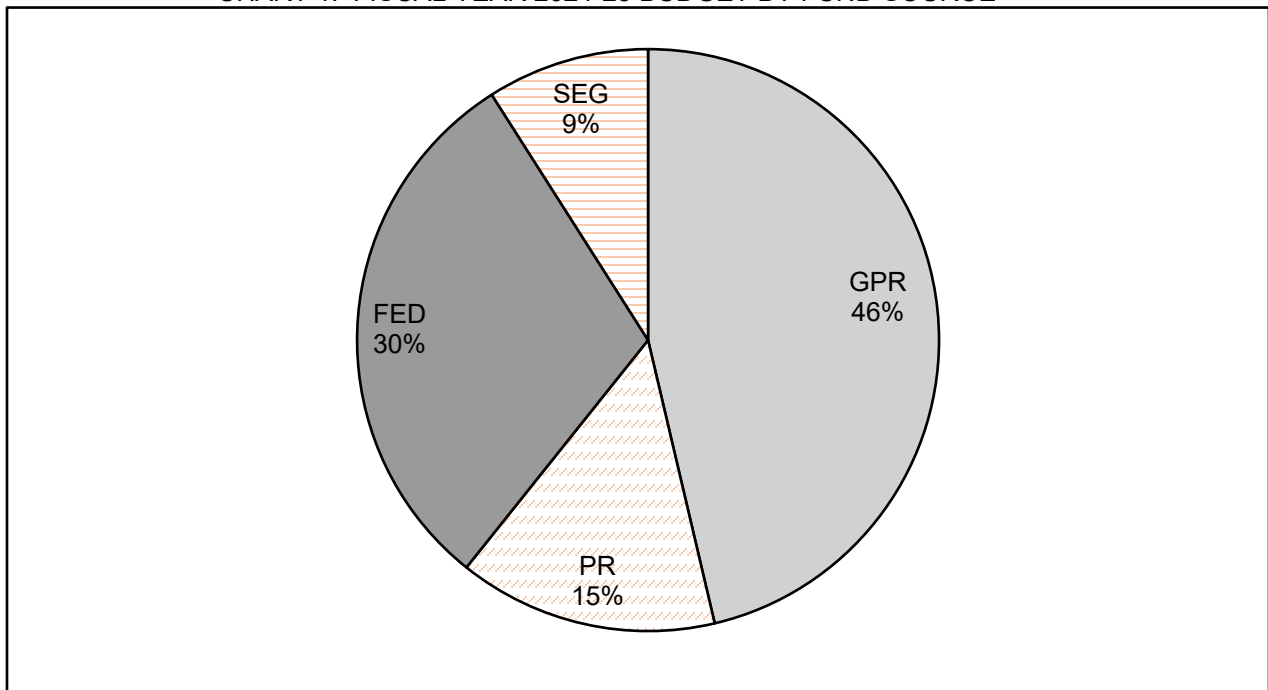
A. PRESENTATION OF THE GOVERNOR’S 2023-25 BUDGET

The Governor’s recommended budget for the 2023-25 biennium is presented in its customary components. The operating budget for all agencies and their programs is submitted to the Legislature in the budget bill, the Executive Budget Book and this Budget in Brief. The capital budget will be submitted as a budget amendment after the State Building Commission has approved a recommended building program for the 2023-25 biennium.

B. EXPENDITURES

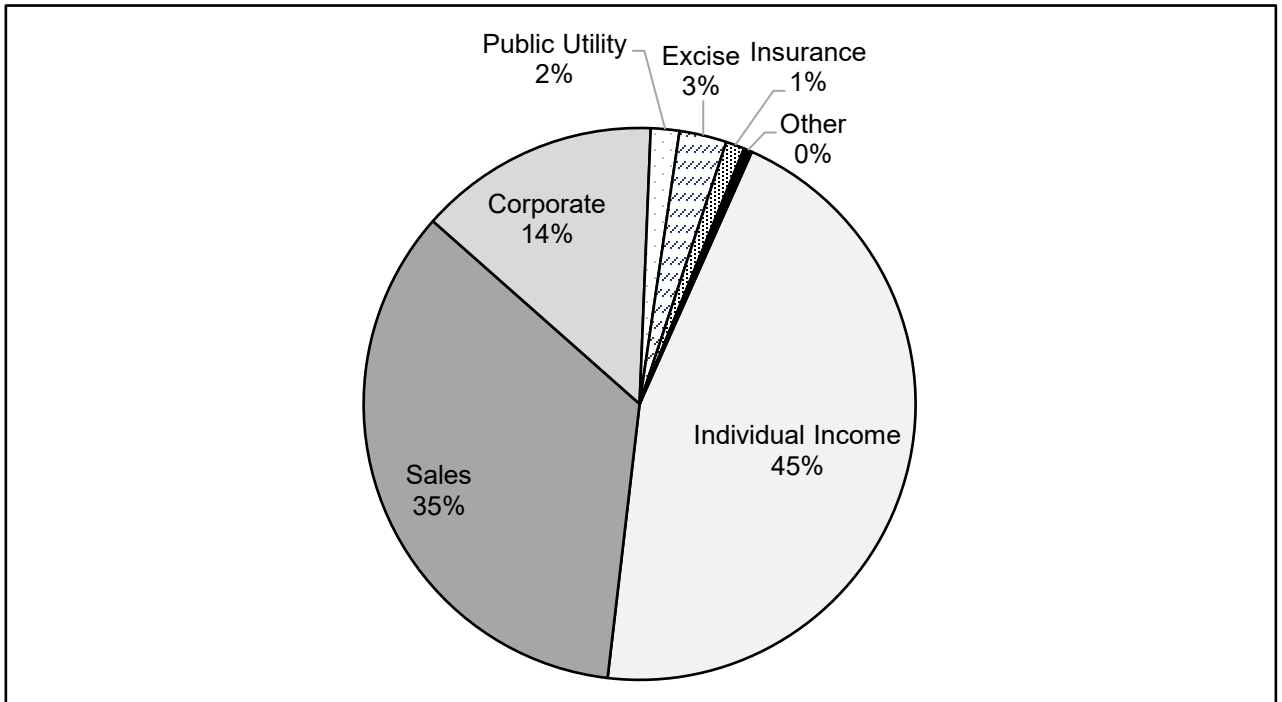
The Governor recommends an operating budget of \$52.1 billion in fiscal year 2023-24 and \$51.7 billion in fiscal year 2024-25. These figures include all four major funding sources and all state agencies and programs (see Chart 1). On an annual basis, the Governor’s all funds budget for fiscal year 2023-24 represents an increase of \$7,915.8 million (17.9 percent) over the fiscal year 2022-23 adjusted base, and the budget for fiscal year 2024-25 represents a decrease of \$409.3 million (-0.8 percent) compared with fiscal year 2023-24.

CHART 1: FISCAL YEAR 2024-25 BUDGET BY FUND SOURCE



The largest portion of the state budget is funded from general purpose revenue (GPR), which includes the individual income tax, state sales tax, corporate income tax and various other taxes (see Chart 2).

CHART 2: FISCAL YEAR 2024-25 GPR TAX REVENUE BY TYPE



Federal revenues (PR-F or SEG-F) are the second largest source of funds in the state budget. The amounts budgeted represent state agency estimates of the various federal program grants expected to be received. Corresponding state matching dollars, where applicable, are budgeted in the other state funding sources. Since it is not possible to predict future congressional budget action, the Governor’s budget generally assumes no changes in federal funding except where noted.

Program revenue (PR-O) is received from user fees that finance specific activities such as public utility regulation, agricultural commodity inspections and State Fair Park admissions. Program revenue is generally budgeted to reflect the anticipated demand for these activities.

Segregated revenues (SEG-O) include revenues from such sources as the motor fuel tax, hunting and fishing license fees, and lottery ticket sales. These revenues are deposited in segregated funds such as the Transportation Fund, the Conservation Fund and the Lottery Fund, which are credited with any interest they earn. Segregated revenues can only be used for specific purposes and are not general revenues of the state.

TABLE 1: LARGEST BIENNIAL GPR INCREASES OVER BASE
(\$ in millions)

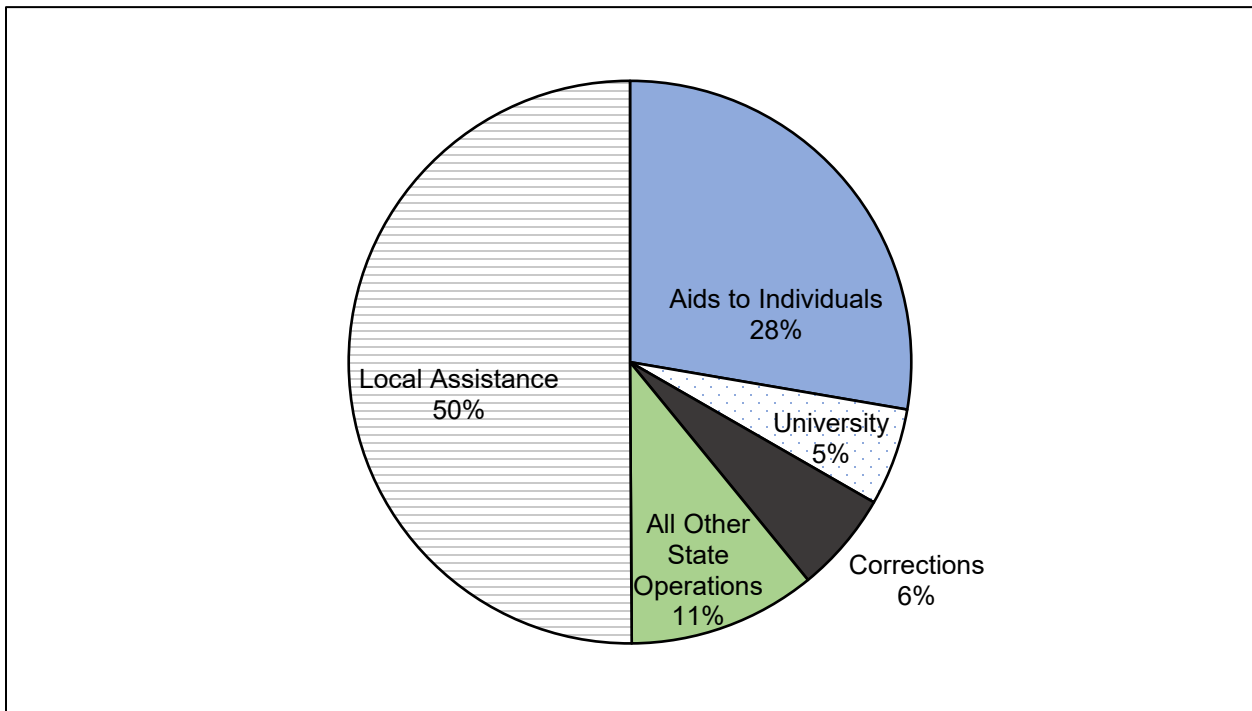
Department of Public Instruction	\$2,809
Shared Revenue and Tax Relief	1,099
Department of Administration	1,019
Public Service Commission	755
Department of Health Services	716
Department of Children and Families	512
Department of Workforce Development	265
All Other Changes	1,656
TOTAL	\$8,831

TABLE 2: TEN LARGEST GENERAL PURPOSE REVENUE PROGRAMS
(\$ in millions)

	FY25 <u>Budgeted</u>	Percent of <u>Total</u>	Cumulative <u>Percent</u>
General and Categorical School Aids	\$8,974.1	37.5%	37.5%
Medical Assistance and Related Programs	3,738.3	15.6%	53.1%
State Property Tax Credits	1,599.8	6.7%	59.8%
Shared Revenue	1,445.0	6.0%	65.8%
Corrections	1,428.1	6.0%	71.8%
University of Wisconsin System	1,343.4	5.6%	77.4%
Technical College System	618.0	2.6%	80.0%
Community and Social Service Aids	385.3	1.6%	81.6%
Child Care Assistance	259.8	1.1%	82.7%
Homestead, Earned Income and Other Individual Income Tax Credits	<u>239.0</u>	<u>1.0%</u>	<u>83.7%</u>
Top Ten Program Total	\$20,030.8	83.7%	83.7%
Debt Service (not included above)	274.0	1.1%	84.8%
Debt Service for Appropriation Obligation Bonds	336.9	1.4%	86.2%
All Other Programs	3,293.1	13.8%	100.0%
GPR Total	\$23,934.9		

Detail may not add due to rounding.

CHART 3: FISCAL YEAR 2024-25 GPR BUDGET ALLOCATION BY PURPOSE



The Governor recommends a GPR budget of \$24.2 billion in fiscal year 2023-24 and \$23.9 billion in fiscal year 2024-25. On an annual basis, the Governor's GPR budget for fiscal year 2023-24 is a spending increase of \$4,561.9 million (23.2 percent) over the fiscal year 2022-23 base, and for fiscal year 2024-25 is a spending decrease of \$292.6 million (-1.2 percent) over fiscal year 2023-24.

C. POSITIONS

The Governor’s budget recommendations include authorization for 73,733.01 FTE state positions from all fund sources by the end of the next biennium (fiscal year 2024-25). This represents an increase of 816.55 FTE positions from the fiscal year 2022-23 adjusted base of 72,916.46. From GPR funds, the budget provides 35,982.41 FTE positions, an increase of 368.60 from the fiscal year 2022-23 adjusted base of 35,613.81.

Table 3 demonstrates the changes from the adjusted base level FTE positions to the second year of the biennium (fiscal year 2024-25).

TABLE 3: FISCAL YEAR 2024-25 FTE POSITION CHANGES OVER BASE

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>All Funds</u>
Adjusted Base	35,613.81	10,978.93	21,477.32	4,846.40	72,916.46
Agency Requests	126.60	-400.45	126.17	14.00	-133.68
Governor’s Recommendation	<u>242.00</u>	<u>11.48</u>	<u>390.50</u>	<u>306.25</u>	<u>950.23</u>
TOTAL	35,982.41	10,589.96	21,993.99	5,166.65	73,733.01

Positions are increased in the following key areas:

- Provide 16.0 FTE PR positions in each year to ensure that the Department of Safety and Professional Services provides efficient and effective processing of license applications, helping to bolster our state’s workforce and our economy.
- Meet substantially increased public demand for licensed occupation assistance in the Department of Safety and Professional Services’ professional credential processing customer service center by providing 14.0 FTE PR permanent positions.
- Provide 21.0 FTE PR positions to the Department of Safety and Professional Services to effectuate scheduled plan review services to better serve the design-build industry, and perform plan reviews within four weeks, improving customer satisfaction. Scheduled plan reviews place construction projects on the agency’s review calendar early in the project time line so that review is accomplished in a timely and efficient manner.
- Provide 3.0 FTE GPR positions to increase Job Centers of Wisconsin staffing and expand the number of individuals who receive services and obtain family-supporting employment.
- Provide 10.0 FTE SEG permanent positions, and 1.0 FTE SEG four-year project position in the Department of Natural Resources for the implementation of the PFAS action plan.
- Provide funding and 6.0 FTE GPR positions to create an Animal Disease Response and Prevention Unit at the Department of Agriculture, Trade and Consumer Protection. The unit will respond to all animal disease outbreaks and enhance secure food supply planning.
- Provide 5.0 FTE all funds positions to increase Milwaukee child welfare operations staffing with additional case aides, performance monitors, and positions to support on-site child care for children removed from their homes.
- Provide 7.0 FTE all funds permanent positions to the Department of Justice, Office of School Safety to support and enhance school safety initiatives.
- Provide 10.0 FTE GPR positions at the Department of Justice to investigate crime in the department’s Division of Criminal Investigation and 3.0 FTE GPR positions at the Department of Justice to help district attorneys prosecute violent crime.

- Provide additional assistant district attorney positions across the state by: (a) providing an additional 42.9 FTE GPR assistant district attorney positions in each fiscal year; (b) providing 1.4 FTE GPR positions to increase part-time positions in three counties; and (c) converting 8.5 FTE positions from PR to GPR for positions where grant funding has or will run out.
- Provide 50.0 FTE GPR positions for the State Public Defender to hire additional administrative staff and reduce oversized staff workloads.
- Provide 36.0 FTE GPR positions to the Department of Corrections to expand capacity for the Earned Release Program, substance use disorder programming, and other needed programming at adult institutions.
- Help prepare individuals who are currently incarcerated for postprison employment by providing 6.0 FTE GPR positions for staffing at correctional institutional job centers.
- Provide 2.0 FTE GPR positions at the Department of Health Services to administer the expansion of the Opening Avenues to Reentry Success program, a program that strives to reduce recidivism in Department of Corrections clients who experience a serious mental illness through intensive case management and mental health services.
- Provide 11.0 FTE all funds positions to the Department of Health Services, Office of Caregiver Quality to increase investigations into allegations of misconduct in long-term care facilities and expand the background check program.
- Provide 19.68 FTE GPR positions and 12.32 FTE FED positions and associated funding to the Bureau of Assisted Living at the Department of Health Services to manage the bureau's increased workload and to address backlog.
- Provide 92.0 FTE GPR positions to expand the intensive treatment program at Northern Wisconsin Center to address the growing list of individuals with developmental disabilities who are referred for treatment by the program.
- Provide 7.0 FTE SEG positions to expand the Veterans Outreach and Recovery Program within the Department of Veterans Affairs, to provide outreach mental health services and support to veterans who may have a mental health condition or substance use disorder.

D. BUDGET BALANCE

TABLE 4: GENERAL FUND CONDITION UNDER GOVERNOR'S BUDGET
(\$ in millions)

	2023-25 Governor's Budget			2025-27 Estimates	
	FY23	FY24	FY25	FY26	FY27
OPENING BALANCE, JULY 1	\$4,298.9	\$7,098.8	\$1,908.3	\$634.1	-\$771.2
REVENUES AND TRANSFERS					
Taxes	\$21,353.3	\$21,730.5	\$22,545.2	\$22,516.2	\$22,509.5
Departmental Revenues					
Tribal Gaming Revenues	0.0	0.0	0.0	0.0	0.0
Other	712.0	715.6	566.4	501.1	457.5
Total Available	\$26,364.2	\$29,544.9	\$25,019.9	\$23,651.4	\$22,195.8
APPROPRIATIONS, TRANSFERS AND RESERVES					
Gross Appropriations	\$19,776.6	\$24,227.5	\$23,934.9	\$23,971.8	\$23,971.8
Compensation Reserves	106.0	365.3	581.6	581.6	581.6
Transfers					
Transportation Fund	97.3	137.3	173.4	173.4	173.5
Medical Assistance Fund	527.8				
Unemployment Insurance Fund	60.0				
Capital Improvement Fund		1,955.0			
Budget Stabilization Fund		500.0			
Transportation Facilities		379.4			
Revenue Obligation					
Repayment Fund					
Family and Medical Leave		243.4			
Benefits Insurance Fund					
Artistic Endowment Fund		100.0			
Veterans Homes Institutional		10.0			
Operations Account					
Less Estimated Lapses	-1,302.2	-281.2	-304.2	-304.2	-304.2
Total Expenditures	\$19,265.5	\$27,636.6	\$24,385.8	\$24,422.6	\$24,422.7
BALANCES					
Gross Balance	\$7,098.8	\$1,908.3	\$634.1	-\$771.2	-\$2,226.9
Less Required Statutory Balance	-95.0	-600.0	-600.0	-600.0	-600.0
Net Balance, June 30	\$7,003.8	\$1,308.3	\$34.1	-\$1,371.2	-\$2,826.9
Structural Balance	\$2,799.8	-\$5,190.5	-\$1,274.2	-\$1,405.3	-\$1,455.7

Detail may not add due to rounding.

The estimated four-year fund condition statement is balanced through fiscal year 2024-25. The estimates for the 2025-27 biennium do not assume any projected growth in revenues or expenditures. However, prospective tax impacts and commitments to additional expenditures made in this biennium for the next are addressed in the estimates for fiscal years 2025-26 and 2026-27.

State statute also requires showing the impact of the Governor's budget on the state's budget balance under generally accepted accounting principles (GAAP). Unlike the modified accrual basis of the budget as published in the statutes, these principles require that revenue and expenditures be accounted for when they occur.

Wisconsin currently has a positive balance under generally accepted accounting principles due, in part, to the state's Budget Stabilization Fund, or "rainy day" fund, which had a fiscal year 2021-22 ending balance of \$1.734 billion, approximately 8.5 percent of fiscal year 2022-23 estimated GPR

expenditures. While fiscal year 2021-22 General Fund tax revenues exceeded budget estimates, no transfer was made to the Budget Stabilization Fund because the fund's balance exceeded 5 percent of estimated GPR expenditures in the fiscal year.

Under generally accepted accounting principles, the Budget Stabilization Fund is accounted for as part of the General Fund. The Annual Comprehensive Financial Report for fiscal year 2021-22, the most recent available, showed that Wisconsin ended the fiscal year with a positive GAAP balance of \$4.645 billion. This balance was supported by the Budget Stabilization Fund and the large fiscal year 2021-22 budgetary closing balance in the General Fund. In fiscal year 2021-22, the General Fund benefited from higher than budgeted tax revenues and the increased Federal Medical Assistance Percentage that all states received under the federal public health emergency and that reduced state General Fund expenditures for Medical Assistance benefits.

These large budgetary balances in the General Fund and Budget Stabilization Fund offset other pressures that often result in a GAAP deficit. To reduce one of those pressures, the Governor's budget recommends moving the date computer aid payments are made to taxing jurisdictions from July to May. This shift will ensure that school districts receive their payment within the appropriate school year and provide counties and municipalities with full annual payments in the first half of their fiscal year.

TABLE 5: ESTIMATED GENERAL FUND CONDITION SUMMARY ACCORDING TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
(\$ in millions)

	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Opening Balance	\$4,645.5	\$7,511.2	\$2,681.3
Revenue			
Estimated Taxes	\$21,353.3	\$21,730.5	\$22,545.2
Departmental Revenues and Transfers	712.0	715.6	566.4
Tribal Gaming Revenue	0.0	0.0	0.0
Total Revenue	\$22,065.3	\$22,446.1	\$23,111.6
Total Available	\$26,710.8	\$29,957.3	\$25,792.9
Less Total Appropriations (Net)	\$19,265.5	\$27,636.6	\$24,385.8
Balance Before Change in Adjustments to GAAP	\$7,445.3	\$2,320.7	\$1,407.1
Net Contributions to Balance Adjustments in GAAP (change from prior year)			
Budget Stabilization Fund*	\$65.9	\$581.0	\$77.4
Computer Aid		67.7	
Municipal and County Shared Revenue		-288.1	-21.4
Estimated Closing Balance	\$7,511.2	\$2,681.3	\$1,463.1

*Under GAAP, the General Fund includes the Budget Stabilization Fund, so any activity in that fund impacts the General Fund's GAAP balance.

Detail may not add due to rounding.

E. DEBT MANAGEMENT

State debt management is necessary to ensure that long-term capital needs can be met at an affordable level. State debt management historically looks at various standards, including, but not limited to, annual GPR debt service as a percentage of GPR tax revenues. These standards help ensure that annual debt service does not consume a burdensome share of the state's budget and that overall indebtedness remains within reason for the State. In addition to annual debt service that

is paid from GPR, other annual debt service is paid from various program revenue and segregated fund sources.

In the next biennium, the standard relating to annual GPR debt service is expected to be reduced compared to the percentages for the 2021-23 biennium. Projected annual debt service payments, as a percentage of GPR tax revenues, is 2.06 percent for the second year of the 2023-25 biennium, compared to 2.26 percent for the second year of the 2021-23 biennium. This reflects proactive debt management of the State as evidenced by the continued ability of the State to refinance debt for savings. While the municipal bond market has seen increases in rates from their historical lows, below historical average interest rates and municipal bond market dynamics have continued to provide opportunities for debt service savings. Like refinancing a mortgage, the State takes advantage of these lower interest rates and market dynamics to lower its debt service costs.

The 2023-25 executive budget is prepared on the assumption that the State's market access and bond ratings will be maintained. Wisconsin's general obligation bonds continue to carry the following ratings - Aa1/AA+/AA+/AAA from Moody's, S&P, Fitch, and Kroll, respectively. In addition, in August 2021 Kroll upgraded its rating on the State to AAA from AA+. Finally, Wisconsin's bonds are received favorably by the investment community. Investors and rating agencies recognize the State's increased liquidity position and the strength of its fully-funded pension program.

Specific bonding recommendations for the building program will be included in the capital budget bill, which will be submitted later. In addition to proposed borrowing in the 2023-25 executive budget, future bond issues of the State will also include previously authorized but unissued debt for previously approved projects and multiyear commitments.

F. CASH MANAGEMENT

While the 2021-23 biennial budget is balanced as required by state law, cash challenges may occur at various times during the year. They arise from the difference between the "statutory/budgetary basis" on which the budget is built and the "cash basis" on which the state must pay its bills. There are significant differences in the timing of receipts and payments, particularly on dates of major state aid payments.

Any cash shortfalls are accommodated through short-term borrowing. Most often, this borrowing occurs automatically by using the balances of other state funds. More than ten years ago, operating notes were issued in times of significant need for cash, or if the operating notes are cheaper than using the cash of other state funds. Due to increased liquidity of state funds, an operating note has not been issued by the state since fiscal year 2011-12.

Budget Initiatives By Subject Area

IV. BUDGET INITIATIVES BY SUBJECT AREA

A. INVESTING IN WHAT'S BEST FOR KIDS

SCHOOLS

Wisconsin's schools need a bold investment from the state now more than ever to ensure they have the resources they need to support students, educators, and staff. Notably, the Office of Children's Mental Health reported that in the pandemic's third year, both educators and students anticipated potential challenges around meeting heightened academic, economic, and social-emotional needs, with students of color expressing the most concern in a national survey.

While Wisconsin's educators and students were strong and resilient during the pandemic and in its aftermath, the pandemic also laid bare the need for additional investments to ensure that our students are in the best position possible to succeed and that our schools are in the best position possible to prepare them for their future as community members in our state. Unfortunately, during the last biennial budget, the Legislature chose not to provide schools with the significant new, spendable revenue that was needed to meet the challenges our schools faced. That cannot continue and must be addressed in this budget. Our schools and our students need us to meet this moment with significant investment, action, and attention beyond that of any previous state school budget.

These needs are particularly acute in the areas of student mental health, educational attainment, and child nutrition, as well as the urgent need for enhanced general school funding and resources including a robust educator workforce.

Mental Health

According to the Office of Children's Mental Health, school connectedness—the feeling of belonging in a school that cares about each student—positively impacts student mental health. Kids who feel connected to at least one person at school have significantly better mental health than those who lack a connection to school. These connections were diminished during the pandemic, and kids continue to fight to overcome lost school connections.

Additionally, on December 6, 2022, the Department of Public Instruction released the results of its most recent Youth Risk Behavior Survey that was administered on a voluntary basis in Fall 2021. The survey contained several key findings, including:

- Wisconsin students reported experiencing significant mental health challenges while having fewer supports at school and at home.
- Of students responding to the survey, 52.2 percent reported “significant problems with anxiety.”
- Of responding students, 80.5 percent of students who identify as lesbian, gay, or bisexual reported significant anxiety, as did two-thirds of female students.
- Over one-third of all Wisconsin students surveyed (33.7 percent) reported feeling sad or hopeless almost every day for more than two weeks in a row, a significant increase of 5.2 percentage points since 2019. Rates of sadness and hopelessness were also higher among lesbian, gay or bisexual students and female students.
- Alarming, 18 percent of students reported contemplating suicide in the 12 months prior to answering the survey.

Two current school mental health aid programs are funded at \$22 million GPR per year in total. Based on knowledge gained from above-referenced data, feedback from healthcare professionals, and voluminous anecdotal information, this sum is unlikely to meet even a fraction of the current need for mental health support for Wisconsin's K-12 students. Therefore, in response to the rising number of students experiencing mental health difficulties and the severity of these challenges, the Governor

is proposing historic, necessary increases for schools in this area. Over the biennium, these proposed investments would total more than \$270 million GPR and will help our students achieve higher levels of personal and educational achievement and fulfillment by providing every local educational agency with \$100 per pupil and guaranteeing every local educational agency would receive at least \$100,000 annually. These investments include:

- \$117.9 million GPR per year to continue the Governor’s “Get Kids Ahead” initiative, which is a comprehensive school-based mental health services program. The Governor’s proposal enhances predictability of funding by providing base and per pupil payments, rather than competitive grants, and expands the types of activities eligible for coverage by the funds, including telehealth services.
- \$18 million GPR per year to support school mental health professionals. Currently, only increased social worker expenses are reimbursable by the state for schools; under the Governor’s proposal, school counselors, psychologists, and nurses would also be covered, as well as telehealth services. \$580,000 GPR in each year for training of school staff in mental health, bullying prevention, compassion resilience, restorative practices, and other evidence-based strategies. In addition, the Governor recommends modifying Medicaid school-based services to allow participating school districts to retain 100 percent of the federal funding received for those services as opposed to the 60 percent share they currently receive. This will result in school districts receiving an estimated additional \$112 million of federal funding over the biennium.

Improving Learning

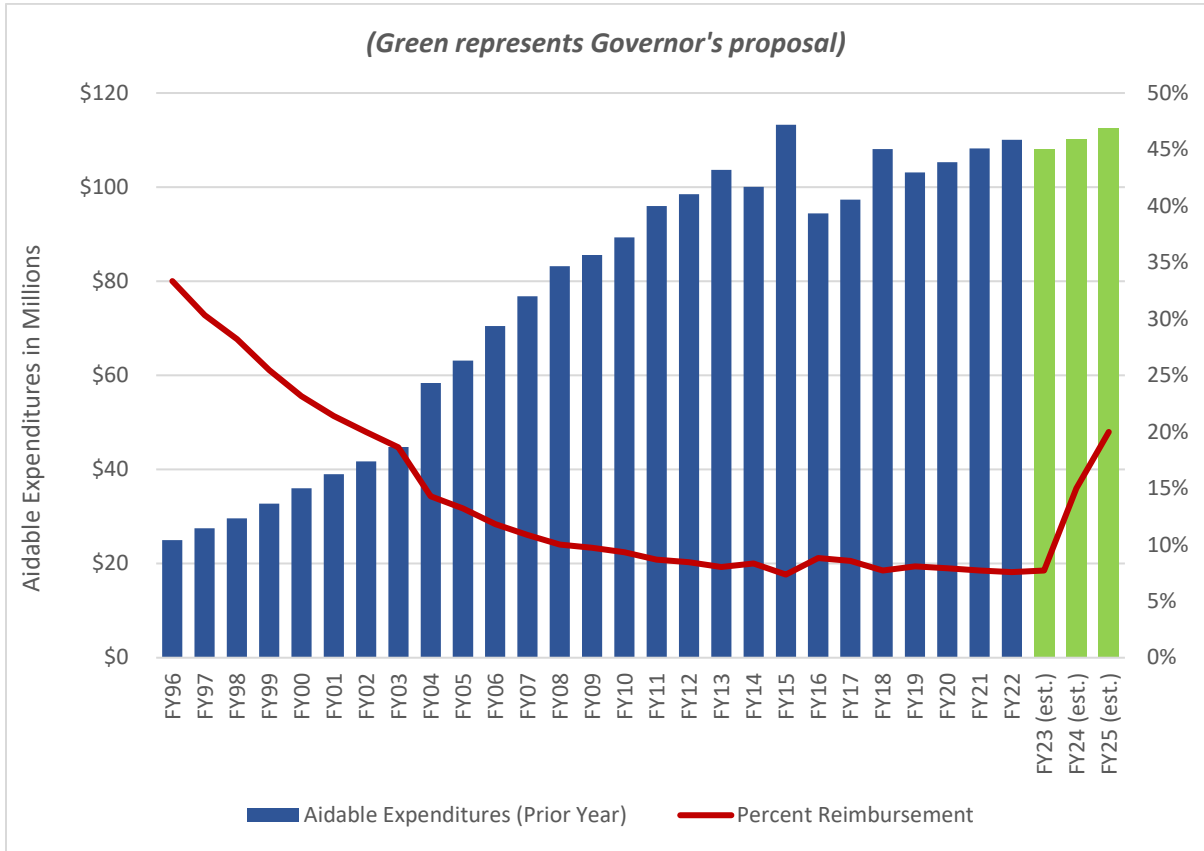
The COVID-19 pandemic undoubtedly affected the academic outcomes of students across the nation, including Wisconsin students, and exacerbated existing learning disparities.

The Forward exam results for school year 2021-22 show that we have work to do on improving reading outcomes for kids, especially for students of color and those that are economically disadvantaged. The Governor’s budget addresses these disparities, investing in our students who need additional support by targeting over \$110 million GPR over the biennium toward the foundational academics of reading, literacy, and mathematics.

The Governor’s budget includes \$20 million GPR over the biennium for early literacy and reading improvement. Specifically, the funding will support 56 regional coaches, half focused on evidenced-based literacy instructional practices and the other half focused on early reading instructional practices. Additionally, the Governor’s budget provides almost \$5 million for organizations that do auxiliary literacy work to augment the efforts of teachers in the classroom, including The Literacy Lab, Reach Out and Read, and the Reading Corps. In addition, the Governor recommends investing \$1,485,000 over the biennium in adult literacy supports and \$5 million over the biennium for a new “Do the Math” personal financial literacy initiative.

Wisconsin must also address the heightened challenges posed by students who are struggling to learn English while at the same time trying to maintain academic attainment at the same levels as their peers.

CHART 4: STATE SUPPORT FOR SCHOOL COSTS TO EDUCATE ENGLISH LEARNERS DECLINED SIGNIFICANTLY



The Governor’s budget supports these efforts by increasing funding more than \$74 million GPR over the biennium to address elevated instructional costs for English learners in all school districts:

- \$8,199,100 GPR in fiscal year 2023-24 and \$14,153,200 GPR in fiscal year 2024-25 in the Department of Public Instruction’s bilingual-bicultural aid program to reimburse costs for schools with higher concentrations of English learners. This additional support is intended to increase the state’s current reimbursement rate of approximately 8 percent to 20 percent by the end of the biennium.
- \$25,992,000 GPR in each year for a new Aid for English Language Acquisition program. In fiscal year 2020-21, the current bilingual-bicultural aid reimbursement program left 321 school districts and 22,399 English learners without any state support to address costs. This new aid program will ensure all school districts have enhanced state support for helping English learners succeed.
- \$310,500 GPR over the biennium to formalize the process for Wisconsin English learners to earn a Seal of Biliteracy and to provide support to school districts that assist students in achieving this seal.

The Governor’s budget also includes \$10 million GPR for the Milwaukee Mathematics Partnership and \$20 million GPR for out-of-school time grants, which will reinforce school day lessons and help kids avoid risky behaviors once the school day is over.

Nutrition

According to the School Nutrition Association of Wisconsin, alleviating school-age hunger is foundational to academic achievement, cognitive and physical development, social and behavioral response skills, workforce preparedness, and overall health and wellness. However, recipients of free or reduced-price lunch may feel stigmatized as “poor” or “different” relative to their peers.

Further, according to the University of Wisconsin Food Security Project, food insufficiency among Wisconsin households with kids reached its highest level of the pandemic at 15 percent in October 2020. While this level generally declined over the next year, falling to around 5 percent by fall 2021, it increased sharply to approximately 13 percent by spring 2022. More troubling, throughout the pandemic, food insufficiency in Wisconsin has been more than four times as high among Black households as white households.

A universal school meal program not only demonstrates a commitment to our students' health and academic success, it also frees students of the worry of lunch shaming and helps eliminate at least one of the racial and economic disparities that affect kids' learning. Knowing all of this, the Governor proposes a "Healthy Meals, Healthy Kids" initiative with \$120 million GPR in fiscal year 2024-25 to fully fund school breakfasts and lunches for all kids, ensuring kids are prepared for the school day and experience less anxiety about the source of their next meal. Additionally, the Governor proposes providing \$2.75 million GPR to incentivize schools to support Wisconsin's farmers, food producers, and local economies by enhancing reimbursement for meals that include locally sourced foods.

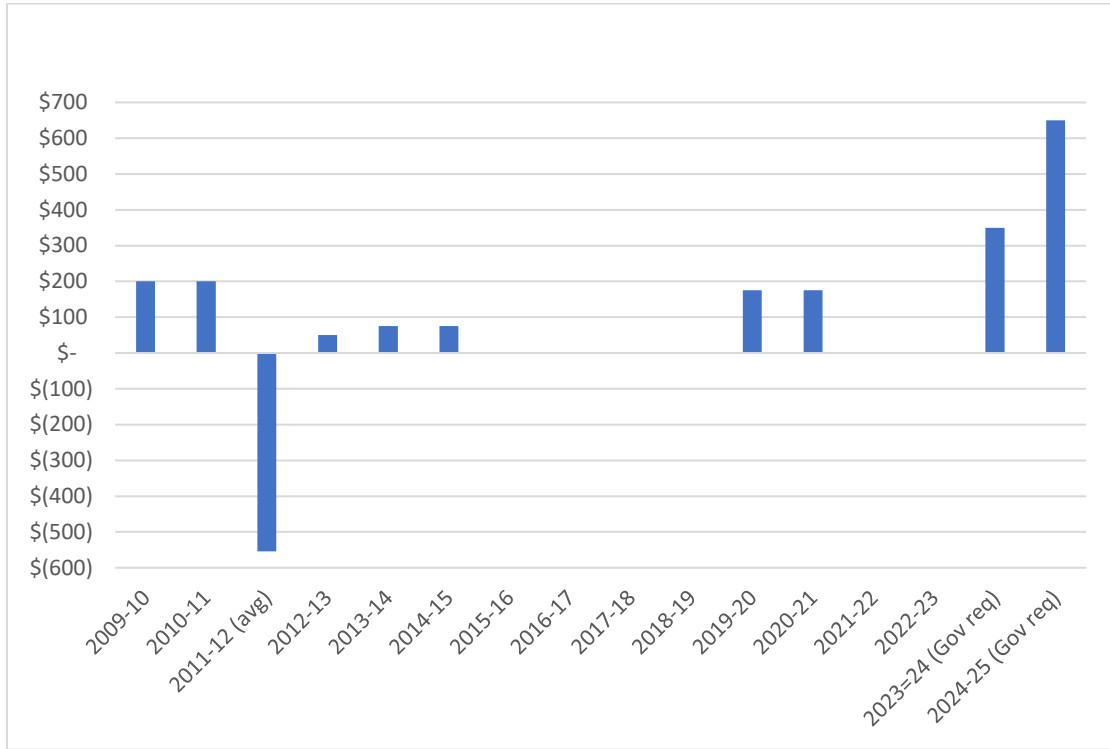
Overall funding

The federal government has been an invaluable partner in helping Wisconsin address the effects of the pandemic, including providing extra resources for schools.

According to FutureEd, as many school districts reopened buildings during the 2020-21 school year, about \$2.4 billion in federal pandemic response funding went toward cleaning and equipping schools to prevent the spread of COVID-19, as well as upgrading school air quality and ventilation. School districts may spend federal pandemic relief dollars through September 2024, and a separate analysis by FutureEd showed that at least half of districts are planning to spend the third round of federal funds on HVAC upgrades. The one-time nature of the federal coronavirus relief funding does not allow school districts to address needs, pandemic-related or otherwise, on a sustained basis. Schools need the ability to identify opportunities for improvement or growth and fund them accordingly with certainty. The student who was a kindergartener in the 2020-21 pandemic-interrupted school year will not graduate high school until the 2032-33 school year, and that student – and every student – deserves a state budget that supports continued learning innovation and evolution. It is up to our state, in our budget, to deliver for our schools and our kids to make sure that their ongoing educational needs are met.

As such, the Governor's budget provides record-setting per pupil revenue limit adjustments of \$350 in fiscal year 2023-24 and an additional \$650 in fiscal year 2024-25, as well as historic increases in the revenue "floor" for school districts. Coupled with increases in funding for general school aids of just over \$1 billion GPR over the biennium, these recommendations will allow school districts to address student needs. The Governor's budget further enhances school district budget flexibility by providing \$45.5 million GPR over the biennium to increase unrestricted per pupil aid by \$24 per pupil in fiscal year 2023-24 and an additional \$45 per pupil in fiscal year 2024-25.

CHART 5: GOVERNOR’S BUDGET INCLUDES RECORD PER PUPIL REVENUE LIMIT ADJUSTMENT INCREASES

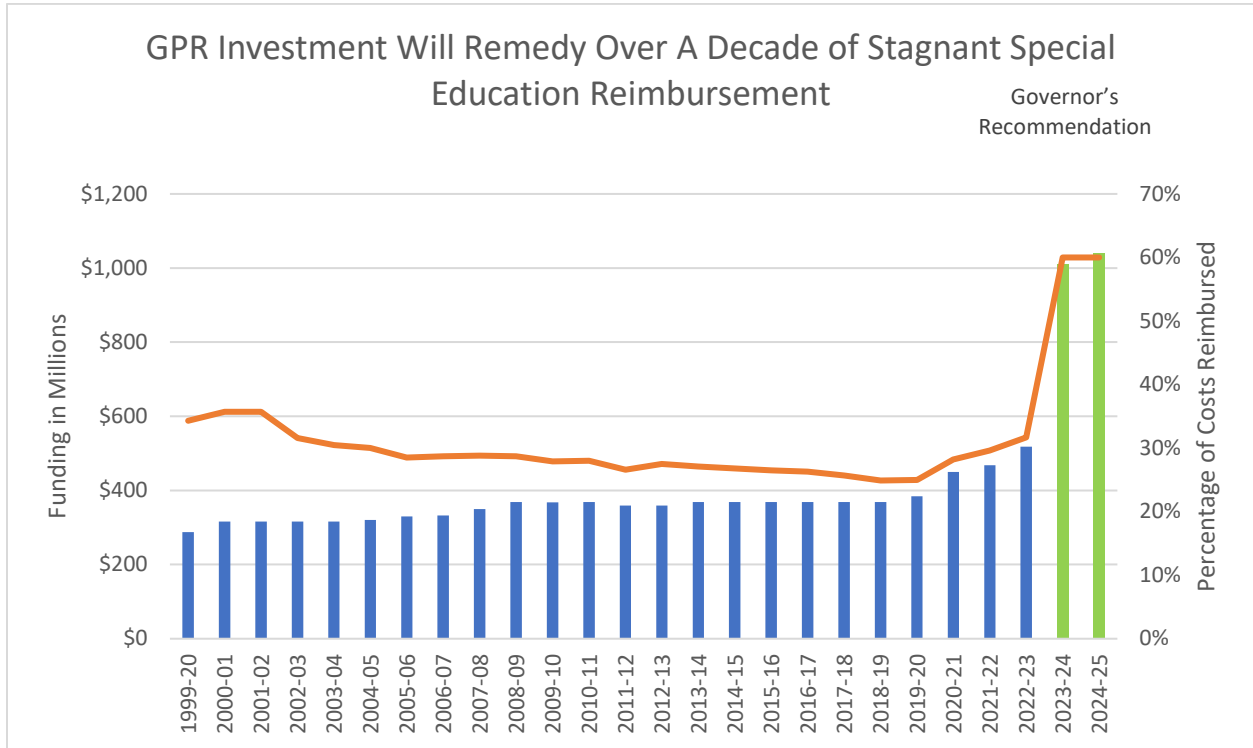


OTHER SIGNIFICANT INVESTMENTS

Special Education

The Governor’s budget includes critical increases to address rising special education costs for school districts, mainly \$491.4 million GPR in fiscal year 2023-24 and \$521.7 million GPR in fiscal year 2024-25 to increase state reimbursement of local special education costs to 60 percent in each year of the biennium, regardless of appropriation levels (through use of a sum sufficient appropriation).

CHART 6: GOVERNOR'S BUDGET WILL PROVIDE RECORD INCREASE IN STATE SPECIAL EDUCATION REIMBURSEMENT



The Governor’s budget also includes enhanced funding for high-cost special education aid of \$7.5 million GPR over the biennium, which will help schools address circumstances that require a higher level of investment for an individual student.

Teacher Pipeline

In August 2022, the Department of Public Instruction conducted a survey of school districts and independent charter schools to determine the level of teacher shortage in the state. Upwards of 90 percent of respondents indicated they were having “trouble” filling positions for the 2022-23 school year; almost 20 percent of respondents had vacancy rates of up to 10 percent; and special education, mathematics, English language arts, and career or technical education were identified as the areas of highest need.

To address the tremendous challenges many schools have been facing throughout the state and increase interest in the teaching field, the Governor’s budget includes:

- \$5 million GPR in fiscal year 2024-25 for grants for “grow your own” initiatives, which may include providing current employees with resources to gain additional higher education credits, licenses; or certifications; engaging with community organizations; and supporting student organizations with “future teacher” missions.
- \$9.4 million GPR in fiscal year 2024-25 to provide stipends to student teachers and interns.
- \$2 million GPR in fiscal year 2024-25 to provide stipends to teachers who agree to train and oversee student teachers or interns.
- \$50,000 GPR in fiscal year 2024-25 for stipends to school library interns.

Computer Science

According to the National Governor’s Association, computing jobs are the largest source of new wages in the United States. With remote work taking on a larger share of the U.S. workforce after the pandemic, computing jobs are more readily available outside of Silicon Valley. In Wisconsin, a

computer science job has an estimated average salary of \$80,500. However, it is estimated that only approximately two-thirds of Wisconsin high schools provide a foundational computer science course offering. To help Wisconsin students compete for these important, family-supporting jobs, the state must target computer science education specifically. Therefore, the Governor's budget includes funding for a new statewide computer science education coordinator for the Department of Public Instruction, \$10 million GPR over the biennium to help schools increase computer science offerings at all grade levels, and a requirement that all high schools to offer computer science.

Child Welfare

State and county child welfare agencies currently face challenges implementing the Family First Prevention Services Act. This act was included in the federal Bipartisan Budget Act of 2018, and Wisconsin began implementation on October 1, 2021. The act reforms federal funding for child welfare and creates new state requirements intended to prevent kids from entering out-of-home care in addition to encouraging states to place kids who do enter out-of-home care in family settings, such as foster care. For the first time, the federal government will reimburse states with federal IV-E funds for in-home services that keep kids safely in their homes. Previously, IV-E funds could not be used on prevention services. States can now claim up to 50 percent IV-E reimbursement for approved, evidence-based prevention services. The Governor's budget aids the Department of Children and Families in funding programs aimed at supporting families that need help before the problems become severe.

The Governor's budget provides more than \$35 million all funds to pilot an intensive preservation service program in three Wisconsin regions for families at risk of having a child enter the out-of-home care system or children and youth either in out-of-home care or the juvenile justice system.

Though Wisconsin, like all states, is shifting toward placing kids in family settings in foster care or kinship care, the Governor recognizes that the healthiest place for some kids removed from their home is a placement in a Qualified Residential Treatment Program, which can provide necessary medical and behavioral support. The Governor is therefore restoring funding for congregate care provider training to ensure staff at these important treatment centers have the support and education they need to provide quality care to our kids. The Governor had proposed this funding in the 2021-23 budget, but it was made one-time by the Legislature.

The Governor is also making investments in the child welfare system in Milwaukee by providing more than \$15 million GPR over the biennium to improve the continuum of care in Milwaukee child welfare with stabilization centers, aftercare services, mental and behavioral health services and a Qualified Residential Treatment Program. The budget also modifies Milwaukee child welfare prevention services by replacing approximately \$9 million TANF funding over the biennium with an equivalent amount of GPR to allow for more flexibility and expand funding to support respite child care services.

The budget also aims to improve child welfare programs in Tribal Nations. This includes modifying subsidized guardianship statutes to ensure Tribal Nations can be reimbursed for this by the state in the same way that counties already can. In addition, the budget adds to the support given in previous biennia by creating GPR appropriations and expanded funding for Tribal family services and high-cost of Tribal out-of-home care placements, providing almost \$8 million GPR over the biennium.

In order to ensure that kids in out-of-home care receive excellent support to enable them to have healthy lives and futures, their caregivers must have the necessary support. In addition to strengthening the child welfare infrastructure at the state and local level, the Governor's budget provides additional assistance directly to foster and kinship care families. Using data from a 2013 Child Trends study, the Department of Children and Families projected that, in 2022 dollars, the average cost of caring for a kid in Wisconsin is \$843 per month. Comparatively, the minimum rate for foster care levels 2 and above covers approximately 50 percent. The base rate for kinship care and foster care level 1 only covers approximately 36 percent of those costs. The Governor is therefore proposing increases to provide over \$1.7 million all funds over the biennium to increase foster care age-based rates by 5 percent and allow foster care level 1 providers to receive that age-based rate. The budget also makes kinship care providers eligible to receive those age-based rates and provides more than \$24 million TANF over the biennium.

One of the best placements for kids in out-of-home care is in a family setting, ideally with a family member they know. The budget expands eligibility for kinship caregiving to like-kin and other close relations to a child to provide that necessary care if it is in the best interest of the child, budgeting more than \$17 million TANF over the biennium for this purpose. The budget also provides approximately \$16.5 million GPR over the biennium for additional kinship care program support, including flexible support payments to kinship caregivers and family search services for child welfare agencies. These supports will help the state further align with the Family First Prevention Services Act and encourage more family members to support relatives in out-of-home care.

Finally, the Governor supports programs that are aimed at developing and supporting strong and healthy families. As such, the budget includes over \$4 million GPR in each fiscal year for the Child Abuse and Neglect Prevention Board to fund family resource centers in regions across the state and expands home visiting services to approximately 24 additional counties and Tribes with more than \$5 million all funds over the biennium.

Child Care

The first few years of a child's life are a critical time in their brain development and lay the foundation for the rest of their life, and the Governor is committed to ensuring that every kid has access to high-quality early childhood educational experiences.

Wisconsin's child care industry has historically been under significant stress, and the pandemic further exacerbated underlying issues, including razor-thin margins, low pay, high turnover, and a lack of high-quality, affordable options for families. Due to lower teacher-to-child ratios and other compliance and quality factors, payments from families often do not fully cover operational costs. Another challenge for providers is recruiting and retaining qualified staff. Staff costs comprise roughly 80 percent of providers' expenses. Yet because of providers' razor-thin margins, the early childhood education workforce generally earns on average between \$10 and \$13 per hour with few benefits. These low wages have led to a 40 percent annual turnover in the child care workforce, making it difficult for providers to sustain high-quality programs.

The financial strain on providers is a key reason Wisconsin faces an extreme shortage in infant and toddler care and nonstandard hour care (evening, overnight, weekend), and lacks overall care choices for families. According to the Department of Children and Families, an estimated 54 percent of Wisconsin residents live in a child care desert defined as "any census tract with more than 50 kids under age five that contains either no child care providers or so few options that there are more than three times as many kids as licensed child care slots." A lack of equitable child care access and quality early childhood education options across the state has had fundamentally negative impacts on Wisconsin's families, its workforce and its economy as a whole.

The pandemic highlighted the critical role the state's early childhood education system plays for both families and businesses alike and several initiatives helped stabilize the child care industry during the COVID-19 pandemic. With bipartisan support, over \$700 million of federal funds have been allocated to the Child Care Counts payment program to provide relief and support to child care providers throughout the state. In addition, during the 2021-23 biennium, the Governor authorized the Department of Children and Families to raise Wisconsin Shares child care provider rates to the 80th percentile of market rates in January 2022 to provide adequate compensation to child care providers and relief to many families.

With many of the structural challenges in the industry remaining and federal relief funding ending in the upcoming biennium, the future of child care is uncertain as many providers have relied on the federal funding just to keep their doors open. A November 2022 National Association for the Education of Young Children report based on survey results from more than 12,000 early childhood educators nationwide revealed that upwards of 60 percent of Wisconsin responding providers said they would have to raise their rates when the federal funding ended, while 34 percent said they would have to cut wages or end salary increases for their employees.

Now, more than ever, Wisconsin's work to address pervasive challenges around access, quality, and affordability within the early childhood education system are imperative to Wisconsin's present and future. In this budget, the Governor has included a historic new investment in continuing the Child

Care Counts quality payment program to address quality, affordability, access, and equity for kids both in Wisconsin Shares and unsubsidized child care. Specifically, the Governor's budget allocates over \$100 million all funds in fiscal year 2023-24 and over \$240 million all funds in fiscal year 2024-25 to focus on infant and toddler care and early childhood education workforce. Under this initiative, providers would continue to receive a monthly amount per child based on the provider YoungStar rating, the child's age, the child's Wisconsin Shares participation, and whether the child's authorization is part-time or full-time. Because retaining a well-qualified workforce is critical to the early childhood education landscape across Wisconsin, this initiative also provides a per-staff payment that would vary based on the provider YoungStar rating and whether the staff member works full-time or part-time. This dual strategy of investing in infant and toddler care while supporting staff addresses the pervasive challenges around access, quality, affordability, and workforce in the early childhood education field.

The Governor's budget will also include funding to build additional capacity in the industry by providing more than \$22 million GPR to continue the innovative Partner Up! Program to support partnerships between businesses who purchase child care slots for their employees and child care providers and providing \$10 million TANF for individuals interested in becoming new child care providers.

The Governor's budget also helps make child care more affordable for low-income families by removing copayments for those with incomes less than 100 percent of the federal poverty level as part of an initiative to redefine payments to providers and copayments to families for part-time vs. full-time care. Further, the Governor's budget helps all families offset the high cost of child care and dependent care by expanding the state's Child and Dependent Care Credit, providing nearly \$30 million in relief to an estimated 107,000 Wisconsinites.

In total, the Governor's budget aims to address fundamental structural problems in the child care industry by helping existing providers offer high quality programs, support the development of new providers, and ease the cost burden on families. A robust, well-funded early childhood education and care system is critical for our kids, and it is critical for our workforce. Without it, Wisconsin's ability to continue our economic recovery will not be realized to its full potential.

B. STRENGTHENING OUR ECONOMY & FUTURE WORKFORCE

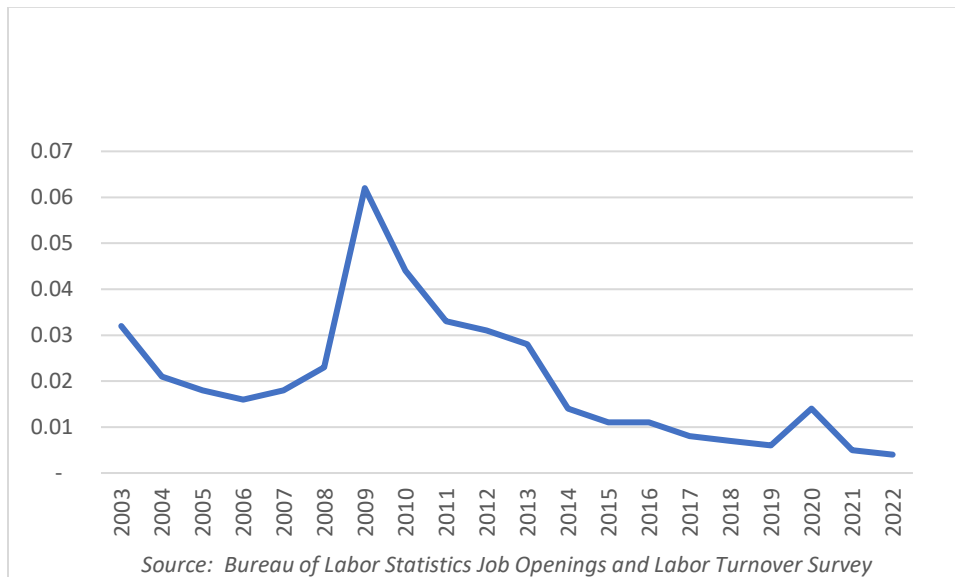
GROWING AND STRENGTHENING WISCONSIN'S WORKFORCE

Wisconsin's unemployment rate is at a generational low, and the state labor market participation rate is above the national average. The state must make investments to continue our economy's momentum. While these measures show that the state has a strong economy and has weathered the pandemic well, the number of open jobs in Wisconsin is also at record highs. In October, the Department of Workforce Development estimated the state labor shortage at 140,000 workers.

CHART 7: UNEMPLOYMENT RATE NEAR LOWEST IN DECADES



CHART 8: RATIO OF UNEMPLOYED PERSONS PER JOB OPENING



Large corporations, small businesses, governments and nonprofit organizations all are seeking qualified workers to fill jobs. Even without the pandemic, Wisconsin was on pace to have natural population change turn negative by 2025, due to a combination of falling birth rates and an aging population. Forward Analytics contends that migration is the solution to slowing natural population growth, and Wisconsin will need to attract more people over the next 10 years to avert a dramatically shrunken workforce and eroded tax base.

Governor Evers has already taken steps to put Wisconsin on track to address this demographic challenge, and this budget makes significant investments in moving this priority forward. Decisive policies supported by smart investments must continue to maintain our economy’s momentum, especially as the state is in a very positive financial position and can afford to invest responsibly. As such, the Governor’s budget builds on investments made during the pandemic using federal pandemic relief aid by investing more than \$290 million in new state money in talent development and attraction and proposing bold policy changes to get and keep skilled individuals in the Wisconsin economy. Investments include:

- \$200 million GPR in fiscal year 2023-24 for Wisconsin Innovation Grants, a successful workforce development program that was launched in the 2021-23 biennium by the Department of Workforce Development and the Wisconsin Economic Development

Corporation with \$128.8 million in American Rescue Plan Act funding. The American Rescue Plan Act-funded program provided 27 regional organizations with grants to design and implement plans to address workforce challenges, especially those exacerbated by the pandemic. The state-backed program will include a \$100 million allocation to specifically focus on fortifying the state's healthcare workforce by providing grants to healthcare employers and related organizations. The program will also address long-term solutions tailored to local communities for businesses to find workers and individuals to obtain family-supporting jobs.

- \$4.4 million GPR annually for enhanced youth service programs conducted by local workforce development boards. While the federal government provides funding for in- and out-of-school youth programming, such as tutoring, internships, occupational skills training, financial literacy education, and postsecondary preparation, there are regulations limiting the youth served and the programs provided. By allocating additional resources for this initiative, first with American Rescue Plan Act funds and now in the Governor's budget using GPR, these local organizations can expand services to younger age groups and use innovative approaches to youth engagement with employment services and work experience.
- \$16.5 million GPR over the biennium for job training initiatives, including:
 - Continuation of the American Rescue Plan Act-funded Worker Advancement Initiative at \$12 million GPR over the biennium.
 - A new Reengaging Out-of-Work Barrired and Underserved Individuals Through System Transformation (ROBUST) program at \$4.5 million GPR over the biennium, through which the Department of Workforce Development will conduct outreach to populations disconnected from the labor force and prepare them to enter high-quality jobs.
- Almost \$900,000 GPR over the biennium and 6.0 FTE GPR positions for job centers within correctional institutions, which provide incarcerated individuals with employment services to improve their employability and prepare them for jobs once released from prison.
- Over \$20 million GPR over the biennium to address the teacher shortage plaguing schools across the state, including funding for "grow your own" initiatives and incentives for student teachers and their mentors.
- \$10 million GPR for the Wisconsin Economic Development Corporation for talent attraction and retention collaborations.
- In addition to the \$100 million health care Workforce Innovation Grant noted above, an additional \$50 million GPR for healthcare workforce shortage solutions, including:
 - \$22.5 million GPR over the biennium to establish an ongoing Innovation Grant program for healthcare employers to engage in improved recruitment and retention of long-term care providers.
 - \$1,576,600 GPR in fiscal year 2024-25 for the Qualified Treatment Trainee grant program, which facilitates the licensure and certification of those obtaining or already possessing a graduate degree in psychology, counseling, marriage and family therapy, social work, nursing, or a closely related field. This investment aims to reduce the bottleneck of finding certified practitioners to supervise qualified treatment trainees and help them fulfill their supervised hours licensure requirement. Additionally, this budget will ensure that those services provided by qualified treatment trainees, and in the presence of a certified practitioner, are covered by insurance.
 - \$8 million GPR in fiscal year 2024-25 for continuation of the WisCaregiver Careers program, which aims to address the shortage of certified nursing assistants in the state by supporting recruitment, training and retention of individuals to care for

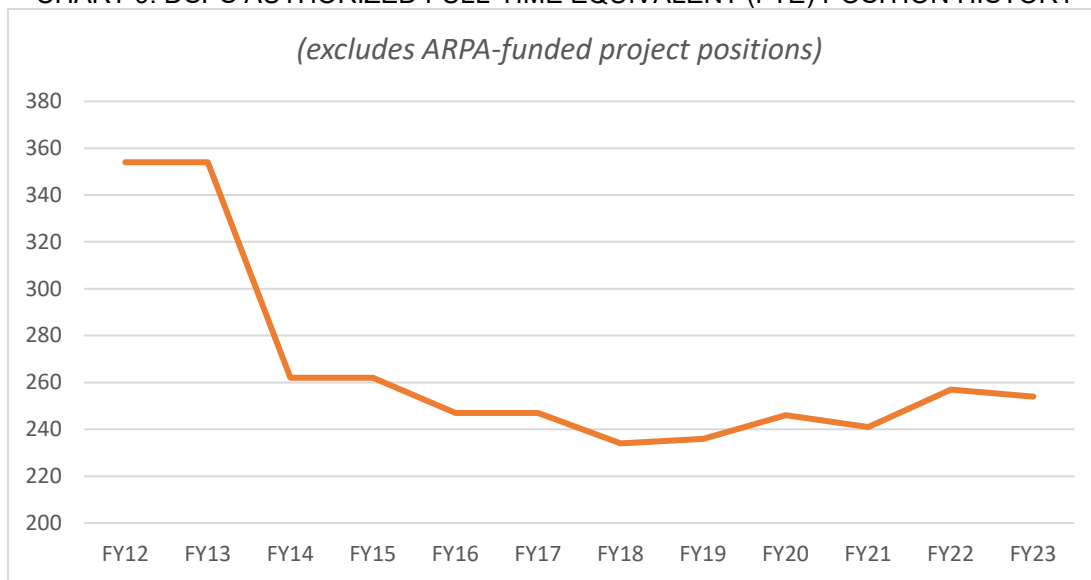
nursing home residents across Wisconsin. Additionally, the Governor recommends providing funding for healthcare innovation grants, which would help healthcare providers implement best practices and innovative solutions to increase worker recruitment and retention.

- \$10 million GPR over the biennium for the highly successful nurse educators program, which provides incentives for nursing professors to stay in Wisconsin to teach the next generation of nurses.
- \$7 million GPR over the biennium for a new psychiatry residency program through the Medical College of Wisconsin
- \$10 million to support training, reemployment and workforce growth in the clean energy and “green jobs” employment sectors.

Department of Safety and Professional Services

The Governor’s budget employs other tools to increase the number of professionals working in the state. The prior administration and the Legislature implemented deep cuts to the workforce at the Department of Safety and Professional Services while failing to provide the necessary staffing support and funding flexibility that has long been requested, leading to delays in credentialing and construction projects and dissatisfaction among the customers the department serves.

CHART 9: DSPS AUTHORIZED FULL-TIME EQUIVALENT (FTE) POSITION HISTORY



The Governor attempted to forge a path to rectify this egregious misstep by proposing additional Department of Safety and Professional Services staffing in his executive budget proposals (20.0 FTE PR positions in 2019-21, and 16.0 FTE PR positions in 2021-23); however, the Legislature approved only a small number of positions (6.0 FTE PR in each budget). The agency’s restrictive appropriation structure makes it difficult to nimbly address workload fluctuations. Therefore, once again, the Governor’s budget includes an increase in personnel to get Wisconsinites to work faster, whether through a professional credential or an accelerated project time line. The Department of Safety and Professional Services’ staffing levels will be augmented as follows:

- 14.0 FTE PR positions for the department’s call center, which almost doubles current staffing levels and will significantly improve the “call answer rate,” as proven by the deployment of American Rescue Plan Act funds for limited-time call center contracted services.
- 16.0 FTE PR positions for the department’s credential processing operations, for which efficiency is critical to individuals seeking to gain employment in their licensed fields.

- 8.0 FTE PR positions will be designated Health Team license PPAs, which will boost the state's healthcare labor force and ultimately improve access to healthcare providers.
- The other 6.0 FTE PR positions will be dedicated to processing business and trades credential applications. Again, this will help applicants gain employment quicker, and potentially reduce project costs by shortening time to completion through an influx of workers.
- In order to further improve credential processing, the Governor also will provide one position for records management training and mentoring, and one paralegal to speed legal reviews of applications.
- 30.0 FTE PR positions to implement several innovative plan review process modifications that will be backed by a significant investment in resources. These reforms have been sought by industry partners since at least 2019 and will decrease the cost of building projects by decreasing plan review time. New strategies include schedule-in-advance plan review and small project plan reviews, as well as staff to decrease plan review and inspection wait times.

Paid Family Leave and Other Workforce Initiatives

In addition to the workforce initiatives above, the Governor is proposing a comprehensive approach to paid family leave for workers and employers in the state. Paid family leave is critical for workers and families, and as such is an important benefit for employers in recruiting workers. Further, it is the right thing to do for our kids and families, ensuring that family caregivers are not put in the position of having to choose between needing to care for a sick child, aging parent, or close relative and being able to pay the bills. By establishing a state family leave program, Wisconsin can position itself as a worker- and family-friendly state, while ensuring employers and employees share responsibility for the costs of this critical benefit.

Specifically, the Governor proposes the creation of an expansive, much-needed paid family and medical leave program, providing 12 weeks of leave for most Wisconsin workers, administered by the Department of Workforce Development. In order to launch the program expeditiously and ensure that workers and employers are able to reap the benefits of the program as soon as they begin to contribute to it, the Governor will infuse the new benefit and administration trust fund with a transfer of \$243.4 million from the general fund. These funds will be used to support getting the program up and running and to pay benefits in the first year of existence. After its launch, the program will fund such benefits through payroll contributions shared equally by an employer and an employee. Employee contributions will be on a pretax basis.

In addition to establishing 12 weeks of paid leave, the Governor proposes to expand eligibility for workers to use family and medical leave (paid or not) to include:

- Care for a new child;
- Occurrence of a serious health condition, including a medical quarantine;
- Care for family members with serious health conditions (including grandparents, grandchildren, and siblings);
- Military deployment of oneself or a spouse, child, or parent;
- Unforeseen or unexpected closure of a child care facility; and
- Aftermath of domestic violence or sexual assault.

The Governor also proposes several additional initiatives to support Wisconsin's workers, including:

- Increasing the state minimum wage, with an initial increase of \$1.00 per hour to \$8.25 per hour upon enactment of the budget. Increases under the Governor's budget proposal will continue, with the minimum wage going to \$9.25 per hour on January 1, 2025, and \$10.25

per hour on January 1, 2026, with inflationary adjustments thereafter (with proportionately similar adjustments to statutorily prescribed industry-specific wage rates).

- Restoration of many worker rights that were repealed by the Legislature, including collective bargaining for frontline workers of state and local governments, project labor agreements, “right to work” laws, prevailing wage protections, prohibitions on employment discrimination (gender identification and expression, honesty and genetic testing), and enhancement of individual ability to appeal employment discrimination or equal pay cases.
- Providing a path to professional licensure (including commercial driver’s licenses, one of the fields with the greatest number of job openings) for undocumented individuals. According to the American Migration Council, there are an estimated 75,669 undocumented immigrants in Wisconsin, of whom 10,517 are DACA-eligible individuals. Making Wisconsin friendlier to individuals who want to work legally and professionally will increase access to goods or services for residents in a variety of ways while helping the state’s economy.

Small Business Retirement Program

According to the U.S. Small Business Administration, nearly half of Wisconsin’s workforce is employed by small businesses. Many small business owners want to offer retirement plans to their workers, but struggle to find simple, cost-effective options to do so. To help fill this retirement savings gap, the Governor proposes creating a Small Business Retirement Savings Program. The program would be established and overseen by an appointed board that would, in coordination with the Department of Financial Institutions, contract with a vendor to administer the retirement program.

Businesses with 50 or fewer employees will have the option to participate in the retirement program. Employees who choose to enroll in a plan will be offered several investment options, including a Roth IRA account. Payroll deductions for participating employees will be remitted to the program administrator and, unless otherwise directed by an employee, begin at 5 percent of an employee’s gross wages, with this percentage increasing 1 percentage point each year until a maximum rate of 10 percent is reached. This effort will enhance the long-term finances of working Wisconsinites and support our small businesses’ efforts to remain competitive.

State Employee Compensation Changes

The State, like many other employers, is working to recruit and retain workers in a historically tight labor market. As other employers respond to the combination of record-low unemployment and workforce shortages by significantly increasing wages, the State has long had limited ways to respond and keep up. Recently, the Division of Personnel Management used its authority to create pilot add-ons for a select few classifications where agencies are having the most difficulties recruiting and retaining employees. The Governor’s budget makes these add-ons a permanent component of the employee’s base wages, including funding to support security staff at both the Department of Corrections and the Department of Health Services (discussed in the Justice section), as well as \$3.7 million GPR over the biennium to the Department of Health Services to support add-ons for respiratory therapists, income maintenance specialists, disability program associates, disability determination supervisors and several nursing classifications; \$3.6 million GPR over the biennium to the Department of Corrections to support add-ons for several nursing classifications; \$6.7 million in non-GPR funding to the Department of Veterans Affairs to support add-ons for several nursing classifications and \$2.2 million in non-GPR funding collectively to the Department of Administration, Department of Safety and Professional Services and Department of Military Affairs to support add-ons for the State Capitol Police, licensing staff and office operations associates, and military security officers.

The Governor’s budget also recognizes that all employees have lost ground as inflation has reduced their purchasing power and that the state must be able to offer competitive pay in order to fill vacancies, retain our workforce, and provide quality service to the people of Wisconsin. In recognition of this, the Governor recommends a more robust compensation package than has been advanced in recent years. While these initiatives will have to be approved as part of the compensation plan, funding has been placed in the compensation reserve for the following state employee compensation initiatives. First, the budget provides \$415.7 million GPR over the biennium for a general wage

adjustment for most state employees of 5 percent on July 1, 2023, and an additional 3 percent on July 1, 2024. Second, the budget provides \$39.7 million GPR over the biennium for targeted market and parity wage adjustments for employees within certain classifications in state agencies to better align their wages to those paid by private and other public sector employers. Third, the budget provides \$4.3 million GPR over the biennium to support development of a semiautomatic pay progression for most classifications that will allow employees to increase pay based on performance and experience. Fourth, the budget provides \$2.1 million GPR over the biennium to support market and parity wage adjustments for employees within information technology classifications to better align their wages to those paid by private and other public sector employers. Fifth, the budget provides \$269,000 GPR over the biennium to support a pay progression for wardens at the Department of Natural Resources and Capital Police within the Department of Administration. The Governor's proposal also includes significant investments in employees who work as part of the criminal justice system, as discussed further on in this document.

The Governor's budget also improves state employee benefits by: (a) providing \$34.1 million GPR over the biennium to support a new paid family and medical leave program for state and University of Wisconsin System employees for 12 weeks annually; (b) funding paid sick leave for limited term employees that work for state agencies; (c) decreasing the waiting period for all new state employees to receive the employer share of their health insurance from three months to one month; (d) modifying the vacation allowance during the first five years of state employment to improve retention of employees for state agencies; and (e) establishing Juneteenth and Veterans Day as holidays for all of state government.

Finally, the Governor has included statutory language to establish collective bargaining rights for state and local government frontline workers and their bargaining units. Frontline workers are defined as employees with a substantial portion of job duties interacting with members of the public or large populations. The Wisconsin Employment Relations Commission would settle definitional disputes. The budget also eliminates the annual recertification requirement for state and local government bargaining units, as well as the provision that approval by a majority of bargaining unit members (instead of majority of the vote) is required to certify. The budget also requires employers to meet, at least quarterly or upon change in policies affecting wages, hours and working conditions of general employees, with certified representatives of collective bargaining units if applicable or with other representatives, in order to receive employee input.

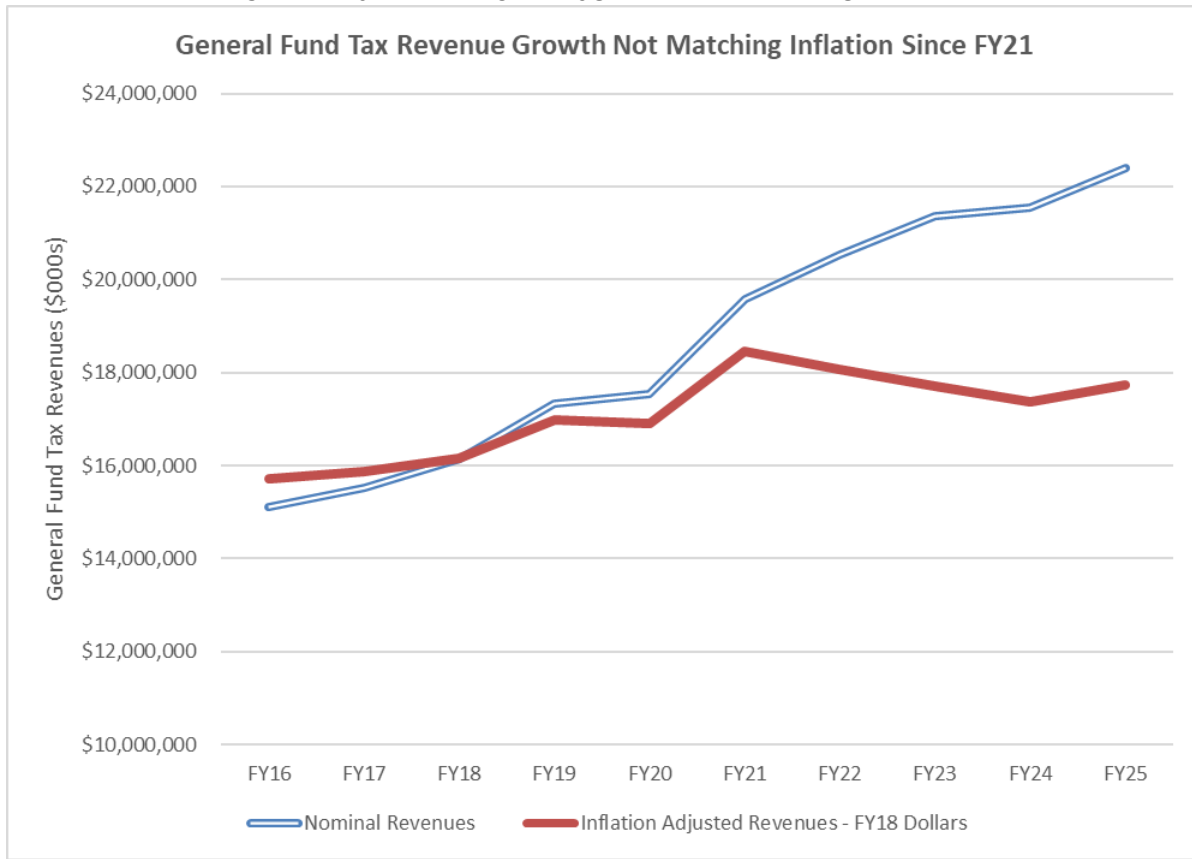
MIDDLE-CLASS TAX RELIEF AND TAX FAIRNESS

The Governor's 2023-25 biennial budget builds on the middle-income tax relief provided by the 2019-21 biennial budget and the 2021-23 biennial budget. Income tax cuts signed by the Governor since he took office have returned \$1.4 billion annually to taxpayers, overwhelmingly to the middle class. The Governor's 2023-25 proposals add approximately \$1.2 billion over the biennium in tax relief for low- and moderate-income Wisconsinites, especially those with kids or those who provide care to family members.

To provide responsible relief while creating a fairer Wisconsin tax code, the Governor also recommends limiting special tax benefits for a small group of higher income earners. These prudent changes will make Wisconsin's tax system more equitable by making sure higher earners who currently benefit from specific preferences pay their fair share.

Despite the large fund balances available for this budget, it must be noted that ongoing tax revenues are only growing modestly compared to inflation. Fiscal year 2021-22 collections declined 2 percent adjusted for inflation and real revenues are currently estimated to decline in fiscal year 2022-23 and 2023-24 as well. While additional targeted tax relief can be funded through this biennial budget, steep tax reductions without offsetting revenues elsewhere would harm the state's ability to provide for current services in the coming years.

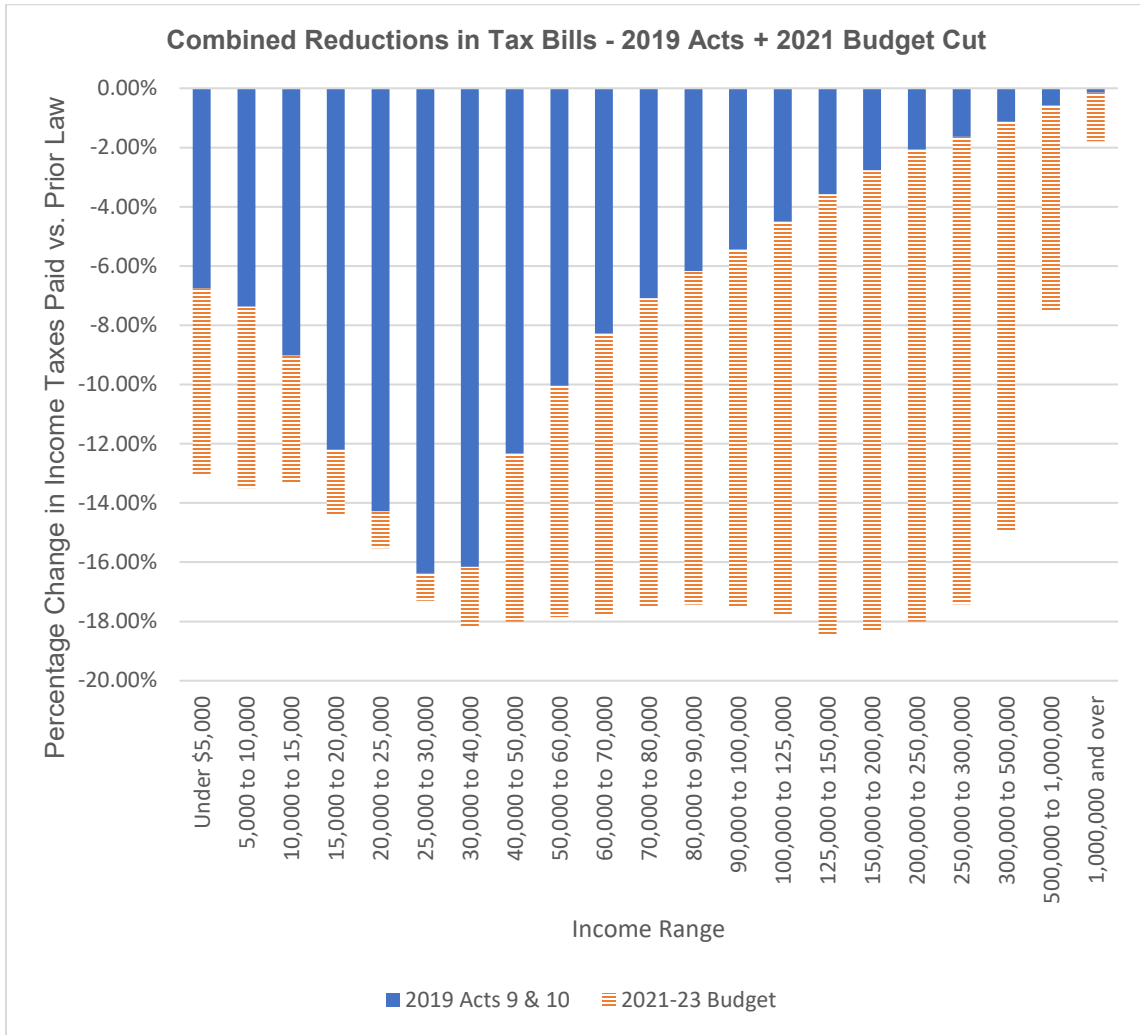
CHART 10: INFLATION ADJUSTED TAX REVENUES FLAT



TAX RELIEF FOR THOSE WHO NEED IT

Individual income tax cuts enacted by Governor Evers—including one of the largest tax cuts in state history—reduced taxes for Wisconsin middle class taxpayers by at least 15 percent, exceeding the Governor’s promise to reduce taxes for middle class Wisconsinites by at least 10 percent. The Governor’s 2023-25 budget continues to build on those cuts with further tax reductions targeted at middle and working-class Wisconsinites.

CHART 11: MIDDLE CLASS TAX CUTS SINCE 2019



First, the Governor recommends the creation of the Family and Individual Reinvestment (FAIR) credit that would be a nonrefundable credit equal to 10 percent of the remaining tax liability after nearly all other credits are applied. The full 10 percent would be available for single filers with Wisconsin adjusted gross income below \$100,000 and married-joint filers with Wisconsin adjusted gross income below \$150,000. The 10 percent credit rate would gradually phase out as incomes increase beyond that point until being fully phased out for single filers with Wisconsin income above \$120,000 and married-joint filers with Wisconsin income above \$175,000. Below the start of the phase-out thresholds, the credit will have a \$100 minimum for single and married-joint filers and a \$50 minimum for married-separate filers. The fiscal impact is an estimated decrease in tax revenue of \$418.7 million in fiscal year 2023-24 and \$420.9 million in fiscal year 2024-25. Over 1.9 million Wisconsin tax filers will see an average tax cut of over \$200 annually under the FAIR credit.

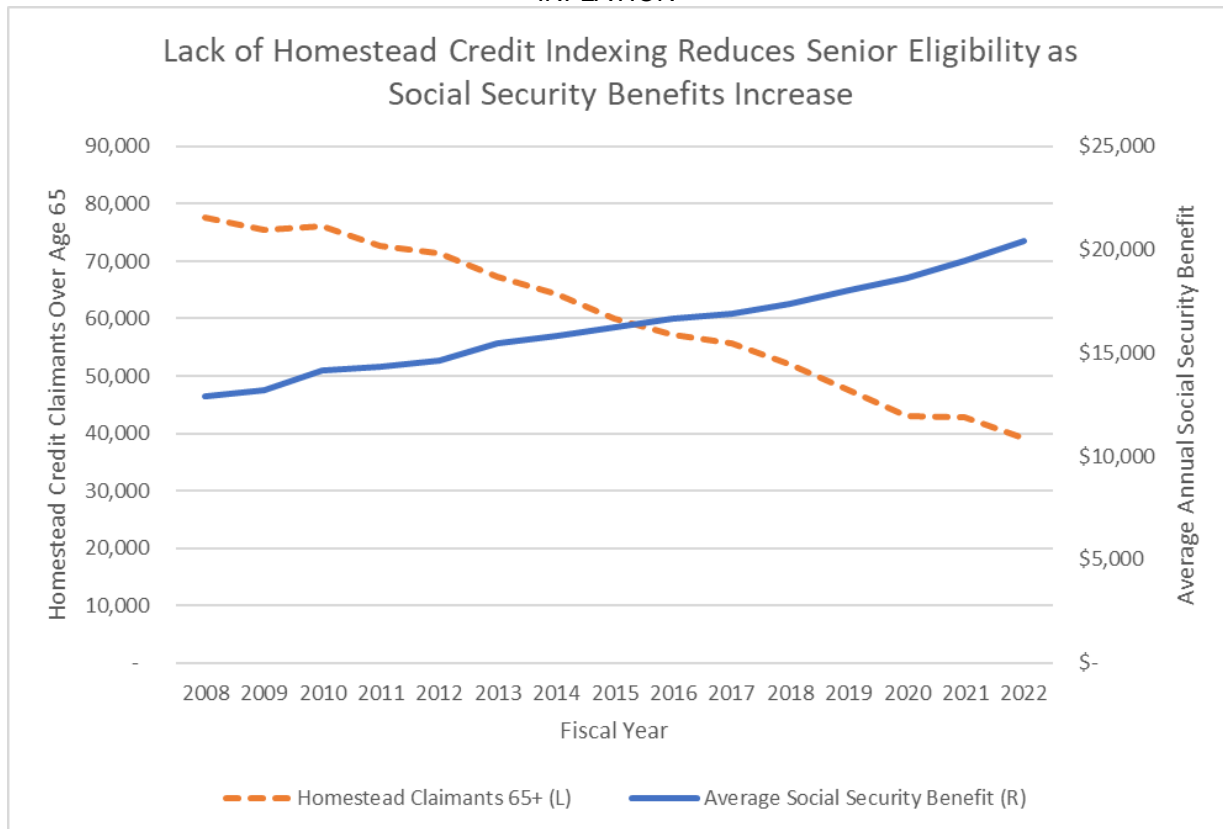
Second, the Governor recommends adopting a nonrefundable credit for family caregivers that will provide \$96.7 million in tax relief in fiscal year 2023-24 and \$98.3 million in fiscal year 2024-25. The credit is equal to 50 percent of the qualifying expenses incurred by those providing care or support to adult family members requiring assistance with one or more daily activities, limited to \$500 in a tax year. The credit will be available to married-joint filers with incomes up to \$150,000, subject to a phase-out after that point with the credit being unavailable for those with incomes above \$170,000. For single, married-separate, and head of household filers, the credit will be available for those with incomes up to \$75,000, subject to a phase-out after that point with the credit being unavailable to those filers with incomes above \$85,000. Qualifying expenses under the credit are those amounts incurred during a taxable year related to modifications to a dwelling for the care or support of a qualified family member, purchase or lease of assistance equipment, and acquisition of goods or

services or support to assist in caring for a qualified family member. Tens of thousands of Wisconsinites incur high financial burdens in caring for members of their family who require assistance with daily living activities. This credit represents a meaningful commitment by the State of Wisconsin to aid these taxpayers and those they care for, providing an estimated 240,000 taxpayers with an average tax cut of nearly \$400.

Third, the Governor recommends greatly increasing Wisconsin’s supplement to the federal Earned Income Tax Credit (EITC) for working families with one or two children. Targeted tax relief through EITC has been shown to be effective in reducing child poverty, yet Wisconsin’s credit for those with one or two children lags most other states and should be increased. Beginning with tax year 2023, the Governor’s budget will increase the percentage of the federal credit that filers with one dependent child may claim from 4 percent to 16 percent. For filers with two children, the rate will increase from 11 percent to 25 percent. These increases in the proven EITC program will encourage work while providing needed relief to low- and moderate-income families with children. Under the Governor’s budget, nearly 200,000 filers with children will receive \$60.7 million in fiscal year 2023-24 and \$63.8 million in fiscal year 2024-25. Average tax relief for these taxpayers will be over \$300 annually.

Fourth, the Governor also recommends enhancing the Homestead Credit to provide increased relief to lower-income Wisconsinites to meet their property tax and rent burdens. The Governor’s budget will increase the maximum eligible household income under the program to \$35,000 in tax year 2023 to extend property tax and rent relief to a large segment of Wisconsinites who have lost that relief due to inflationary pressures over the past two decades. The Governor’s budget will also restore indexing for the credit beginning with tax year 2023, which is vital for those on fixed income streams such as Social Security or disability payments. For those taxpayers, restoring indexing will prevent the credit from losing value due to inflation. These taxpayers will see approximately \$100 million in targeted property tax relief over the biennium through this expansion of the Homestead Credit.

CHART 12: SENIORS HAVE BEEN PUSHED OUT OF THE HOMESTEAD TAX CREDIT BY INFLATION



Because the Homestead Credit is currently limited to seniors, those with disabilities, and those with earned income due to changes implemented in the 2017-19 biennial budget act, expanding the Homestead Credit’s income eligibility provides tax relief exclusively to those on fixed incomes or low-

income working households, helping seniors and people with disabilities stay in their homes and improving housing affordability for low-income working households. Inflationary adjustments in Social Security benefits have greatly reduced the number of senior claimants of the Homestead Credit in recent years. By refusing to index the Homestead Credit, the Legislature has been failing Wisconsin's senior citizens who are struggling to pay their property taxes while confronting other rising costs.

Fifth, the Governor recommends expanding the Veterans and Surviving Spouses Property Tax Credit in two meaningful ways, by: (a) increasing the availability of the credit to those with a disability rating in excess of 70 percent; and (b) expanding the credit to include renters. The expansion to include renters matches the treatment of renters under the Homestead Credit and the School Property Tax Credit. Renters pay property taxes that are passed through by their landlords and should receive tax relief as a simple matter of tax equity. As with the current law provisions, this proposal would extend the Veterans and Surviving Spouses Property Tax Credit for renters at the rate of 20 percent for those with heat included in their rent and 25 percent for those without heat included in their rent. These provisions will provide a total \$26.2 million in relief in fiscal year 2023-24 and \$27.3 million in fiscal year 2024-25.

Sixth, the Governor recommends increasing the percentage match of the federal Child and Dependent Care Tax Credit from 50 percent of the federal credit to 100 percent beginning with tax year 2023 to help families with the rising costs of child care. This will provide over \$27 million annually in tax relief to over 100,000 Wisconsin taxpayers at an average benefit of over \$260 per filer.

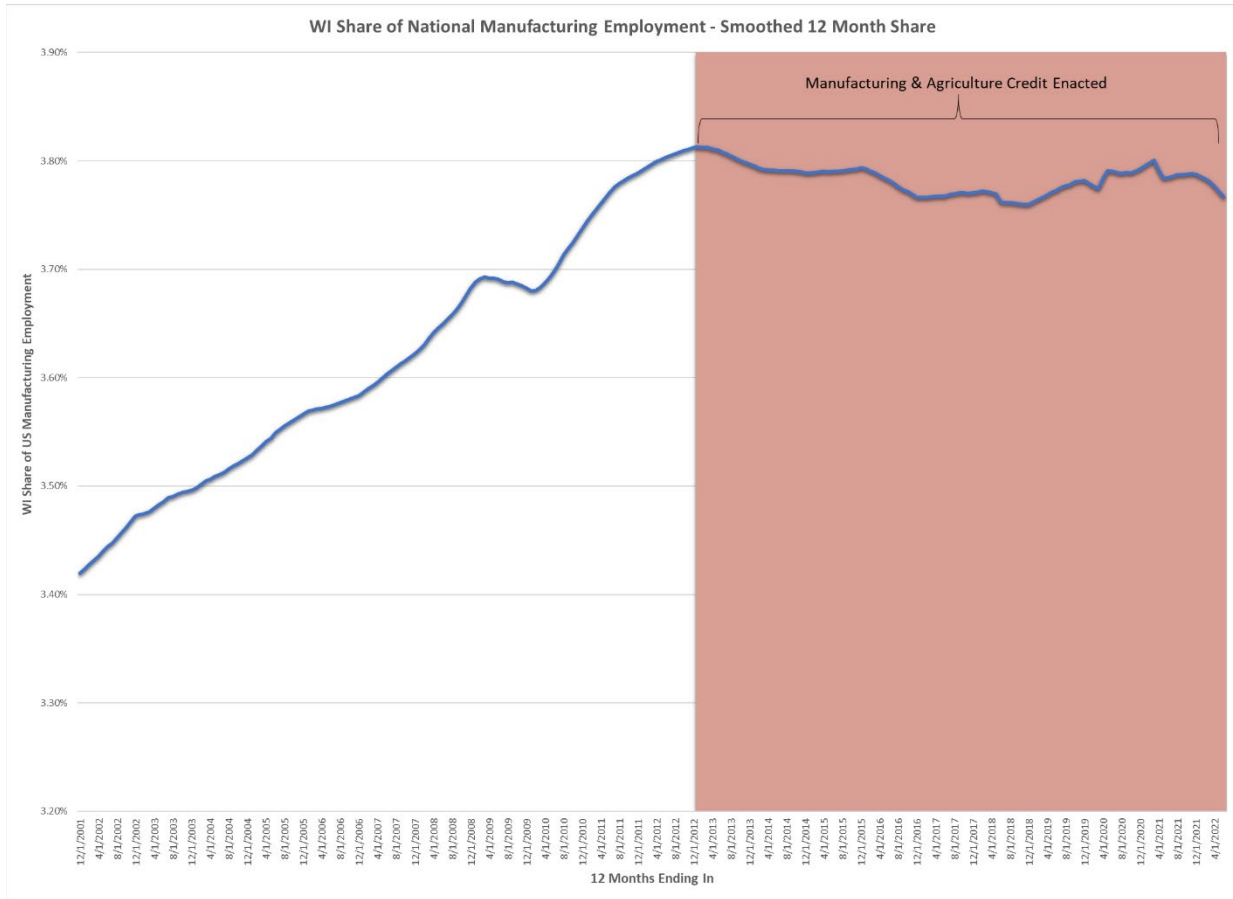
CREATING A FAIRER TAX CODE

Even when tax revenues might appear to be ample, that is not a time to look at our tax expenditures and conclude that no changes must be made. Prudent fiscal management requires routine evaluation of the policies that do and do not work in achieving their aims, investing more in those that do and adjusting those that do not. In doing so, we can raise funds from ineffective provisions to deploy those resources into programs with higher return on investment for the people of Wisconsin. This is as true in the tax code as it is in any other program area.

The Manufacturing & Agriculture Credit has failed to provide the benefits promised for manufacturing at the time of its creation in 2013 while its costs to Wisconsin taxpayers have soared. When the credit was first created in the 2011-13 biennial budget, the fully phased-in fiscal effect was projected to be only \$128.7 million by fiscal year 2016-17. The actual amount grew to \$257 million by that year and is now costing the state approximately \$410 million a year according to the most recent estimates from the Department of Revenue.

Meanwhile, the credit has failed to demonstrate any measurable success at increasing Wisconsin's share of national manufacturing employment. The chart below demonstrates that in fact the period during which the credit has been in place has seen Wisconsin's share of national manufacturing employment stagnate after years of increases prior to its implementation.

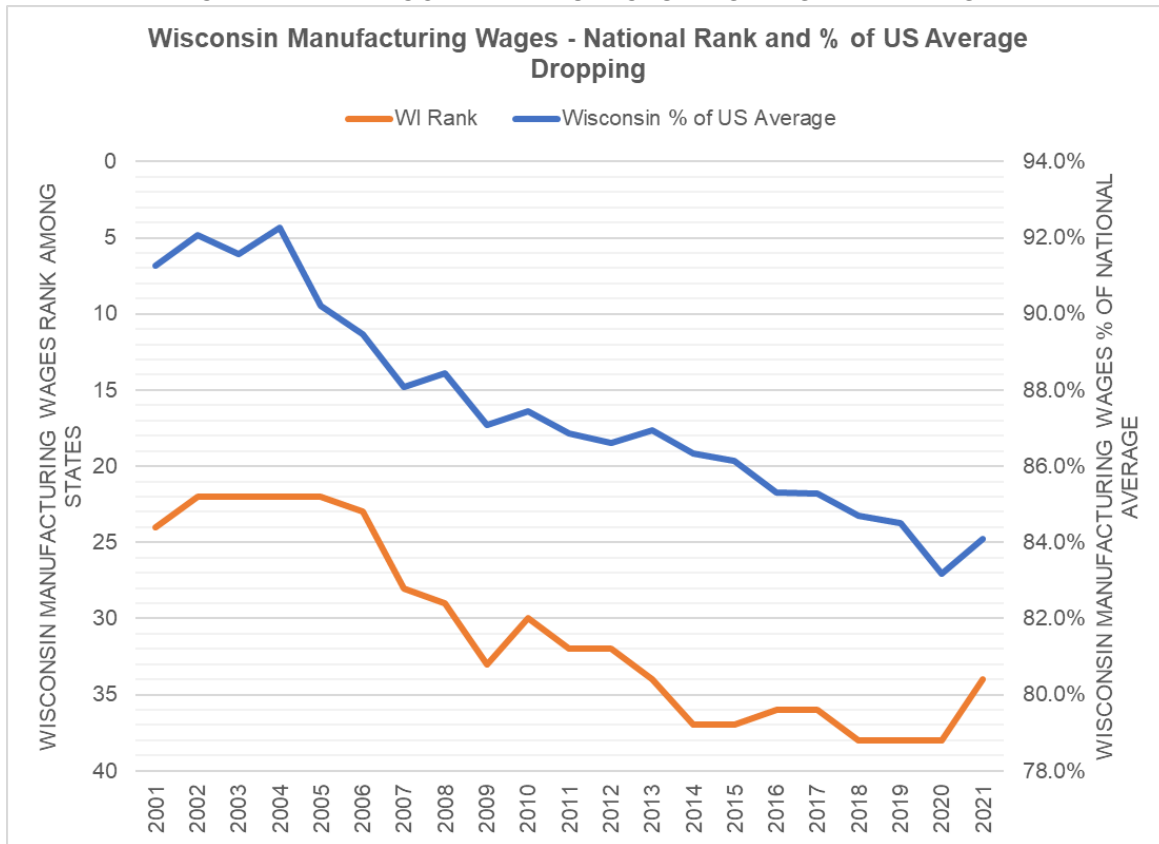
CHART 13: MANUFACTURING AND AGRICULTURE CREDIT INEFFECTIVE AT INCREASING MANUFACTURING EMPLOYMENT



Source: Bureau of Labor Statistics, Quarterly Census of Employment & Wages

If the purpose of the Manufacturing & Agriculture Credit was to increase Wisconsin's share of national manufacturing employment, it has failed in its goal. Furthermore, Wisconsin's relative standing in manufacturing wages has declined, with Wisconsin manufacturing workers only ranking 34th among the 50 states for average annual wages and only paid 84.1 percent of the national average compared to 92 percent of the national average two decades ago. The credit is ineffective at increasing employment and at helping to increase wages among those employed in the manufacturing sector. The result of this tax benefit has been to significantly reduce state tax revenues by providing massive tax benefits to high-income earners. Moreover, because it is a nonrefundable credit, it cannot be argued that the credit helps keep firms in business since it is only available to those earning a net profit. Considering that the credit costs the state nearly 2 percent of its total general fund tax revenues annually, it is time to reevaluate and limit this costly tax expenditure.

CHART 14: WISCONSIN MANUFACTURING WAGES RANKING

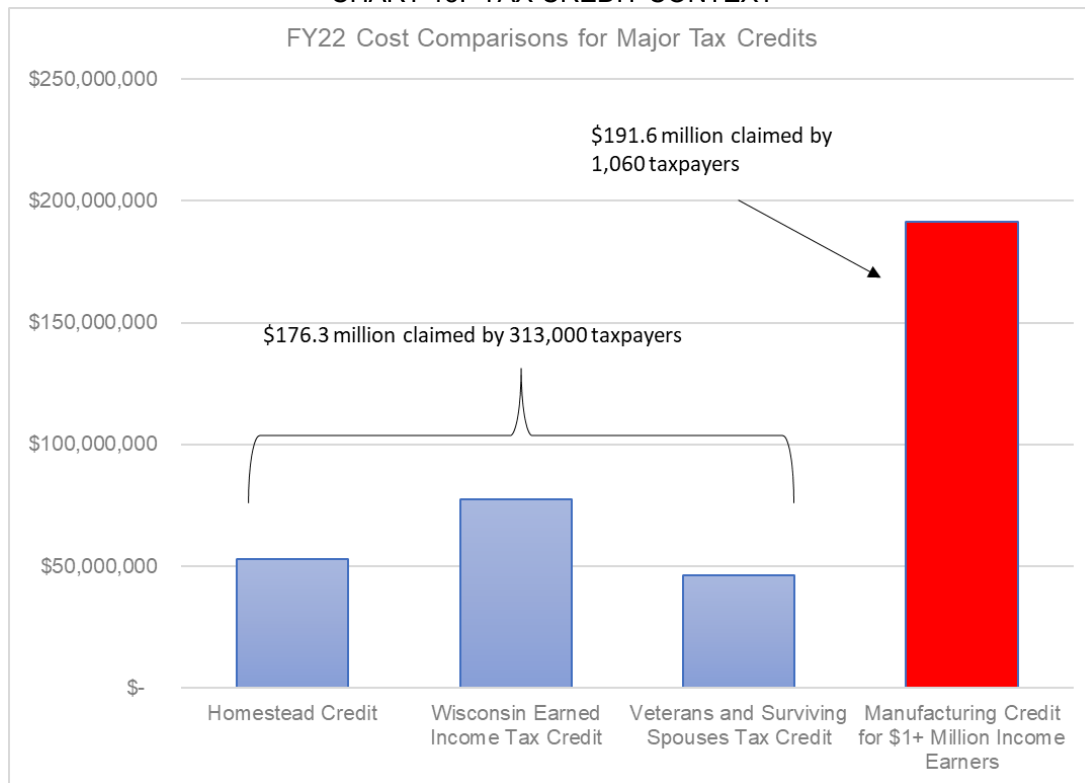


Source: Bureau of Labor Statistics, Quarterly Census of Employment & Wages

In tax year 2021, a mere 7,560 taxpayers, approximately 0.3 percent of all individual income tax filers with a net tax liability, claimed the manufacturing portion of the credit for a total of \$402.4 million, approximately \$53,300 per claimant. Sixty-seven percent of the aggregate dollars claimed went to taxpayers with adjusted gross incomes in excess of \$1 million and more than half of those claims were to taxpayers with adjusted gross incomes in excess of \$5 million. Those approximately 170 claimants with adjusted gross income in excess of \$5 million in 2021 claimed \$149.7 million in the manufacturing credit, or nearly \$900,000 per claimant.

To put these massive claims in context, the amounts claimed by this handful of taxpayers with incomes greater than \$1 million in adjusted gross income exceed the cost of the Homestead Credit, the Wisconsin Earned Income Tax Credit, and the Veterans and Surviving Spouses Property Tax Credit *combined*. Meanwhile, the benefit to Wisconsin has been minimal compared to its enormous cost, rendering it one of the state’s most inefficient tax programs. Preparing our state for the future and ensuring we can deliver tax relief now and into the future in both economically turbulent times and times of economic prosperity depends on ensuring every taxpayer pays their fair share.

CHART 15: TAX CREDIT CONTEXT



Manufacturing continues to be a vital part of Wisconsin’s economy. This credit, however, has demonstrated no record of growing Wisconsin’s manufacturing employment or wages. Under the Governor’s proposal, the agricultural portion of the credit will remain as it is under the current law. However, because this massive tax expenditure has been generally ineffective at its stated purpose of increasing Wisconsin manufacturing employment while also driving inequities in our income tax structure, the Governor recommends limiting, not eliminating, the manufacturing portion of the credit to only apply to the first \$300,000 in qualified production activities income for each firm qualifying for the credit. This will result in an increase of \$348.7 million in fiscal year 2023-24 and \$306.4 million in fiscal year 2024-25 to state tax collections. This change will help pay for the Governor’s tax relief to lower and middle-income Wisconsinites and support programs for small businesses. The Governor remains committed to providing a healthy environment for manufacturers with a robust workforce, improved transportation infrastructure, and targeted incentives for true growth and development as opposed to a simple tax break on large profits.

Another large tax break that has benefits skewing toward a relatively small share of the overall taxpayer population is Wisconsin’s 30 percent exclusion for long-term capital gains realizations. This tax expenditure provides a preferential rate for disproportionately high-income earners’ income derived from capital asset sales, which tend to be corporate equity holdings. For very high-income Wisconsin taxpayers subject to the highest tax bracket, instead of facing the ordinary 7.65 percent marginal rate that applies to wage and salary income, investment gains qualifying for the capital gains exclusion have an effective preferential rate of 5.355 percent. This is only slightly above the marginal tax rate faced by most middle-class taxpayers.

To improve equity between different forms of income, the Governor recommends limiting the current 30 percent long-term capital gains exclusion to those taxpayers with incomes below \$400,000 for individuals and \$533,000 for married-joint filers. This preserves the exclusion for all but the highest income earners, while continuing to provide relief to ordinary retirees and small investors. Wealthier investors would pay the same tax rate on their capital gains that they would on wages and salaries. That is a fairer tax system for all Wisconsinites. The Governor’s proposal would also retain specific capital gains incentives for investments in Wisconsin businesses as well as retain the current law 60 percent exclusion for capital gains derived from farm assets. The limits to the 30 percent long-term capital gains exclusion will raise an estimated \$185.2 million in fiscal year 2023-24 and \$154.2 million

in fiscal year 2024-25. Limiting the exclusion helps to level the playing field while providing revenues for other priorities.

Finally, the Governor recommends conforming Wisconsin's tax base with certain provisions of the federal tax code. Notably, adopting federal tax changes would ensure that federal student loan debt forgiveness received by Wisconsin residents would not be subject to state taxes, mirroring its federal treatment. The largest current divergences from federal law result from provisions of the 2017 Tax Cuts & Jobs Act not yet adopted for Wisconsin purposes. Numerous states that automatically conform to federal law have realized increased tax collections resulting from a larger tax base that they have been able to deploy for other purposes. The Governor's proposal would adopt most of the major remaining provisions of the Tax Cuts & Jobs Act, except for accelerated depreciation provisions and the amortization of research expenses. Together, these provisions will raise \$187.6 million in fiscal year 2023-24 and \$200.6 million in fiscal year 2024-25. As part of federal conformity efforts, the Governor also recommends repealing the net operating loss carryback provision under current law because the equivalent provision was repealed under the Tax Cuts & Jobs Act. The repeal of net operating loss carrybacks will raise \$2.9 million in fiscal year 2023-24 and \$1.5 million in fiscal year 2024-25.

CONTINUED ECONOMIC RECOVERY AND EXPANSION

The Governor's budget builds on the strong economic recovery from the COVID-19 global pandemic by making additional investments in effective economic development strategies designed to grow our workforce, aid small businesses and spur entrepreneurship in our state.

First, the Governor's budget provides additional resources to the Wisconsin Economic Development Corporation aimed at continuing the economic recovery in all parts of Wisconsin. On an ongoing basis, the Governor's budget provides \$10 million GPR annually beginning in fiscal year 2023-24 as a permanent increase to the corporation's block grant. The Wisconsin Economic Development Corporation has faced increasing costs, including in wages and salaries for its employees. To remain effective in providing economic development support, its budget must be increased to reflect these cost pressures. Additionally, the Governor's budget provides the Wisconsin Economic Development Corporation \$40 million GPR on a one-time basis in fiscal year 2023-24 to further spur economic development efforts as Wisconsin transitions from pandemic recovery to a mature economic expansion that brings with it a new set of challenges.

Beyond providing general support to the Wisconsin Economic Development Corporation, the Governor's budget also continues the highly successful Main Street Bounceback program. Initially funded with federal aid received under the American Rescue Plan Act of 2021, the Governor's budget provides \$25 million GPR annually to continue the program. The Main Street Bounceback program provides one-time grants to small businesses looking to initially occupy or further expand into vacant commercial space. The program is administered through the Wisconsin Economic Development Corporation's nine regional economic development partners, leveraging their expertise and experience in their regions to best deploy grants to businesses needing assistance.

The Governor also continues his specific investments to support Wisconsin's tourism industry with an investment of \$37 million over the biennium to support the Department of Tourism's marketing activities. The Governor also proposes bolstering the state's ability to recruit large-scale events to Wisconsin by creating and funding an opportunity and attraction fund with \$30 million GPR over the biennium. This substantial investment to help showcase everything Wisconsin has to offer will reap significant benefits for local and regional businesses and workers, Main Streets, and the statewide economy.

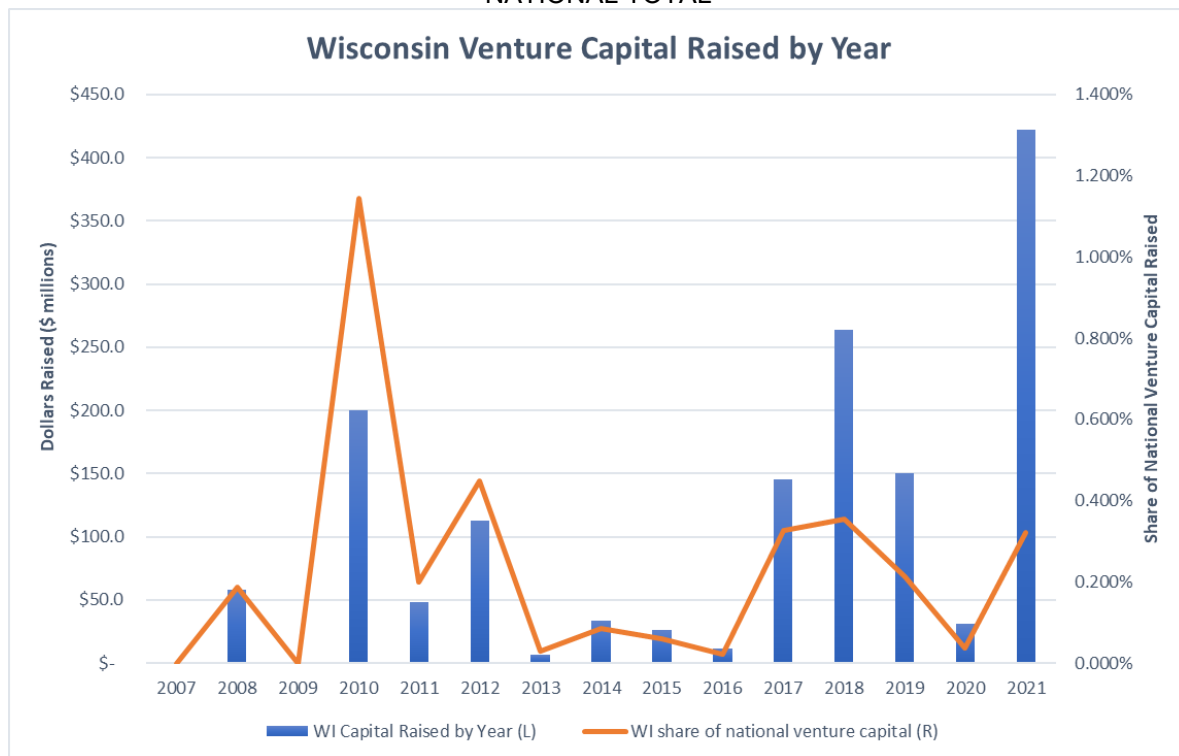
In addition, the Governor recommends proposals to further develop Wisconsin's start-up business ecosystem. The largest of these proposals creates a \$75 million venture capital fund of funds under the direction of the Wisconsin Economic Development Corporation. This fund of funds investment program will invest in venture capital funds that commit to invest the state's funds in emerging Wisconsin companies alongside other private capital to leverage other sources of financing. Furthermore, the fund of funds proposal will require that 20 percent of all investments go to underserved communities, including rural areas that do not traditionally receive venture capital financing, and to minority and women-owned businesses. By locating this fund of funds program at

the Wisconsin Economic Development Corporation, this venture capital initiative will be able to utilize the Wisconsin Economic Development Corporation 's extensive relationships with businesses across Wisconsin to ensure that promising new businesses can be matched with necessary investment capital.

To further enhance the state's venture capital ecosystem, the Governor also recommends removing the requirement that the current Badger Fund of Funds program, overseen by the Department of Administration, repay its initial investment to the State. The Badger Fund of Funds has developed important relationships with venture capital funds, emerging businesses, and other entities. Allowing the fund to reinvest will enable the fund to continue its important work in improving the venture capital ecosystem in Wisconsin.

Improving Wisconsin's entrepreneurial environment is vital to the state's economic success, especially in high-growth industries in medical and informational technologies. Robust venture capital investment is the necessary condition for the development of such industries and Wisconsin has routinely lagged in attracting such investment. Wisconsin, like most states, saw a strong increase in venture capital fund-raising in 2021, but it still lagged well-behind Wisconsin's share of the national population, employment or any number of other economic measures. It is time to change this, and the venture capital provisions included in this budget will help do just that.

CHART 16: WISCONSIN VENTURE CAPITAL FUND-RAISING UP, STILL LOW SHARE OF NATIONAL TOTAL



Source: National Venture Capital Association, "NVCA Yearbook"

The Governor continues his efforts to grow large and small business in Wisconsin. Including recommending changes to business tax incentives, including those administered by the Wisconsin Economic Development Corporation.

First, to spur additional investment in this state, the Governor recommends increasing the refundable share of the research credit from 15 percent under current law to 50 percent beginning in tax year 2024. This increase will provide an incentive for critical research and development spending by Wisconsin businesses that will improve their competitiveness and help develop new products. Refundability of the research credit is important because many of the most innovative start-up companies do not have tax liability to offset with a nonrefundable credit. Providing enhanced refundability therefore gives new firms a meaningful incentive to conduct research in Wisconsin. This

change will provide \$16.1 million in tax relief to businesses in fiscal year 2023-24 and \$64.4 million annually beginning in fiscal year 2024-25.

Second, the Governor recommends creating a new earnings category under the Business Development Tax Credit for renewable energy and energy efficiency projects for up to 25 percent of the costs of real or personal property investments undertaken by award recipients. This will help incentivize the generation of more renewable energy on-site at businesses and reduce energy consumption, improving Wisconsin's competitive standing and addressing climate change.

Third, the Governor recommends incentivizing the creation of higher wage jobs by increasing the wage thresholds for businesses under the Business Development Tax Credit and the Enterprise Zone Jobs Tax Credit. Both the lower and upper bounds of maximum eligible wages have not been adjusted since the creation of either program, which in the case of the Enterprise Zone Jobs Tax Credit dates back to 2007. To ensure that the state is only incentivizing the creation and retention of jobs that pay living wages, the Governor recommends increasing the minimum qualifying level for wages under the Enterprise Zone Jobs Tax Credit from \$30,000 to \$42,390 for tier II counties and municipalities and from \$22,620 to \$32,000 for tier I counties and municipalities. The maximum wage level eligible for credit earnings will be raised from \$100,000 to \$141,300. These changes will also apply to the Business Development Tax Credit. These higher thresholds will apply to awards first certified in 2024 and the thresholds will be indexed annually thereafter to avoid having award thresholds fall behind cost-of-living increases in the future. These reforms to our business tax incentives will ensure that Wisconsin is only incentivizing the creation of jobs that pay at least a living wage now and into the future as the cost-of-living increases.

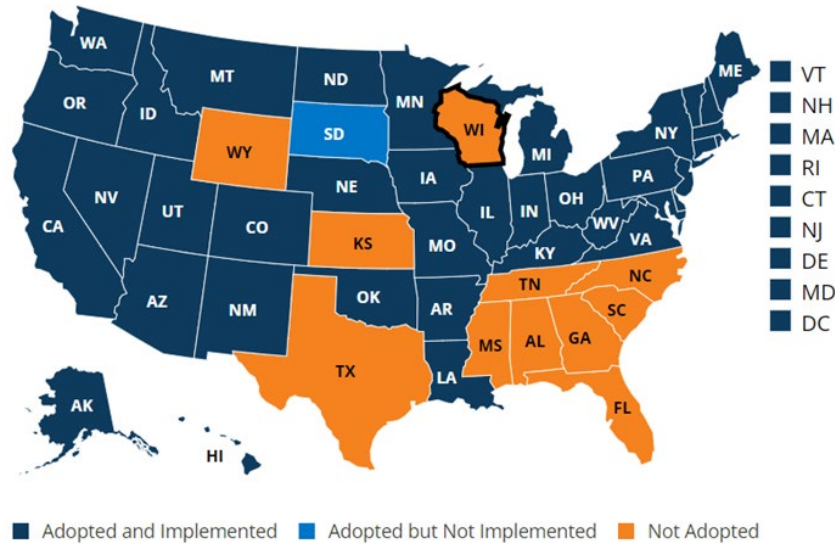
C. SUPPORTING HEALTHIER WISCONSINITES

HEALTH SERVICES

The Governor's budget again moves us toward a healthier Wisconsin. The budget includes proposals that would increase access to affordable healthcare coverage, improve the quality of healthcare services in the state, and expand the scope of benefits available through Medicaid. The key proposal in the Governor's health package is, once again, Medicaid expansion. This would expand Medicaid eligibility for parents and adults from 100 percent of the federal poverty line (\$27,750 annually in 2022 for a family of four) to 138 percent of the federal poverty line (\$38,300 annually in 2022 for a family of four). This expansion under the federal Patient Protection and Affordable Care Act would result in 89,700 low-income individuals becoming eligible for Medicaid, of which approximately 30,300 are uninsured. In addition to providing affordable healthcare coverage to these individuals, the state would realize a savings of over \$1.6 billion GPR over the biennium and draw down an additional \$2.2 billion FED over the biennium. The GPR savings is driven by an enhanced federal matching rate the state would receive for childless adults covered by Medicaid and an additional incentive created by the federal American Rescue Plan Act that would increase the federal matching rate for the entire Medicaid program by five percentage-points for two years when the state implements Medicaid expansion.

As of January 2023, Wisconsin is one of only 11 states that have not chosen to expand their Medicaid program, which is why this budget seeks to once again accept the federal Affordable Care Act's provision for Medicaid expansion, ensuring affordable coverage to Wisconsinites with income up to 138 percent of the federal poverty level.

CHART 17: STATUS OF MEDICAID EXPANSION ACROSS THE U.S.



Source: Kaiser Family Foundation

The COVID-19 pandemic reshaped the way state Medicaid programs provided coverage to individuals. The federal Families First Coronavirus Response Act provided a 6.2 percentage-point increase to the state's Federal Medical Assistance Percentage (FMAP), or the percentage at which the federal government subsidizes states' Medicaid programs. To receive the increased FMAP rate, states were required to adopt a continuous coverage policy, meaning that during the federally declared public health emergency related to the COVID-19 pandemic, states could not disenroll individuals from their Medicaid programs. This policy resulted in a significant increase in Medicaid enrollment nationwide. Recently enacted federal legislation decoupled the continuous coverage policy from the federal public health emergency and provided a phased down FMAP rate for 2023 as states begin the process of redetermining Medicaid eligibility for all members. The Governor's budget recognizes the unique position the Medicaid program is in and fully funds the projected cost of the program over the biennium. In addition, the Governor is providing appropriate ongoing resources for the Medicaid program by restoring Medicaid funding that was transferred from the General Fund to the Medical Assistance Trust Fund on a one-time basis in 2021 Wisconsin Act 58.

The significant savings from Medicaid expansion allows the Governor's budget to expand the benefits available to members through the Medicaid program to better meet their needs. The Governor's budget provides \$105 million over the biennium to include the following benefits:

- A Medicaid community health benefit for nonmedical services to reduce and prevent health disparities that result from the economic and social determinants of health;
- Psychosocial rehabilitation services provided by noncounty providers;
- Coverage of services provided by community health workers;
- Coverage of room and board costs for residential substance use disorder treatment;
- Coverage of telehealth origination costs for schools;
- Acupuncture services;
- Doula services;
- Expanded coverage of certified peer specialists; and
- Coverage of continuous glucose monitoring devices and insulin pumps through the pharmacy benefit.

The Governor's recommendation allows the Medicaid program to reinvest savings to increase payments to providers and hospitals. The Governor's budget provides \$626 million over the biennium to increase payments to hospitals through a rate increase for hospital services, increased acute care hospital access payments, increased critical access hospital access payments, and increased pediatric supplemental payments. In addition, the Governor's budget provides \$250 million to increase Medicaid reimbursement rates for primary care services, emergency physician services, autism treatment services, outpatient mental health and substance use disorder services, and child-adolescent day treatment.

The Governor's recommendation proposes to modify Medicaid eligibility by providing \$34 million to extend Medicaid postpartum coverage to one year. This policy change will align Wisconsin with 35 other states and provide extended coverage to over 6,000 mothers. The Governor's budget seeks to join several other states that have implemented an easy enrollment program. This initiative would add a check box option to the state's individual income tax return that a filer could check if they are interested in having the state determine their eligibility for Medicaid or subsidized coverage on the health insurance marketplace.

The Governor's budget would make two major changes to how certain aspects of the Medicaid program are financed. Under current law, the Medicaid Community Support Program, a county administered program for adults living with serious and persistent mental illnesses, is funded with county funding and federal funding. The Governor's recommendation would provide \$40 million GPR to shift the nonfederal share of program costs from county funding to state funding. The second major change is to Medicaid school-based services. Under current law, school districts pay the full upfront cost of Medicaid school-based services and receive federal funding through a certified public expenditure process. Currently, school districts retain 60 percent of the federal funding received for benefits and 90 percent of the federal funding received for administrative costs and the remaining funding is deposited in the General Fund. The Governor recommends allowing school districts to retain 100 percent of federal funding received for Medicaid school-based services, resulting in school districts receiving an additional \$112 million of federal funding over the biennium.

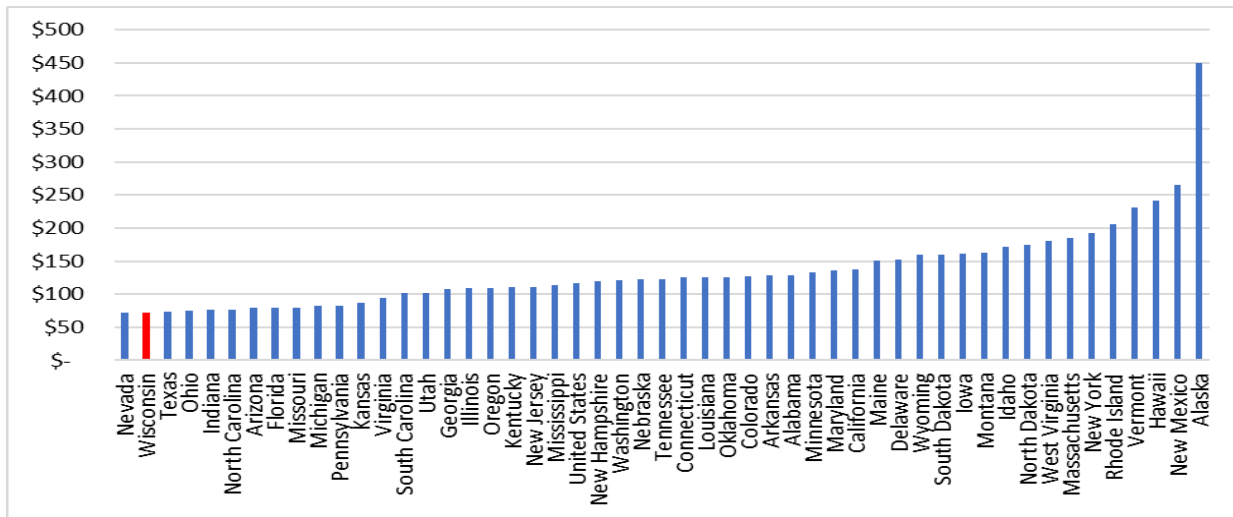
The Children's Long-Term Support (CLTS) waiver program is a home and community-based services waiver program that provides Medicaid funding for kids who have substantial limitations in their daily activities and need support to remain in their home or community. This budget, similar to the Governor's previous budget recommendations, assures families that all eligible kids who apply receive the long-term care services they need. Eligible kids include those with developmental disabilities, severe emotional disturbances, and physical disabilities.

The Governor also recommends providing \$26 million all funds over the biennium to license dental therapists, providing grants for community dental health coordinators, creating a Medicaid Tribal reimbursement support team, expanding Medicaid graduate medical education grants, and creating an incentive for nonhospital Medicaid providers that participate in a health information exchange.

Improving Public Health Response and Resources

Public health activities lay the groundwork for healthy communities. They protect us from diseases and injury we cannot prevent alone and help us change behaviors harmful to our health. Public health works to prevent epidemics; protect the environment, workplaces, housing, food, and water; promote healthy behavior; monitor the health of the population; mobilize community for action; respond to disasters; assure that medical services are high quality and necessary; train specialists in investigating and preventing diseases; and develop policies that promote health. Unfortunately, Wisconsin continues to lag in per-capita public health spending, as shown in Chart 18. The state is currently tied for last with Nevada, investing only \$72 per person in public health initiatives.

CHART 18: 2019-20 PER-CAPITA PUBLIC HEALTH FUNDING BY STATE



Source: America's Health Rankings

Compared to the rest of the nation, Wisconsin has been significantly underfunding its public health efforts for years. Since at least 2015, Wisconsin's per-capita funding has ranked last or in the bottom five when compared to other states. Recognizing this fact and the importance of a strong public health system to protect and promote the health of all Wisconsinites, the Governor's budget makes Wisconsin's largest GPR public health investment to date. The Governor recommends a \$219 million GPR investment in public health activities including, but not limited to, the following items:

- Providing \$150 million GPR in fiscal year 2023-24 in Emergency Medical Services Flex Grants to support emergency medical services providers;
- Providing \$1,346,300 GPR in fiscal year 2023-24 and \$15,849,000 GPR in fiscal year 2024-25 to create a 60-day stockpile of personal protective equipment;
- Providing \$4,172,000 GPR in fiscal year 2024-25 for an electrocardiogram screening pilot program for youths participating in athletics in Milwaukee and Waukesha counties;
- Providing \$500,000 GPR annually to convert funding for the Resilient Wisconsin program from FED to GPR;
- Providing \$100,000 GPR annually for PFAS awareness and outreach;
- Providing \$250,000 GPR annually for Amyotrophic Lateral Sclerosis (ALS) grants;
- Providing \$1 million GPR annually for the Mike Johnson Life Care and Early Intervention Services grants;
- Providing \$1.5 million GPR annually for spinal cord injury research grants and symposia;
- Providing \$720,000 GPR annually to purchase epinephrine for public ambulance providers; and
- Providing \$500,000 GPR annually to free and charitable clinics.

Other initiatives and investments include providing funding to translate the Department of Health Services website into multiple languages, providing state funding to support the Newborn Screening Program, providing funding for healthy aging programs, providing additional support for the Office for the Blind and Visually Impaired, increasing funding for the Telecommunications Assistance Program and interpretation services, increasing grants to independent living centers, providing a child wellness grant, and increasing funding for Alzheimer's disease grants and respite care grants.

Emergency Medical Services

The Emergency Medical Services industry is currently facing numerous challenges from staffing to financial sustainability. As mentioned above, the Governor's budget makes an investment of \$150 million GPR to continue the Emergency Medical Services Flex Grants in fiscal year 2023-24. Further, the Governor's shared revenue proposal infuses local governments with significant new resources, including a \$250 million appropriation that can be used to support local public safety services, including emergency medical services. In addition to these cornerstone investments in Emergency Medical Services, the Governor's budget also recommends:

- Reforming how emergency medical responders are licensed by certifying individuals as emergency medical responders if they complete a certified training program or pass the National Registry of Emergency Medical Technicians examination for emergency medical responders;
- Providing funding to implement the public ambulance provider certified public expenditure provisions of 2021 Wisconsin Act 228;
- Creating statutory language to implement the private ambulance provider assessment provisions of 2021 Wisconsin Act 228;
- Establishing statutory language that removes the barriers first responders with post-traumatic stress disorder face when seeking worker's compensation;
- Providing 1.0 FTE GPR position to staff an ambulance inspection program; and
- Providing 1.0 FTE GPR position to expand the Office of Preparedness and Emergency Health Care.

Lead Hazards Initiatives

Lead damages the brain and other bodily systems, and its effects can last a lifetime. While lead can hurt anyone, the health effects of lead exposure are particularly damaging for kids under six years of age. Lead poisoning among kids is typically caused by swallowing or breathing in dust from lead-based paint in homes that were built before 1978. In 2020, over 2,100 kids under age six had a blood lead level greater than 5 micrograms per deciliter. In addition to actions to address lead service lines addressed elsewhere in this document, the Governor's budget makes key statutory changes and critical investments to continue to lower the incidence of childhood lead poisoning in Wisconsin, including:

- Decreasing the definition of lead poisoned from 5 micrograms per deciliter to 3.5 micrograms per deciliter to align with recommendations from the U.S. Centers for Disease Control and Prevention;
- Requiring a public health investigation when a child has a blood lead level over 3.5 micrograms per deciliter and providing funding to the Department of Health Services and local health departments to carry out these investigations;
- Expanding early intervention services provided through the Birth to 3 Program to kids with a blood lead level over 3.5 micrograms per deciliter;
- Increasing Medicaid reimbursement rates for local health department lead investigations; and
- Providing \$100 million GPR in fiscal year 2023-24 to support a revised and more robust Workforce Housing Rehabilitation Loan Program at the Wisconsin Housing and Economic Development Authority. The revised program would provide low-interest and forgivable loans to low- to moderate-income households to renovate or repair their current home, including lead remediation.

Maternal and Infant Health

Families in Wisconsin have been perpetually impacted by severe racial and ethnic disparities, which has led to adverse health and economic outcomes in our state. Wisconsin must strengthen efforts to assure the best outcomes for all mothers and babies in the state, that is why in addition to initiatives mentioned above, the Governor's budget invests \$5.6 million GPR to:

- Award grants for maternal and infant mortality prevention;
- Expand fetal and infant mortality review teams;
- Fund a grief and bereavement resource for families who have lost a fetus or infant; and
- Provide 2.0 FTE GPR positions to support maternal mortality review.

The Governor's budget also includes over \$5 million GPR to expand home visiting services to approximately 24 additional counties and Tribes.

Tobacco and Vapor Product Reform

Tobacco is Wisconsin's leading cause of preventable death and costs the state more than \$4.6 billion annually in healthcare and lost productivity expenses. Many populations use tobacco at disproportionately higher rates than the general population (16 percent), such as those impacted by depression (21 percent), American Indians (34 percent), and Medicaid recipients (26 percent).

In 2019, 20.6 percent of high schoolers in Wisconsin regularly used vapor products and 45.5 percent had tried a vapor product. Because vapor products and related products are relatively new to the market, current statutory language does not encompass these devices, creating gaps in state law. While the long-term effects of vapor products are not yet known, the rapid uptake of vapor products by youth is widely seen as an emerging public health concern.

The Governor's budget addresses existing gaps in state statute by adopting the following common-sense reforms related to vapor product use and tobacco use:

- Increasing the minimum age to purchase cigarettes, tobacco products, nicotine products, and vapor products from age 18 to age 21, bringing Wisconsin in alignment with federal law;
- Prohibiting the use of a vapor product in indoor locations, similar to how smoking is prohibited in most indoor locations;
- Prohibiting the use of a vapor product on public, private, and charter school property; and
- Provide funding to support the American Indian Quitline.

Improvements to Healthy Food Availability

It is well established that eating sufficient fresh fruits and vegetables is vital for a healthy dietary pattern associated with a reduced risk of cardiovascular disease and some cancers. It is also well established that Americans fall short of the daily recommendations for fruits and vegetables, and lower income groups fare worse than those with higher incomes. Affordable foods that also support healthy eating habits can oftentimes be inaccessible to those with lower incomes. To help expand the availability of healthy food options for those enrolled in the FoodShare program, the Governor recommends creating a pilot program that significantly reduces the cost of certain food items, allowing FoodShare benefits to be stretched further. Additionally, the Governor recommends expanding locations that accept FoodShare benefits by providing the necessary equipment to local farmer's markets and farmers that directly market their produce, expanding healthy and local food options for those enrolled in FoodShare. Further, as detailed in elsewhere in this document, the Governor proposes continuing the successful Food Security Initiative at the Department of Agriculture, Trade, and Consumer Protection.

STRENGTHENING OUR BEHAVIORAL HEALTH SYSTEMS

According to the Kaiser Family Foundation, half of adults say they have experienced a severe mental health crisis in their family, and an overwhelming majority of the public understand there is a mental health crisis in the U.S. today. We have endured a lot these past few years. From the continued stress on families and anguish of losing loved ones to the ongoing opioid epidemic and COVID-19 pandemic, to the personal financial stress and economic uncertainty that many of us encounter, to the difficult challenges that kids and youths face in an ever-complex world, Wisconsinites need help perhaps now more than ever. Across the enterprise, this budget makes one of the largest budget investments in mental health and substance use disorder treatment in at least 40 years.

One of the most important aspects of mental health services is having access to care when you need it the most. Services a county or two over cannot be helpful when someone is in the midst of a crisis or feels one coming on. That is why this budget makes significant investments in expanding the availability of behavioral health services so that Wisconsinites can receive care closer to home.

Improving Crisis Response

When crisis services are not available close to home, there is a cascading effect that not only negatively affects the quality of care and comfort of the individual in crisis but also costs counties and law enforcement time and money. Oftentimes, individuals with short-term crisis needs must be transported across the state to Winnebago Mental Health Institute, the state's provider of last resort, resulting in more restrictive, intensive, and costly treatments that could have better been served at a lower-intensity service if they were available. Such trips also take up hours of law enforcement time on top of the additional time spent waiting in the emergency room for medical clearance to be conducted before transport.

This budget offers a comprehensive solution to improving crisis care by implementing a core element of the Crisis Now model of best practices for mental health crisis care. The Governor recommends establishing up to two crisis urgent care and observation centers to serve as crisis services hubs that would offer a range of behavioral health services to everyone from walk-in appointments to first responder emergency detention drop-off cases. These centers would serve as regional crisis receiving and stabilization facilities, offer seamless transitions between levels of services offered at the centers, arrange for the transfer to more appropriate treatment options as needed, coordinate the connection to ongoing care, and promote the effective sharing of information between providers to improve service delivery and patient outcomes.

In addition to strengthening the overall behavioral health system in the state, these centers would alleviate a significant portion of time that law enforcement and other first responders dedicate to emergency detention cases by offering a dedicated first responder drop-off location, accepting custody of emergency detention cases, and not requiring medical clearances be completed before drop-off. This "no-wrong-door" design would improve the immediate treatment of individuals in crisis, give them a better chance at avoiding the need for more intensive treatment, and avoid the often-traumatic experience of being transported facility-to-facility during placement over long distances.

Investing in Mental Health

The state has recently developed three crisis stabilization facilities specifically designed for the needs of youths experiencing a crisis. This budget provides \$1 million in stable, ongoing state support to ensure these facilities continue to serve youths closer to home, support the needs of the communities they are in, and reduce the need for more intensive treatments.

For those kids and youths who have even more complex behavioral health needs, options have been limited in the state for some time, requiring the difficult decision to seek long-term placement outside of the state where their needs can be met. This Governor's budget provides \$1.8 million in fiscal year 2024-25 to lay the groundwork to offer psychiatric residential treatment facilities here in the state to address this gap in care by offering intensive, focused mental health treatment to successfully return the kids and youths home where they belong.

The Office of Children’s Mental Health plays an important role in coordinating state and local efforts on kids and youth mental health issues, organizing listening sessions and other means of studying what affects their mental health, and recommending initiatives in this space. This budget further invests in the office by providing an additional 1.0 FTE GPR position to expand and improve their mission.

This budget provides \$260,000 GPR in annual, ongoing funding to support the eight peer recovery centers in the state that offer advice, skills training, and a place to connect with others in the local community who have lived experiences with behavioral health struggles. This funding will also support two new peer recovery centers in areas not currently served by any of the existing centers to expand access to these important services.

Those who are deaf, hard of hearing, or deaf-blind face unique challenges when it comes to accessing behavioral health services. The National Association of the Deaf emphasizes the need for mental health programs to offer culturally and linguistically affirmative services provided directly between the individual being served and the service provider to improve diagnostic accuracy and treatment outcomes. That is why the Governor recommends providing \$1.9 million GPR in fiscal year 2024-25 to establish a behavioral health treatment program directly tailored for those who are deaf, hard of hearing, or deaf-blind, where individuals will receive treatment directly from a behavioral health provider. This program would also serve as a training ground for future providers to better serve the deaf, hard of hearing, and deaf-blind communities.

Improving the availability of care is only one part of the solution. Another crucial barrier to overcome before receiving the care Wisconsinites deserve is oftentimes affordability. In emergency situations, there is a high likelihood that individuals do not have the ability to choose what type of care they receive or where they receive it. Even if fully insured, receiving care in an out-of-network facility has often resulted in astronomical, unreasonable medical bills. This lack of cost transparency has individuals less willing to utilize healthcare services that they may desperately need. This budget not only would codify recent federal actions to curb surprise billing for emergency services and reduce medical costs; it would further expand upon them to protect against receiving unreasonably high medical bills for certain behavioral health services received during a crisis.

Additionally, the Governor’s budget provides \$4 million GPR over the biennium to convert the highly successful Child Psychiatry Consultation Program into a broader mental health consultation program that can provide perinatal, child, adult, geriatric, pain, veteran, and general mental health consultation services.

The Governor also recommends directing the Department of Health Services to distribute excise tax revenue generated from the legalization of recreational and medicinal marijuana to the counties to support their behavioral health services, alleviating revenue pressures that counties have been experiencing in recent years.

Mental health treatment can be particularly hard to find in rural areas. The Governor’s budget provides \$100,000 GPR annually to continue the popular farmer mental health program at the Department of Agriculture, Trade and Consumer Protection. The program provides vouchers for mental health services that can be used either in person or via a telehealth appointment.

Suicide Prevention

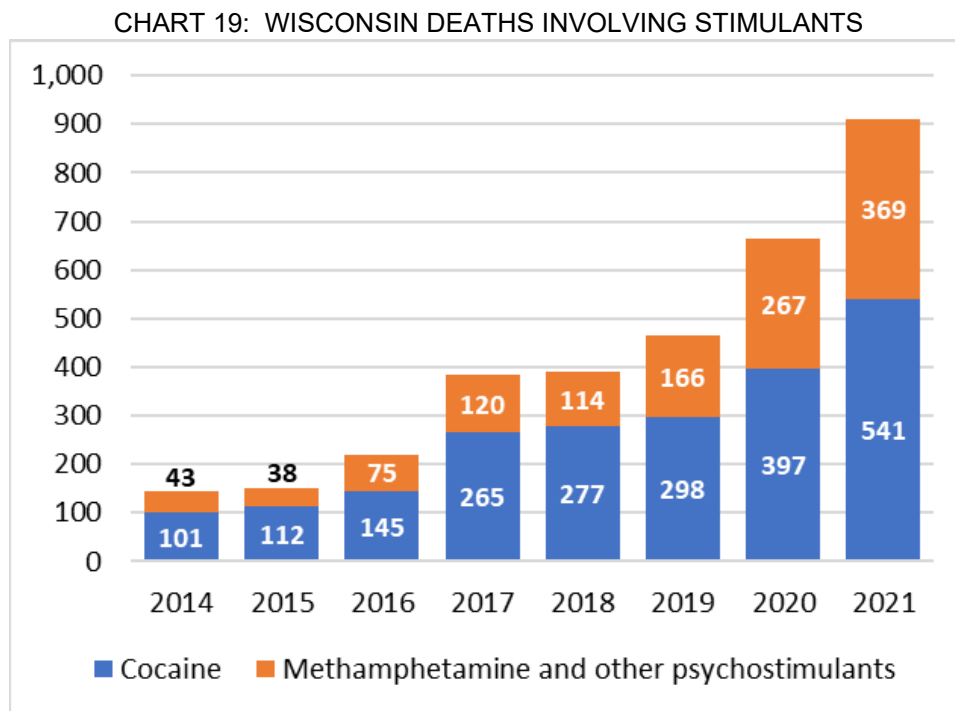
Between 2010 and 2020, nearly half a million lives (480,622) were lost to suicide nationally, according to the Kaiser Family Foundation. In July 2022, the federally mandated 988 Suicide & Crisis Lifeline became available to all landline and cell phone users, linking people to a suicide prevention crisis center where callers are connected to individuals trained in behavioral health response. This budget provides \$898,700 GPR in fiscal year 2023-24 and \$2,105,700 GPR in fiscal year 2024-25 to support the 988 suicide and crisis call centers to better meet the needs of those calling the Lifeline for help and guidance, and to support the increase in call volume the Lifeline has experienced since its launch.

Additionally, this budget provides \$566,800 GPR in fiscal year 2023-24, \$587,300 GPR in fiscal year 2024-25, and 1.0 FTE GPR position to create a suicide prevention program within the Department of

Health Services to coordinate suicide prevention efforts across the state. The program will also develop and provide educational materials and public awareness campaigns on suicide prevention. The program will further provide grants specific to the prevention of suicide by firearm use and support staff trainings at firearm retailers and ranges on how to recognize at-risk individuals.

Expanding Substance Use Disorder Services

Substance use and its adverse effects continue to impact our communities on a deeply personal level, especially due to the opioid epidemic. The overprescribing of opioids and resulting dependency, is just one example of how addiction can affect any one of us, making equity of access to affordable and effective treatment options imperative. The use of stimulants has also posed a threat to sections of our state, especially the northern and northwestern areas. Deaths involving the use of stimulants have been on a continued rise in the state for the past ten years. In particular, methamphetamine and cocaine have both seen rises in use and overdose deaths, being involved in 52 percent of drug overdose deaths in 2021. Notably, multidrug use, combining a stimulant with an opiate, has played a role in many of those overdoses.



Source: Department of Health Services

The treatment of stimulants is more complex than available treatments for opioids, requiring additional training and resources be available to providers in order to offer an effective, long-lasting treatment option. The Governor’s budget proposes investing \$1.6 million annually to address an immediate need for increased stimulant treatment access in counties of high need. Preventing stimulant use at the start, however, is also an imperative investment and would save many from the struggles that result from addiction. That’s why this budget also invests in evidence-based stimulant use prevention training programs.

Additionally, the Governor’s budget seeks to strengthen our behavioral health systems by:

- Providing ongoing funding to support the addiction treatment platform which locates, compares, and offers reviews of available substance use disorder treatment programs in the state to make the process of finding a treatment program that is close to home and meets the unique needs of the individual easier.
- Supporting the development of two integrated behavioral health stabilization, detoxification, and intoxication monitoring services facilities by expanding Medicaid benefits to include these new facilities.

- Requiring services provided by substance use disorder counselors be covered by insurance plans to ensure that individuals have affordable access to services.

INVESTING IN LONG-TERM CARE

The American Rescue Plan Act of 2021 provided a temporary 10 percentage point increase to the Federal Medical Assistance Percentage (FMAP) for certain long-term care Medicaid expenditures for Home- and Community-Based Services (HCBS). In claiming the additional federal revenue, the state was required to reinvest the savings accrued from the 10 percent FMAP on activities that enhance, expand, or strengthen HCBS under the Medicaid program, approved through a spending plan submitted to Centers for Medicare and Medicaid Services.

The Governor is recommending providing \$281 million all funds over the biennium in ongoing funding for these initiatives, including:

- A 5 percent rate increase to HCBS;
- Development of a minimum fee schedule for HCBS;
- Sustaining the Wisconsin Personal Caregiver Workforce Careers Program to continue enrolling an additional 5,000 caregivers into the professional certificate program;
- Ongoing funding for the WisCaregiver Career IT platform to remain up to date with available resources for caregivers and maintain the technical quality of the website;
- Grants to the 11 federally recognized Tribal Nations to make improvements to Tribal community facilities and Tribal citizen housing;
- Ongoing funding of the Tribal aging and disability resources specialists to serve as liaisons between the Tribes and the aging and disability resource centers;
- Building a centralized aging and disability resource center website and database that is accessible to Wisconsinites statewide, providing access to information about long-term care supports and services from the comfort of their home while also providing aging and disability resource centers with a database that centers the individual rather than the facility;
- Continued licensure and maintenance of a system to coordinate certification status work between the department and managed care organizations; and
- Licensure and maintenance of a system devised as a technical solution to allow streamlined data entry, review, and report generation to comply with a federal rule requiring states to define the qualities of settings eligible for Medicaid home and community based services.

Additionally, the Governor is recommending providing funding to expand the Alzheimer's Family and Caregiver Support Program by increasing the income eligibility threshold from \$48,000 annually to \$60,000 annually, in addition to increasing expenditure authority for the existing Alzheimer's disease grant. The Governor also recommends providing increased funding to Aging and Disability Resource Centers to increase base allocations, as well as investing \$13.6 million GPR into adult protective services, which protects elderly and vulnerable adults who are at risk of abuse and exploitation.

To further invest in the long-term care workforce who provide care to Wisconsin's most vulnerable residents, the Governor recommends providing \$88.8 million all funds over the biennium to increase the rates paid to personal care workers and an additional \$88.8 million all funds over the biennium to increase the direct care and services portion of the capitation rates to support the direct caregiver workforce in Family Care. The Governor also recommends providing additional funding to aging and disability resource centers to expand caregiver support services to every county in the state. The Governor further recommends providing funding to support a pilot project in Dane County focused on addressing the mental health crisis among healthcare workers and recruiting and retaining a sustainable workforce.

The Governor's budget also invests \$15 million GPR into a Complex Patient Pilot which aims at addressing difficulties and delays experienced in placing individuals in post-acute care settings for medically challenging individuals. The ongoing staffing issues faced by long-term care providers have led to costly delays in discharge from hospital settings and this pilot seeks to find innovative approaches to more timely placements. With the state's population rapidly aging, investments like this are more critical than ever to ensure Wisconsinites are cared for in the most appropriate setting for their needs.

To assist individuals with disabilities in saving and investing for current and future needs, the Governor proposes Wisconsin adopt a qualified Achieving a Better Life (ABLE) Savings Program. The program offers tax-favored accounts, which are similar to 529 college savings accounts, to Wisconsinites with disabilities. This enables people with disabilities to save money for housing, education, transportation, and other qualifying expenses without having to worry about disqualifying themselves from certain needs-based federal benefits, such as Medicaid and Supplemental Security Income. This proposal empowers Wisconsinites to save and invest in their future needs.

AFFORDABILITY OF HEALTH INSURANCE AND PRESCRIPTION DRUGS

Governor Evers believes that no one should have to choose between paying for their life-saving medications or paying their bills and putting food on the table. Even with insurance, some people find a better deal by foregoing insurance coverage and using coupons, discount websites, or applications in order to afford medications, and they are often then penalized by their insurance companies who refuse to count those costs toward deductibles or other out-of-pocket maximums. Because of "behind the curtain" negotiations by drug manufacturers, wholesalers, pharmacies, benefits managers, and insurance companies, drug costs vary from insurer to insurer and sometimes even month to month. Just like the Governor's previous two budgets, this budget stays dedicated to reducing prescription drug costs and improving the access to and quality of insurance coverage by ensuring a fair marketplace for consumers, putting into place common-sense reforms that put people above profit.

Cutting Costs for Prescription Drugs

Prescription drug manufacturers and the numerous other entities that make up the prescription drug supply chain continue to exercise advantageous profiteering in the wake of market failures such as a lack of competition and pricing transparency. This budget continues to improve transparency in a purposefully opaque industry in order to reduce market failures and benefit consumers.

In August 2019, Governor Evers signed Executive Order #39 creating a task force on reducing prescription drug prices. This budget takes many of the recommendations of that task force and builds upon them to help ensure affordable drug coverage for all Wisconsinites.

For thousands of Wisconsinites, insulin is a life-saving necessity that must always be on hand. This fact often leaves families with no choice but to pay the unjustifiably inflated prices that the four manufacturers of insulin set. Over the last 20 years, the prices of the most widely used insulin varieties have risen over 1,400 percent. To help alleviate the effects of this blatant price gouging, the Governor recommends capping copayments for a month's supply of insulin at \$35. The Governor also recommends establishing an Insulin Safety Net Program to ensure those with an urgent need for insulin as well as those with lower incomes and limited to no insurance coverage have access to affordable, life-saving insulin. To further reduce costs for diabetes medications in general, the Office of the Commissioner of Insurance is recommended to develop an innovative pilot program aimed at creating a value-based formulary to focus on what works and reduce spending waste.

The Governor also recommends requiring pharmacy benefit management brokers and consultants, pharmaceutical sales representatives, and pharmacy services administration organizations be licensed to operate in the state to ensure fair business practices are adhered to along the entire prescription drug supply chain. Pharmacy benefit managers would also owe a fiduciary duty to insurers and other payers they contract with to ensure the benefit plan's best interests are taken into consideration and to reduce wasteful spending within the prescription drug industry. The new Office of Prescription Drug Affordability will oversee and regulate those entities, serve as a watchdog of the industry as a whole, and publish reports and documents publicly disclosing price justifications for prescription drugs and emerging trends in prescription drug prices.

Prescription drug prices and spending are consistently much higher in the U.S. than in other high-income countries. Studies show Americans pay at least three times more for prescription drugs than residents in other high-income countries. To reduce rising prices of prescription drugs and create a more competitive prescription drug market in Wisconsin, the Governor recommends importing generic, off-brand drugs from Canada into Wisconsin. To be eligible, imported drugs must generate a significant savings to the state, have no more than three domestic competitors, and maintain federal safety requirements.

The Governor also recommends creating a Prescription Drug Affordability Review Board to establish prescription drug price spending targets for public sector entities and establish price limits when necessary to control unjustifiable price increases and save taxpayer dollars from being funneled to drug companies. A study into creating a prescription drug purchasing entity is also recommended to further identify areas where the state can save taxpayer dollars on prescription drug purchases.

The Governor further recommends ending discriminatory reimbursement practices against federal 340B drug discount program participants, specifically federally qualified health centers, critical access hospitals, and Ryan White HIV/AIDS programs, by requiring pharmacy benefit managers and other insurers to reimburse those entities the same amount that they would reimburse non-340B program participants. This ensures that costs aren't being passed onto some of our most vulnerable individuals.

The Governor's budget will also fully fund the SeniorCare program. SeniorCare is a pharmacy benefit program available to any resident of our state age 65 years or older. In 2022, 114,419 individuals participated in the program, and participation is expected to increase over the biennium.

Improving Health Insurance Affordability

As part of the Governor's continued dedication to improving healthcare affordability, this budget recommends creating a state-run health insurance marketplace, transitioning away from a federally facilitated marketplace. This initiative reduces the cost of plans on the marketplace, allows for more efficient administration, and gives the state more autonomy over creating a marketplace that fits the unique needs of Wisconsinites.

Weighted by population, states that run their own marketplace experience lower average benchmark premiums than states which rely on the federal platform. In 2022, average benchmark premiums, which are the premiums for the second-lowest cost silver plans offered on the marketplace, on state-based marketplaces were \$32 less than those on federally facilitated marketplaces. The state can also run its own marketplace for less than what insurers are charged by the federal government, resulting in reduced costs for insurers as well as consumers. Additionally, running a state-based marketplace would allow the state to establish its own open enrollment periods and enhance marketing, outreach, and enrollment assistance efforts to ensure greater access to affordable health insurance plans on the marketplace.

To ensure that all Wisconsin residents receive the same health insurance issuance and coverage protections, the Governor recommends that the insurance marketplace guarantee the issuance of health insurance for individuals that apply for coverage regardless of sexual orientation, gender identity, health status, medical history or preexisting conditions, among others, and be prohibited from charging greater premiums or out-of-pocket costs based on those factors. The Governor also recommends prohibiting health insurance providers from establishing annual or lifetime limits on health insurance plan benefits. The Governor further recommends requiring all health insurance plans to provide coverage for essential health benefits as determined by the commissioner of insurance, including the ten essential health benefits categories covered under the federal Affordable Care Act, and to provide coverage for certain preventive services at no cost to the plan holder.

Just because a service is covered under an insurance plan does not guarantee it is available within a reasonable distance to the plan holder. Therefore, the Governor proposes establishing network adequacy standards to improve access to services by requiring in-network services be within set travel times and distances from the plan holder. The Governor also proposes exploring standards for appointment wait times, making sure that individuals get access to services within a few business days.

Being insured should not prevent people from choosing the most cost-effective medication option. That is why the Governor recommends requiring insurers to apply discounts received from drug companies for certain drugs towards a plan holder's deductible and out-of-pocket maximum so that individuals are not forced to choose between using a discount or making progress on their out-of-pocket spending.

Finally, as people benefited from the safety and convenience of telehealth services during the COVID-19 pandemic, the Governor recommends expanding coverage protections and providing parity for those telehealth services to expand their availability. This includes requiring insurance plans to cover telehealth services if an equivalent in-person service is covered, prohibiting insurers from charging a higher cost-sharing amount for the telehealth version of an equivalent in-person service, prohibiting annual or lifetime limits on telehealth services, and eliminating the need for prior authorization to receive telehealth services under an insurance plan, among others.

COMMITMENT TO VETERANS

Blue Ribbon Commission on Veteran Opportunity

In February 2022, the Governor signed Executive Order #157 creating a Blue Ribbon Commission on Veteran Opportunity. The commission was charged with hosting listening sessions, gathering input from stakeholders, and ideas for addressing challenges facing Wisconsin veterans, with a specific focus on the areas of veterans trust fund sustainability, employment, education, housing, and healthcare.

This budget includes many recommendations from the commission including the following and others discussed in more detail further in this section:

- Continuing the commitment to fully fund the Veterans Trust Fund by transferring \$18.25 million GPR in fiscal year 2023-24 and \$18.0 million GPR in fiscal year 2024-25 from the General Fund to the Veterans Trust Fund.
- Expanding the Veterans Outreach and Recovery Program
- Doubling the grants for CVSO and TVSOs
- Ensuring ongoing state support for the Veterans Peer Run Respite Center.
- Expansion of veteran apprenticeship programs and the Hire Heroes program.
- Provide funding to each campus of the University of Wisconsin System to expand on-campus services to veterans.
- Providing \$250,000 at the Department of Health Services for grants for service animal training organizations in attaining Assistance Dog International accreditation specifically for providing PTSD dog training

Veterans Homes

The Wisconsin Veterans Homes are one of the longest running services the state provides to veterans. The Wisconsin Veterans Home at King was first established in 1887. The Wisconsin Veterans Home at Union Grove opened in 2001, and the Wisconsin Veterans Home at Chippewa Falls opened in 2012. Ensuring that the care and services provided to our veterans in the state Veterans Homes are of the highest quality is a top priority of the Governor and the Department of Veterans Affairs. To maintain the high quality of care our veterans deserve at our veterans homes, the Governor recommends increasing expenditure authority to fund increasing costs associated with operating the Wisconsin Veterans Home at Chippewa Falls.

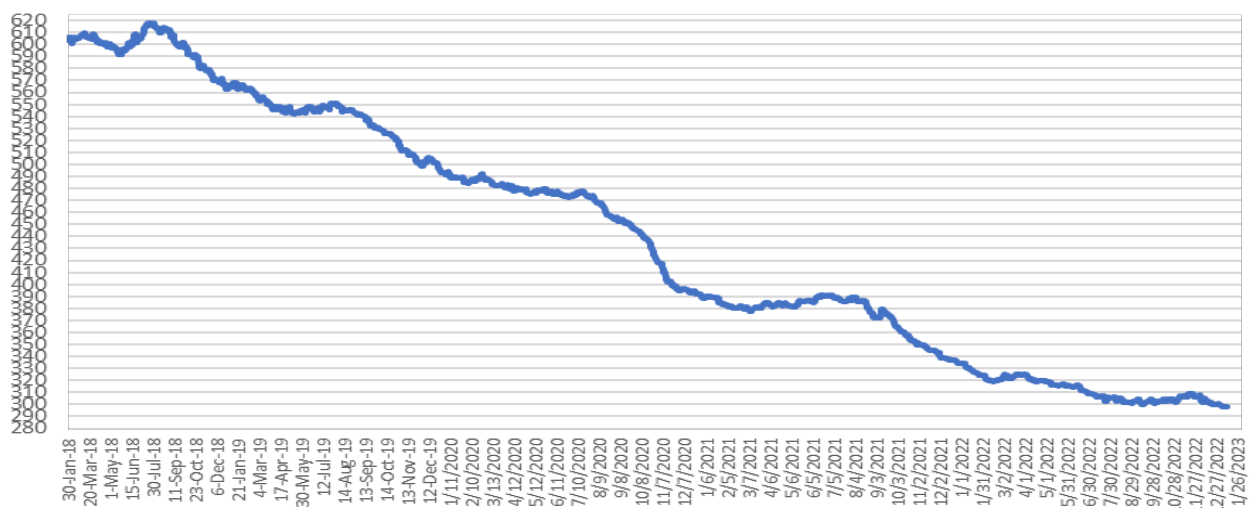
The continued impacts of the coronavirus pandemic, along with aging infrastructure and changing demographics have left the state's Veterans Homes at King and Union Grove with a declining census. Veterans, like most Wisconsinites, wish to stay in their homes with family and caregivers as long as

possible and many wish to stay close to loved ones as their needs increase and they require more intensive care and skilled-nursing care.

To address these challenges, the Governor’s budget includes the Blue Ribbon Commission’s recommendation to conduct a broad evaluation of the future needs of veterans in long-term care in Wisconsin. This qualitative and quantitative evaluation of post-9/11 veterans will help the state gain better awareness of the needs of veterans and their caregivers in the coming decades. This evaluation would also explore the nature of injuries and advances in technology that could shift the approach to patient care in the future.

The average daily census at the Veterans Home at King has been decreasing throughout the last four years as shown in Chart 20. This decline poses several issues and questions for the Department of Veterans Affairs, and as such, the Governor recommends a comprehensive analysis and development of a master plan for the King veterans home and campus. The data gathered in this study will help determine the scope of services and needs for veterans and will help the state understand the future needs of new construction at this location.

CHART 20: AVERAGE DAILY CENSUS AT THE KING SKILLED NURSING FACILITY



The Governor is committed to ensuring quality care and continued services for the state’s veterans who live at and rely on the Veterans Homes at King and at Union Grove, and as such, recommends transferring \$10 million GPR to the Department of Veterans Affairs to fully fund operations at these homes.

Mental Health and Substance Use Disorder

The Department of Veterans Affairs operates the Veterans Outreach and Recovery Program, which provides comprehensive mental health, substance use disorder treatment, housing assistance, and other services to Wisconsin veterans. This critical program provides services to all individuals who served in any component of the U.S. armed forces, including those that have previously served and continue to serve in the National Guard and Reserve.

The Governor recommends providing \$272,300 SEG in fiscal year 2023-24, \$684,900 SEG in fiscal year 2024-25, and 7.0 FTE SEG positions to expand the Veterans Outreach and Recovery Program. The program would expand by 5.0 FTE SEG additional outreach and recovery specialist positions to work with local partners to provide appropriate recovery supports to aid veterans and 2.0 FTE SEG additional clinical coordinator positions to conduct mental health diagnosis.

The Department of Veterans Affairs also operates the Veteran Housing and Recovery Program through partnerships with federal, state, and local governments, county veteran services offices, and local stakeholders. The program provides homeless veterans with job training, education, counseling, and rehabilitation services necessary to achieve steady employment and affordable housing. The program operates 54 service intensive transitional housing beds and 51 clinical treatment beds

across locations in Chippewa Falls, Green Bay, and Union Grove. The Governor recommends increasing funding for the Veterans Housing and Recovery Program to explore expansion opportunities in locations throughout the state.

The Governor's budget also creates a veteran rental assistance program funded at \$1 million GPR in each fiscal year as recommended by the Interagency Council on Homelessness and elevated by the Blue Ribbon Commission.

The Governor also recommends expanding the Assistance for Needy Veterans Grant Program by allowing for the payment of medical devices and increasing the 12-month maximum grant award from \$3,000 to \$5,000 per recipient and the lifetime maximum grant award from \$7,500 to \$10,000. This will allow for more expenditures to qualify for reimbursement under the program and will increase utilization of this grant program and provide a valuable benefit to veterans.

The state recently opened a peer-run respite center specifically dedicated to veterans who are experiencing mental health difficulties and need a safe place to go and be with individuals who understand their situations. This budget proposes stable, ongoing state support to ensure this center continues to serve veterans.

County and Tribal Veterans Service Officers

Recognizing the importance of the role played by veterans service offices in each county to connect veterans to the benefits they have earned, the Governor recommends a doubling the grants to counties and the governing bodies of federally recognized Tribal Nations in support of the costs of maintaining veterans service offices. The Governor also recommends eliminating the distinction between counties with full-time and part-time veterans service officer positions.

D. BUILDING STRONG, SAFE COMMUNITIES

Shared Revenue, Property Taxes and Local Control

This budget undertakes the first substantial reform and investment in the Shared Revenue program in decades. After over 20 years of Shared Revenue first being frozen and then routinely cut, this budget provides much-needed additional funding for our counties and municipalities.

In order to restore truly "shared" Shared Revenue, the Governor recommends allocating 1 cent, or 20 percent, of sales tax collections annually to fund Shared Revenue programs. After providing the amount needed to continue existing Shared Revenue allocations under County and Municipal Aid, Expenditure Restraint, and the county and municipal portions of personal property relief aid; the remaining funds will be divided between aid for public safety purposes and general aid to municipalities and counties to be used at the discretion of local governments.

The new Shared Revenue appropriation will provide an aid increase for municipalities and counties of \$576.2 million GPR in fiscal year 2024-25. This is the estimated amount remaining of 20 percent of the sales tax revenues projected to be collected by the state in fiscal year 2023-24 after deducting existing aid payments to local governments as detailed above. Future allocations will grow with sales tax collections and all new growth in the portion of the sales tax dedicated to Shared Revenue will go into this new appropriation. Public safety aid will be 43.4 percent of the total funds available under the new investment and will be determined as a percentage of each local government's qualifying public safety expenditures sufficient to distribute the aid each year, and no government will receive less than \$10,000 under the public safety aid distribution. The remaining 56.6 percent of the aid will be distributed as general aid with 70 percent allocated to municipalities and 30 percent to counties. General aid will be distributed with 15 percent of the general aid distribution being made on a per capita basis while the remaining 85 percent will be distributed based on the aidable revenues as adjusted by the local government's equalized value per capita relative to statewide equalized value per capita. For future distributions under the new Shared Revenue, no local government may receive less than 95 percent of the prior year's allocation.

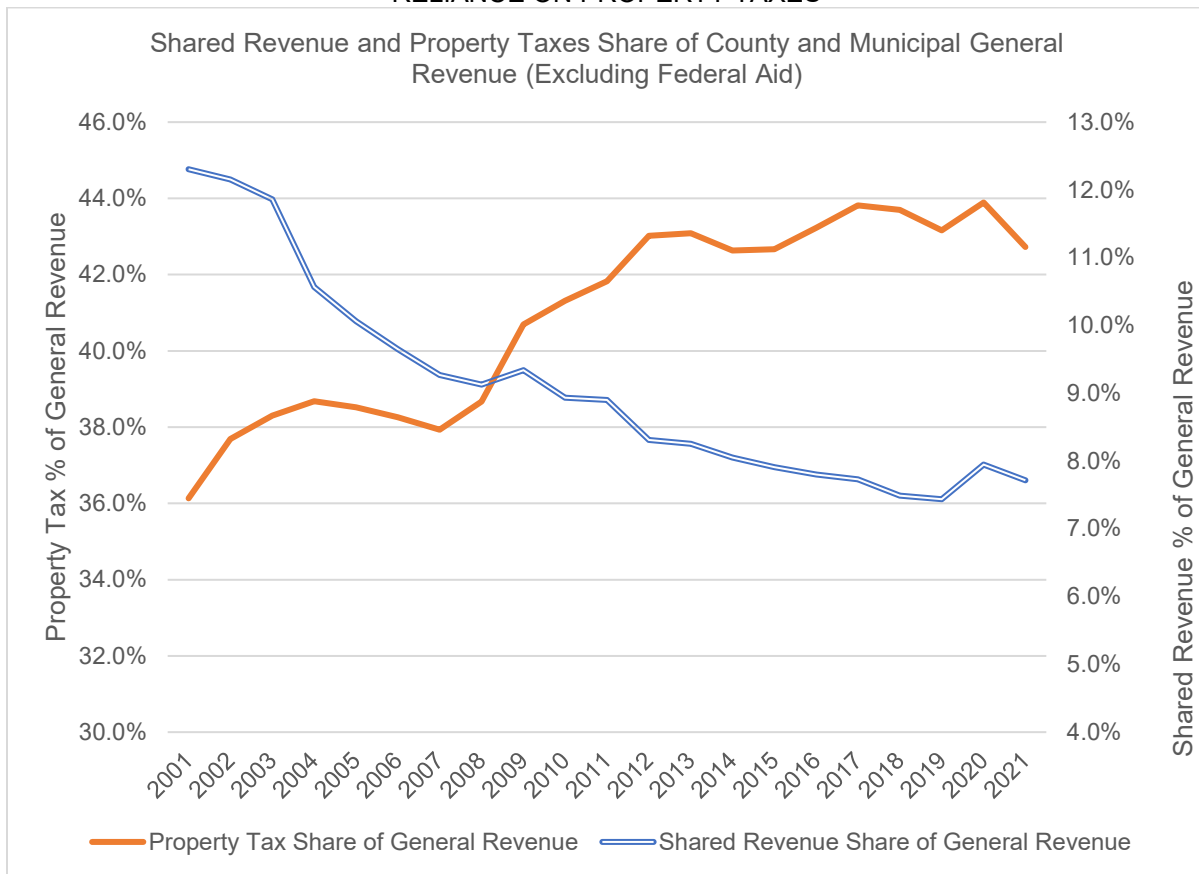
The "shared" nature of the new Shared Revenue program needs to be emphasized. Under this new appropriation, every county, city, village, and town will receive an aid increase. Furthermore, every

county and municipality will receive additional funding under each component of the new program—from the public safety component and from both the per capita and aidable revenues portions of the new general aid. In addition, no county or municipality will lose any Shared Revenue related funding they currently receive as long as the locality continues to meet eligibility requirements under current law. County and Municipal Aid, Expenditure Restraint, and the county and municipal portions of personal property relief aid will continue with no reductions. Municipalities will continue to qualify for Expenditure Restraint as under current law and the Utility Aid portion of Shared Revenue will also remain unchanged.

Compared to the prior approach to Shared Revenue that existed before the formula was frozen, this new Shared Revenue program differs in a few key respects.

The first is the allocation of funding dedicated to public safety. Municipal and county governments are the primary providers of public safety services in the state, and it is one of their largest expenditures. Because it is one of the most important functions for all county and municipal governments in the state, this portion of the new Shared Revenue program is allocated via a simple cost-sharing approach that makes no adjustments for relative property values. All municipal and county governments will be aided at the same percentage of their three-year average law enforcement, fire protection, and ambulance and emergency medical services costs, with a \$10,000 minimum payment per local government. Funds received under this allocation must be used for public safety purposes, including local support for district attorneys' offices and judicial system costs for counties. For the first year of the allocations, it is estimated that the public safety funds provided will be approximately \$250 million.

CHART 21: DECLINING SHARED REVENUE HAS PUSHED UP COUNTY AND MUNICIPAL RELIANCE ON PROPERTY TAXES



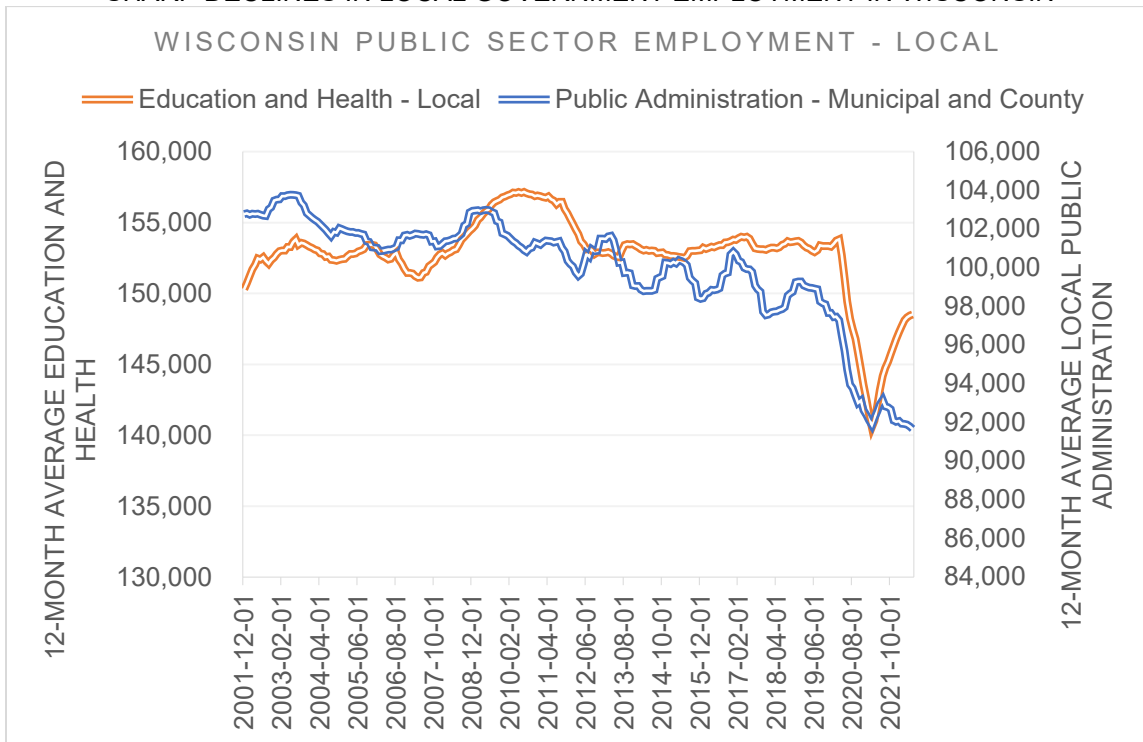
The second way in which the new program differs is in the approach taken for property tax base equalization. Under the prior Shared Revenue program, tax base equalization was approached with the objective of ensuring that local governments had an equivalent property tax base up to a given standard equalized value per capita. Municipalities and counties with equalized value per capita above that threshold would receive no aid at all under that component. This resulted in a strong

equalization component that left many communities out of receiving aid for their aidable revenues. By contrast, this new proposal maintains eligibility for all municipalities and counties for general aid with an equalization factor that is the ratio of a locality's equalized value per capita compared to the statewide average equalized value per capita on a sliding scale. A locality with half the equalized value per capita compared to the statewide average will receive twice the percentage of its aidable revenues in aid compared to a locality with equalized value per capita equal to the statewide average. Similarly, a locality with twice the equalized value per capita compared to the statewide average will receive half the percentage of aidable revenues in general aid that a community at the statewide average. This approach balances the need for property tax base equalization to assist those communities with the greatest need with providing all our state's communities with a fair share of Shared Revenue.

The third way in which this new approach to Shared Revenue differs from the prior Shared Revenue program is the dedication of 20 percent of state sales tax collections on an ongoing basis. Previously, the amount of Shared Revenue was determined on a discretionary basis by the Legislature in each biennial budget. By establishing in statute this dedicated stream of revenue to fund aid to counties and municipalities, local governments in Wisconsin can be assured that the state will remain committed to providing additional resources in line with the growth of state tax revenues. Even modest growth in sales taxes of 2.5 percent annually would provide increases of approximately \$40 million annually in new aid to municipalities and counties in the coming years.

By funding local public safety expenditures and providing significant new general aid to counties and municipalities, Wisconsin localities will be able to make new investments to protect their residents and grow their communities with critical infrastructure and public services. Frozen state aid and tight county and municipal levy limits combined with rising cost pressures have led to steep declines in local government employment. While municipal and county employment has been declining since 2001, the effects of the pandemic and the inflation since that time have eroded the ability of local governments to maintain employment at even pre-pandemic levels. Compared to February 2020, municipal and county employment is still down approximately 6 percent in Wisconsin, according to the Bureau of Labor Statistics.

CHART 22: TIGHT LOCAL GOVERNMENT FINANCIAL CONDITIONS HAVE RESULTED IN SHARP DECLINES IN LOCAL GOVERNMENT EMPLOYMENT IN WISCONSIN

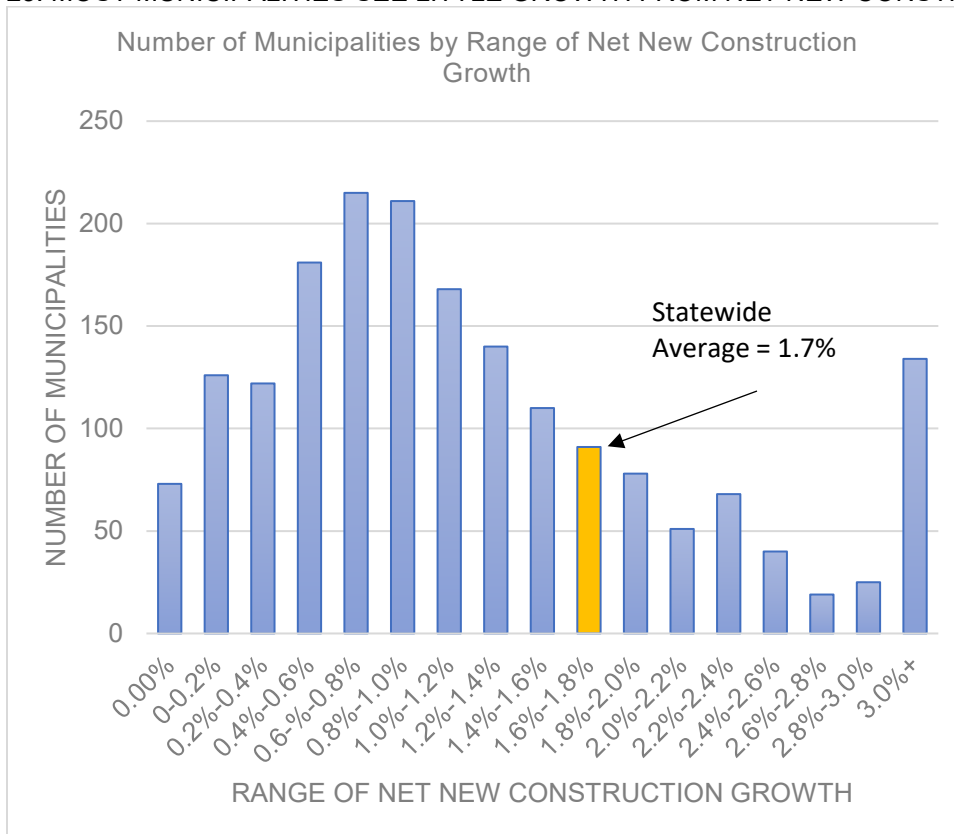


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

In addition to the restoration of a robust Shared Revenue program for municipal and county governments in Wisconsin, the Governor’s budget also substantially bolsters local control while still protecting Wisconsin property taxpayers across the state. Governments, like the people they serve, have faced increasing cost pressures, but these can be met without abandoning the state’s commitment to property tax relief. Local control and taxpayers’ interests need not be opposed to one another.

The Governor recommends providing counties and municipalities with a 2 percent minimum growth factor for county and municipal levy limits. Under current law, municipalities and counties are only allowed to grow property tax levies by the percentage change in equalized value due to net new construction, which varies widely across the state. Some fast-growing communities have a great deal of new value installed each year while others see little, if any, growth. For 2022 equalized values, 928 out of 1,852 municipalities had growth below 1 percent, and 409 had growth below 0.5 percent. Low growth has hit many rural communities in the state especially hard. Nonetheless, all local governments face increasing cost pressures from inflation, especially on wages and fringe benefits for employees and contracted services. Providing the same 2 percent minimum growth factor that existed when county and municipal levy limits were first created will restore fairness to property tax controls and empower our local elected officials to meet the needs of our residents.

CHART 23: MOST MUNICIPALITIES SEE LITTLE GROWTH FROM NET NEW CONSTRUCTION



Source: Department of Revenue, 2022 Equalized Value Data

Additionally, the Governor recommends repealing or modifying other current law levy limit provisions to further enhance local control and provide incentives for innovation. The first of these modifications is the repeal of the current law levy limit adjustment that requires local governments transferring services to another unit of government to take a negative adjustment to their levy limit related to the transferred service. This current law penalty discourages local governments from undertaking service consolidation if the purpose is to provide enhanced service among the consolidating communities. Further, the Governor proposes modifying the current law adjustments for joint fire and emergency medical services to ensure that all forms of service sharing arrangements in those vital services will be covered by the levy limit adjustment. These changes remove current law barriers to collaboration and consolidation among local governments.

Beyond greater flexibility under levy limits, the Governor recommends providing counties and larger municipalities with enhanced ability to fund important services with new local sales tax authority. Specifically, the Governor recommends allowing Milwaukee County to impose an additional 1 percent sales tax, with 50 percent of the resulting new revenue to be distributed to the city of Milwaukee, to diversify revenue sources for both the city and county of Milwaukee and allow these local governments to better address the unique circumstances that exist in the heart of the state's most populous metropolitan area. However, this new sales tax authority may only be utilized if approved by a majority of voters by referendum in Milwaukee County.

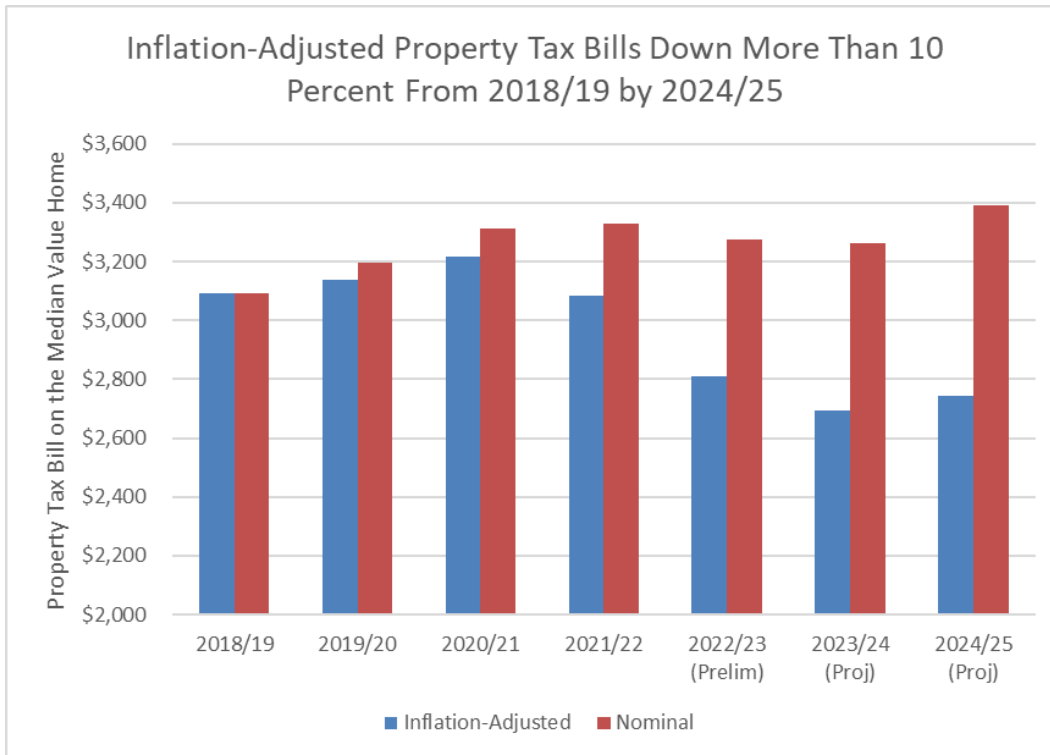
Recognizing the needs of other larger communities, and of all other counties, the Governor further recommends allowing counties, other than Milwaukee County, to impose an additional 0.5 percent sales tax and allowing municipalities with populations over 30,000, other than the city of Milwaukee, to impose a 0.5 percent sales tax to diversify local revenue sources and better fund police and fire protection, transit, roads, and other important services. These new county and municipal level sales taxes may only be imposed if approved by referendum by a majority of voters in the county or municipality. The Governor proposes this authority for counties statewide in recognition of the many services that counties are responsible for, especially in more rural areas. The time to allow counties and municipalities to further diversify their revenue sources to provide necessary local services is long overdue. Wisconsin makes light use of the sales tax, especially at the local level. Among states imposing a sales tax, Wisconsin has the third lowest, population-weighted, combined state and local sales tax rate of 5.43 percent, according to the Tax Foundation.

To eliminate a burdensome tax on businesses while protecting homeowners, the Governor recommends repealing the remainder of Wisconsin's outdated personal property tax on businesses and providing an estimated \$202.4 million in fiscal year 2024-25 to compensate all local taxing jurisdictions for the reduction in their property tax bases. The payments to local governments will increase in future years with inflation. Over many years, the portion of personal property subject to property tax has diminished, and now it is time to finally eliminate this obsolete tax. By ending personal property taxes, businesses will no longer be required to go through the burdensome process of annually determining the value of their personal property subject to this tax. Other states have ended this tax long ago and it is time for Wisconsin to join them, reducing unnecessary workloads on our businesses and reducing their overall tax burdens. Because the Governor's recommendation includes payments to local governments to offset the loss of this tax base, no shift of the property tax burden to homeowners will occur. The Governor's plan also ensures that the transportation fund is made whole for any loss of revenue from the personal property tax.

The Governor also recommends provisions to help protect the local property tax base to ensure that homeowners are treated fairly compared to developers and commercial landlords. This budget includes the provisions of 2019 Senate Bill 130, which was a bipartisan initiative that would have ensured that leased property would be assessed not against "dark stores," abandoned or vacant properties, but against sales of truly comparable properties in the same market segment while also requiring that lease provisions and actual rents pertaining to a property are incorporated into its assessed value. These are common sense reforms that have garnered bipartisan support. The inclusion of these provisions will protect the property tax base for Wisconsinites all around the state, ensuring fairness for homeowners and that every property owner pays their fair share in taxes.

The Governor's budget will keep the total annual increase in property taxes on the median value home well below 2 percent on average during the upcoming biennium because of policies that have properly funded the state's responsibilities to our local governments, including K-12 school districts and technical college districts. Adjusted for inflation, property tax bills are down substantially since the Governor took office, reflecting the commitment to investing in our schools and local governments which reduces pressures to increase property taxes.

CHART 24: MEDIAN VALUE HOME PROPERTY TAX BILLS DOWN SIGNIFICANTLY VS. INFLATION SINCE 2018/19



Broadband

The coronavirus pandemic revealed that a lack of access to reliable, available, and affordable high-speed internet poses roadblocks for schools, businesses, and residents across Wisconsin and only underscored the necessity of broadband infrastructure and high-speed internet. That’s why the Governor declared 2021 the Year of Broadband Access, and over just the past two years, the state of Wisconsin has approved nearly \$225 million in broadband infrastructure grants through a combination of state and federal funding. These historic investments have helped Wisconsin bridge the digital divide by supporting 154 broadband infrastructure projects that have or will provide high-speed Internet to nearly 118,000 homes and businesses. However, thousands of Wisconsinites still lack access to reliable, affordable high-speed Internet.

According to the Governor’s Task Force on Broadband Access 2022 Report, there are 650,000 Wisconsinites without access to internet speeds of at least 25 megabits per second (mbps) download and 3 mbps upload. The Governor understands that reliable access to broadband internet service is crucial for many aspects of today’s society, including connecting business and schools to the world, linking job seekers with employment opportunities and accessing telehealth services. For too many areas throughout the state, inadequate internet access limits economic development as well as recreational, educational, health and work opportunities.

In his first biennial budget, the Governor made a \$48 million GPR investment in broadband—the largest state investment in broadband in our state’s history. In his second budget, the Governor invested an additional \$129 million for broadband expansion. The Governor’s historic investments in broadband have yielded results. Additionally, under Governor Evers, the Public Service Commission has awarded 95 broadband grants, funded using the \$105 million received by the state under the federal CARES ACT and the American Rescue Plan Act. In total, under the Evers Administration, the Public Service Commission has awarded 333 broadband grants with \$289 million in state and federal funds, which have provided or will provide broadband infrastructure to approximately 391,400 homes and businesses across Wisconsin. Moreover, the commission will award an additional \$14.1 million in state-funded grant funding in the coming months.

Despite an expected influx of federal broadband funding authorized under the Bipartisan Infrastructure Law (BIL) and the American Rescue Plan Act over the 2023-25 biennium, more resources are needed to fully build out the modern, high speed broadband infrastructure that everyone in our state needs and deserves. Recognizing the importance of this infrastructure to nearly every facet of modern life, the Governor is recommending an unprecedented investment in the state-funded Broadband Expansion Grant Program of \$750 million GPR. Under the Governor's plan, the commission will distribute no less than \$75 million annually in broadband grant awards. This investment from the state's historic surplus illustrates the Governor's urgency to address the need for adequate broadband infrastructure across all of Wisconsin. The budget also retains the existing statutory requirement to utilize at least \$2 million annually from the Universal Service Fund for the grant program. The Governor recognizes that access to high-speed internet is not a luxury—it is a necessity. This proposed historic increase is more than four times larger than the total funding provided to the grant program over the past two budgets.

The Governor's budget also recommends including statutory language that strengthens the Broadband Expansion Grant Program and raises the bar for what is considered to be minimum broadband speeds. First, to ensure we are building infrastructure that meets the high-speed internet needs of Wisconsinites, the budget increases the statutory threshold for areas considered to be broadband "unserved" to service speeds less than 100 mbps download and 20 mbps upload. The budget also requires the Public Service Commission to reevaluate this speed definition every two years to align the statutory threshold with the market conditions and technological advancement. The budget also requires the commission to give priority to grant applicants capable of offering speeds of at least 100 mbps download and 100 mbps upload and establishes a challenge procedure for internet service providers that indicate they have verifiable plans to provide service to an area that has been awarded a grant. By strengthening and further modernizing the Broadband Expansion Grant Program, the Governor's budget will ensure that grant funding is distributed efficiently and effectively, while acknowledging the rapid advancements in broadband speed and technology.

In addition to this historic financial investment, the Governor's budget tackles the issue of broadband access and affordability through the following initiatives. In some corners of Wisconsin, the cost of telecommunications companies connecting communities exceeds potential profits even with federal and state grants and incentives, leaving residents of these communities with few to no options for broadband service. In these cases, the Governor's budget reduces some of the requirements that make it difficult for municipalities to directly invest in broadband infrastructure for their communities. There are 260 communities nationwide that currently offer access to publicly owned fiber internet to at least a portion of the city, and 31 states feature at least one citywide publicly owned network offering at least 1 gigabit service. Wisconsin is among 17 states with barriers that discourage or prevent local communities from investing in publicly owned broadband infrastructure. Allowing unserved Wisconsin municipalities to do the same if internet service providers choose not to connect their communities and their residents support the investment is a common-sense option to help close the digital divide in the state. For the third consecutive budget, the Governor recommends reducing these onerous statutory limitations. The Governor also recommends modifying current law to allow these same municipalities to apply for grants under the Broadband Expansion Grant program.

The Governor's budget also recognizes that for many households access to broadband infrastructure is only several hundred yards away. However, line extensions are often cost-prohibitive for residents, and service providers have no legal obligation to provide service or connect a household to that infrastructure. To address this situation, the Governor recommends establishing a broadband line extension grant program, which will provide grants or financial assistance to eligible households to subsidize the cost of a line extension from existing broadband infrastructure to their residence without access to broadband service.

In addition to supporting the development of additional broadband infrastructure, the Governor's budget includes a provision to improve the quality and reliability of current broadband service. State law does not currently provide the same level of consumer protection for broadband service as it does for other telecommunication and video services. There are no specific regulations that address consumer access to broadband service, consistent speed delivery, or service interruptions. The Bureau of Consumer Protection within the Department of Agriculture, Trade and Consumer Protection has received more than 680 consumer complaints each of the past five years related to electronic communication services, and many of these complaints pertain to broadband issues. Without specific

regulatory authority, the department must mediate the complaints without any specific enforcement powers. The Governor recommends modifying current law to protect broadband customers by requiring broadband service providers to meet certain service requirements, including prohibiting a broadband service provider from denying service to residential customers on the basis of race or income and requiring providers to award credits to customer's internet bills if their service is interrupted for extended periods of time. These new consumer protection regulations for broadband providers will mirror the existing statutory consumer protection regulations governing cable, satellite, and multichannel video services.

Transportation

Wisconsin residents expect and deserve quality roads, bridges, airports, railways, and harbors. Wisconsinites further expect that this infrastructure be kept in good, working order to support the needs of all current and future users. The Governor shares these expectations, and this budget continues to take actions to make these expectations a reality for the families, workers, and businesses that depend on our transportation investments. This budget builds upon past successes in keeping new bonding low and targets spending increases on programs that touch the entire state. The Governor makes investments to help our local governmental partners utilize the increases in federal funding opportunities made available through the Bipartisan Infrastructure Law. Additionally, the budget promotes fiscal responsibility by allocating a portion of the state's historic one-time revenues to prepay a portion of transportation fund debt, a move that will improve the condition of the transportation fund in future years by decreasing ongoing debt service. It also devotes ongoing revenues that are directly linked to the use of Wisconsin's roadways to the transportation fund to ensure sustainable and growing transportation resources into the future without increasing fees on Wisconsinites. Regardless of which mode of transportation a traveler takes or if goods are moving by ship, train, truck or plane, the Governor's budget supports our transportation infrastructure.

Specifically, the Governor's budget enhances local government's ability to benefit from newly available federal funds for local road projects by creating two programs to increase local government capacity and to ensure federal rules are satisfied. The Governor proposes creating a preproject assistance program to cover costs of a project before it becomes eligible for federal funding that will remove a common barrier for smaller communities that may not otherwise apply for federal funds due to lack of resources to devote to a one-off process. This budget also provides funding for technical assistance to localities to continue to meet federal reporting demands throughout the duration of a local transportation project.

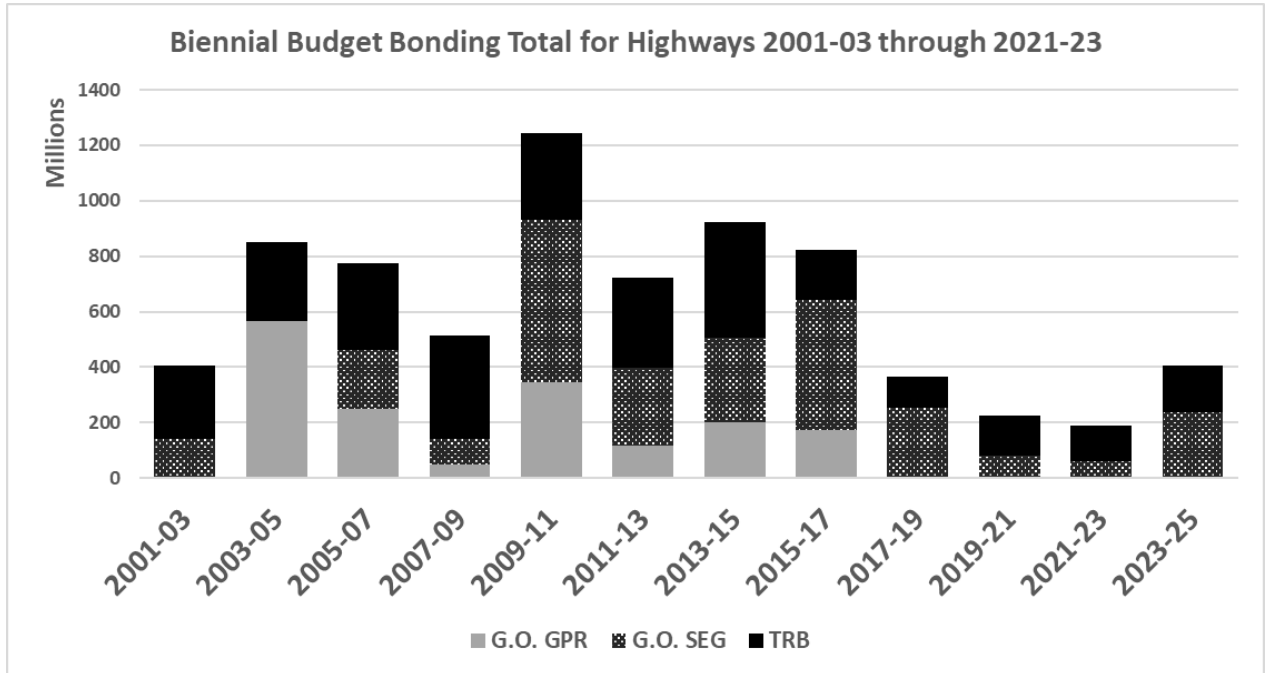
Local communities are supported again in this budget, including local priorities for both motorized and nonmotorized travel. General transportation aids for both counties and municipalities are increased by 4 percent in calendar year 2024 and another 4 percent in calendar year 2025. Complete streets provisions are reinstated, and local municipalities can again use eminent domain to purchase property for nonmotorized transportation projects. Also included in this budget is \$60 million GPR to fund traffic calming grants to make biking, running, and walking safer. Building on the last budget, \$50 million SEG is allocated annually beginning in fiscal year 2023-24 in an ongoing local road improvement program supplement to help accelerate high priority local bridge and road projects throughout the state. Mass transit aids are increased in the budget by 4 percent in each calendar year, along with increases for paratransit aids, elderly and disabled aids, and support for employee sponsored commuting options.

The Governor has included numerous provisions in his budget to improve safety. The budget adds 35 new State Patrol officers to protect drivers from hazards and allow quicker response to motorist needs. The budget also includes funding for replacing aging personal protective equipment for our sworn officers to ensure they will be safe while assisting the motoring public. The budget further includes funding for 10 additional motor carrier inspectors to ensure that commercial trucks are operated within the limits of the law. The Division of Motor Vehicles (DMV) is also allocated new funding to expand the hours of operation of DMV Service Centers to maintain the state's compliance with REAL ID and to improve systems as a whole. The budget also proposes Driver's Licenses for All.

Bonding for the budget has been kept low by historical standards and is only used to support projects that are of regional importance and expected to last for many decades. Bonding has been allocated to begin the replacement of the Blatnik Bridge, which is one of only two connections that the city of

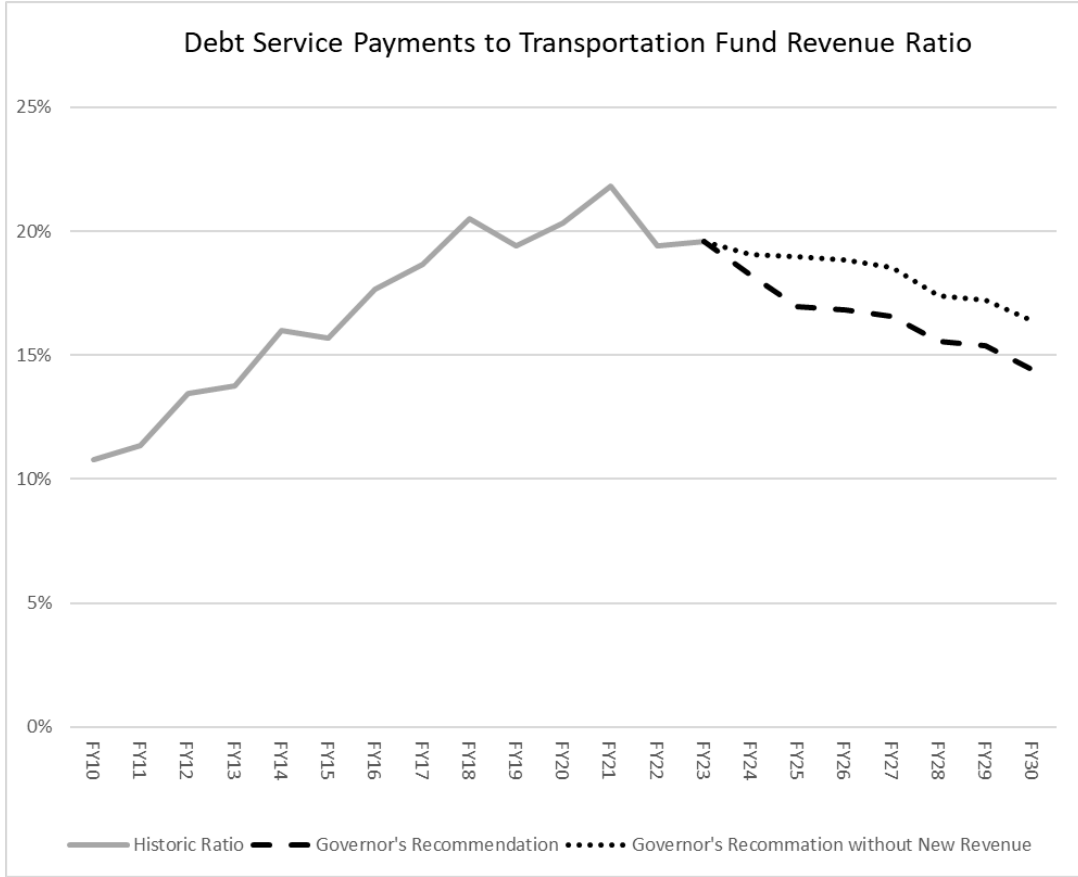
Superior has to the city of Duluth, Minnesota, and serves as an essential connector for freight and commercial transport. Bonding for a third crossing of the Fox River in Brown County has been allocated, as well as bonding for the I-94 East-West project, for expanding I-43 north of Milwaukee, for I-41 between Appleton and Green Bay, and for the bridges of I-39/90/94 over the Wisconsin River over the next two years. Bonding is also being allocated for needed harbor improvements across the state and to maintain freight rail services.

CHART 25: HIGHWAY BONDING BIENNIAL TOTALS



Far less bonding has been issued in the past two biennia for transportation projects compared to previous biennia. This, along with modest increases in revenues to the transportation fund, have led to a decline of the percentage of transportation fund revenue that pays for interest and principal payments. The Governor continues this trend in this budget by bonding less than in many prior budgets while also using nearly \$380 million of the state's historic surplus to pay down a portion of debt backed by dedicated transportation fund revenues. The choice to prepay debt and interest payments in fiscal year 2023-24 will free revenue from debt service to transportation needs beginning in fiscal year 2024-25. These prudent decisions allow for more current transportation fund revenues to be paid toward road projects being built today.

CHART 26: DEBT SERVICE PAYMENTS TO TRANSPORTATION FUND REVENUE RATIO



Two new sources of revenue to the transportation fund will provide improved ability to fix our roads and maintain a healthy transportation fund. The first is a transfer calculated from the state sales tax generated by the sale of electric vehicles. The second is a transfer of a portion of the state sales tax on the sale of automobile parts, tires, and repair services. These transfers will allocate nearly \$190 million from the General Fund to the Transportation Fund over the biennium. The transfer of sales tax generated by the sale of electric vehicles will be restricted to increase by no more than 20 percent over the prior year beginning in fiscal year 2025-26 and will also be capped to be no more than \$75 million in any one fiscal year. The transfer of sales tax generated from the sale of automobile parts, tires, and automobile repair services is limited to the estimated increase in these collections since 2020, when the last increase to Transportation Fund revenues was made by increasing the vehicle title fee.

The combination of lower debt service and increased revenues will significantly boost Wisconsin's ability to address transportation needs for years to come. By prepaying a portion of existing debt, revenue currently devoted to debt service payments is made available for current, rather than past needs. Dedicating transportation-related sales tax to the Transportation Fund also reflects the ongoing market change to electric vehicles, diversifying Transportation Fund revenue sources, and reducing reliance on the gas tax. These changes are substantial and will provide over \$267 million to the Transportation Fund in the 2023-25 biennium and a benefit of just over \$455 million for the 2025-27 biennium. The Governor's recommendations will also provide the Transportation Fund with greater revenue growth potential. The new revenue benefits to the fund are estimated to grow by \$188 million in the 2025-27 biennium over the 2023-25 total, resulting in a 4.2 percent growth in overall Transportation Fund revenue for the next budget.

TABLE 6: TRANSPORTATION FUND REVENUE BENEFITS FROM GOVERNOR'S RECOMMENDATIONS

Transportation Related Sales Tax Transfers & Lower Debt Service Increase Dollars for Road Projects				
	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Electric Vehicle Sales Tax Transfer	39,300,000	55,100,000	66,120,000	75,000,000
Automobile Parts & Repair Sales Tax Transfer	43,625,700	52,895,500	62,643,300	72,893,900
Revenue Bond Prepayment Benefit		76,287,700	76,406,700	102,229,750
<i>Totals</i>	<i>82,925,700</i>	<i>184,283,200</i>	<i>205,170,000</i>	<i>250,123,650</i>
<i>Biennial Totals</i>		<i>267,208,900</i>		<i>455,293,650</i>
Gross Revenue Growth for 2025-2027	188,084,750	% Growth Compared to all ongoing 2023-2025 Revenue		4.2%

In September 2022, the state of Wisconsin's Electric Vehicle Infrastructure Deployment Plan was approved by the U.S. Department of Transportation. With that approval, federal funding was released to Wisconsin to build out its electric vehicle charging infrastructure. The Governor's budget creates the needed appropriations to expend available funds and allocates \$17 million of federal funds in each year of the biennium. When fully implemented, 100 percent of Wisconsin's interstate will be built out to National Electric Vehicle Infrastructure standards and 85 percent of the State Highway System will be within 25 miles of a fast-charging electric vehicle charging station.

Several additional actions are taken in this budget to support electric vehicles. The budget provides personnel and equipment to the Department of Agriculture, Trade, and Consumer Protection to extend consumer protections to electric vehicle charging stations. Furthermore, the legal status of electric vehicle charging stations is clarified by modifying current law to explicitly exempt from the definition of a public utility, a nonutility that supplies electricity through an electric vehicle charging station that does not otherwise directly or indirectly provide electricity to the public.

Agriculture

Agriculture is a key part of Wisconsin's heritage, culture, and economy. The Governor has prioritized promoting the agricultural industry, but there continues to be a significant need for investing in farming and our agriculture industries to continue our state's proud agricultural tradition.

The Governor's budget takes a broad-based approach to assisting farmers and producers in the agricultural industry. Building on successful programs and creating new ones, this multifaceted approach will provide resources that will promote and expand agriculture in Wisconsin.

At the end of 2021, Wisconsin was home to more than 6,300 dairy farms with almost 1.28 million cows. Wisconsin accounts for more than 14 percent of the nation's milk production with approximately 31.7 billion pounds of milk produced annually. In 2020, Wisconsin was the nation's top cheese producing state with over 3.47 billion pounds of cheese or more than 25 percent of the nation's cheese production.

Wisconsin's nearly 1,200 licensed cheesemakers produce over 600 types, styles, and varieties of cheese. Wisconsin's specialty cheese production was more than 818 million pounds. To continue our state's leadership in this sector, the Governor recommends increasing funding for the Dairy Processor Grant program, which provides funds to dairy processors to expand and modernize their operations and that has been consistently oversubscribed, by \$800,000 GPR annually. Finally, the Governor recommends providing \$700,000 to jumpstart a revised Farm and Industry Short Course

program based at the University of Wisconsin-River Falls in collaboration with multiple other University of Wisconsin System institutions and stakeholder groups.

Wisconsin currently ranks 13th among states in agricultural exports, exporting \$3.96 billion in agricultural products to 146 countries in 2021. Wisconsin's top five markets for agricultural exports were Canada, China, Mexico, Korea, and Japan. Wisconsin also ranked first in the export of bovine genetics, ginseng, raw furskins, prepared/preserved sweet corn, and prepared/preserved cranberries. To enhance and expand Wisconsin's exports, the Governor's 2021-23 biennial budget created the Wisconsin Initiative for Agricultural Exports. The program has been successful in coordinating trade missions and promoting Wisconsin agricultural producers at international tradeshows, but the program has been underfunded by the Legislature. The Governor's 2023-25 budget will fully fund the Wisconsin Initiative for Agricultural Exports, allowing it to succeed in growing Wisconsin's exports. This budget also provides a one-time infusion of \$400,000 GPR into the Something Special *from* Wisconsin® Program, a trademark marketing program administered by the state to bring recognition and credibility to Wisconsin companies, to help expand the program and support more Wisconsin producers.

In addition to promoting the products that Wisconsin farmers currently produce, the Governor's budget supports producer's expansion and diversification efforts by providing \$400,000 GPR annually to create a value-added agricultural grant program to expand agricultural practices that produce value-added products and increase profits for producers.

Additionally, the Governor's budget continues the popular Food Security Initiative grant program and increases total funding to \$15 million GPR annually. The program connects local nonprofit food assistance programs with local food production companies, like cheesemakers, meat processors, and vegetable growers. The budget also ensures continuation of the Tribal portion of the federally funded Food Security Initiative by creating a state Tribal elder food security program.

The Governor also recommends providing funding for manoomin, or wild rice, stewardship efforts in ceded territory waters, including research and reseeding projects. The Governor also recommends creating truth-in-labeling protections for traditionally harvested manoomin so that manoomin produced using nontraditional harvesting methods cannot claim to have been harvested using traditional methods.

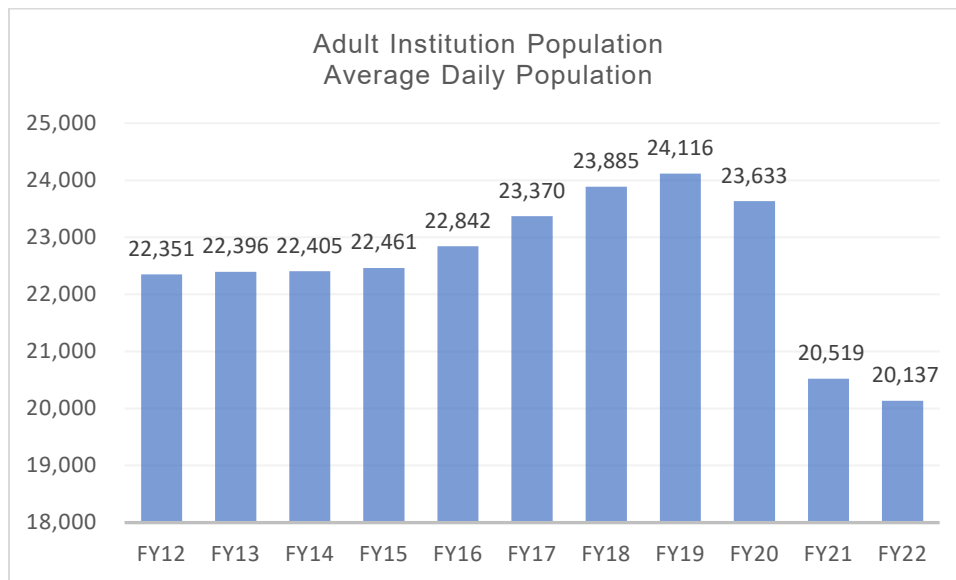
The Governor's budget will once again prioritize developing and promoting Wisconsin's meat industry. In the 2021-23 biennial budget, the Governor proposed the creation of a \$1 million annual meat processor grant program designed to help meat processors expand and modernize their operations. While the Legislature agreed to create the program, it only funded it at \$200,000 annually, creating a backlog of applicants seeking these critical funds. The Governor's 2023-25 budget proposes an increase in funding to the program by \$800,000 GPR annually, which will provide a total funding level of \$1 million annually for the program. The Governor also recommends extending the meat talent development grant program by investing \$1,237,500 GPR in fiscal year 2024-25. The grant program supports the meat industry workforce by providing tuition assistance to individuals pursuing meat processing programming at Wisconsin universities, colleges, and technical schools, and can also be used for curriculum development.

While often overlooked when talking about agriculture, silviculture, or the growing and cultivation of trees, is a key part of the state's agriculture industry. That is why the budget offers strong support for the forest products industry. The Governor recommends providing \$775,000 SEG for the development of a forestry industrywide strategic plan and roadmap. The plan, a recommendation of the Governor's Blue Ribbon Commission on Rural Prosperity, will help Wisconsin meet the demands of the 21st century wood products industry. The Governor also recommends providing an additional \$250,000 SEG in funding annually for the Wisconsin Forest Landowner Grant Program and \$60,000 SEG annually for the Weed Management Area Grant Program. The budget provides \$667,000 SEG to establish a grant program to provide funding to public landowners for reforestation, forest regeneration, and forest management activities. Finally, the budget provides \$50,000 SEG annually for the Sustainable Forestry Program.

Stabilizing our Justice System

Wisconsin has battled a growing prison population for the last two decades, largely due to rigid sentencing changes in 2000. As recently as fiscal year 2018-19, the number of persons at Department of Corrections institutions was over 24,000. A combination of administrative reforms and the coronavirus pandemic dramatically reduced the prison population. This provides the state with a significant opportunity to right size the prison system. Overcrowding in the prison system has historically meant that offenders were unable to get the treatment, training, and other services they needed. With reduced populations, the Department of Corrections is able to refocus its efforts on getting persons in custody the treatment and services they need to successfully reintegrate into society, but workforce shortages provide additional challenges. The Governor's budget addresses this by providing additional resources to promote evidence-based practices that reduce recidivism while investing in the employees working throughout the justice system. By giving offenders the proper tools to succeed, all communities become safer.

CHART 27: AVERAGE DAILY ADULT CORRECTIONAL INSTITUTION CENSUS



Opioids and other drugs have had a devastating impact on families and communities across our state, and unfortunately, many persons in the care of the Department of Corrections are incarcerated due, in part, to an underlying substance use disorder. Building on the Governor's previous investments in this program, this budget provides \$12.5 million GPR over the biennium in the treatment alternative and diversion program, which provides an opportunity for justice-involved individuals to seek treatment rather than being incarcerated. Additionally, the Governor's budget expands substance use disorder treatment opportunities within Department of Corrections' institutions and provides additional resources to the Medically Assisted Treatment Program. Originally created as a pilot program, the Medically Assisted Treatment Program provides individuals with an opioid use disorder who are on extended supervision with medication as treatment. This program has been shown to have a statistically significant impact on reducing recidivism among offenders. The Governor's budget provides the resources needed to expand the program statewide and allow medical professionals at the Department of Corrections to tailor treatments to specific individuals.

The Governor recommends providing \$250,000 GPR annually for the Windows to Work Program to expand the program's enrollment by approximately 96 participants per year. The Windows to Work program helps address criminogenic needs that can lead to recidivism. By addressing these needs, the program helps people find gainful employment with family supporting wages after leaving the department's custody. The Governor's budget also expands the Opening Avenues to Reentry Success Program, which partners with the Department of Health Services to provide wraparound care to individuals with serious mental health challenges. The program has been shown to reduce recidivism. Additionally, the budget expands upon the Opening Avenues to Reentry Success 2 Pilot Program. The pilot program also partners with the Department of Health Services and provides front-

line services to participants, including intensive case management, connections to psychiatric services, substance use disorder treatment, community programs, and housing.

Once a person has completed their sentence, they should be allowed to learn from their mistake and move on with their life. This budget expands the conditions under which an individual may have their criminal record expunged of a conviction. Additionally, the Governor recommends redefining employment discrimination to include requiring an applicant for employment to supply information regarding their conviction record, or otherwise considering the record, prior to selection for an interview. Commonly known as “ban the box,” the provision will help ex-offenders find employment.

Justice System Compensation & Benefits

In a historically tight labor market, the state has struggled to recruit and retain enough employees. Wisconsin’s justice system, in particular, has grappled with low pay and high vacancies in recent years.

The criminal justice system needs people to carefully and deliberately fulfill its duties and responsibilities. The 2021-23 budget, based on the Governor’s recommendation, funded an additional eight circuit court branches in the state. This budget provides an additional four circuit court branches beginning in fiscal year 2023-24. This budget also recommends creating an additional 51.8 FTE GPR assistant district attorney positions and 50.0 FTE GPR positions for the State Public Defender throughout the state.

Assistant district attorneys and assistant state public defenders are key to making the criminal justice system function. While assistant district attorney and assistant state public defender compensation has lagged for some time, the pandemic exacerbated underlying issues. A pay progression system was established several biennia ago to help alleviate the problem. Unfortunately, while the Governor’s 2021-23 budget proposed a one-step pay increase for assistant district attorneys and assistant state public defenders in each fiscal year, the Legislature cut that pay raise in half. Recently, the State Bar of Wisconsin noted that the state is approaching a constitutional crisis because of low compensation for state prosecutors and assistant public defenders. That is why the Governor’s budget increases the starting pay for assistant district attorneys and assistant state public defenders to \$35 per hour, an increase of \$7.76 per hour over the current starting wage. The budget also provides a one-step pay raise in fiscal year 2024-25 to continue to provide pay progression for state attorneys. In addition, the Governor’s budget increases the private bar rate for attorneys who accept state public defender appointments from \$70 per hour to \$100 per hour.

One of the areas that has been the most difficult to staff is corrections. These positions are challenging to fill even in the best of times, but in the current environment, staffing levels are reaching a crisis point. Currently, the vacancy rate at maximum security prisons is averaging 44.4 percent and medium security prisons is averaging 36.2 percent. Even minimum security prisons have an average vacancy rate of 13 percent. With the private sector offering starting wages close to or higher than base pay of \$20.29 per hour, it is not surprising that people are choosing alternate workplaces.

The Department of Corrections and the Division of Personnel Management have tried a variety of initiatives to help recruit and retain more employees, from hiring bonuses to developing pay progression for correctional officers to authorizing adjustments to hourly wages through add-on pay in an attempt to encourage more correctional officers to work at the prisons with the highest vacancy rates. In early 2022, the Division of Personnel Management authorized a pilot add-on of \$2 per hour for all correctional staff in an attempt to stabilize vacancy rates and later increased the add-on to \$4 per hour until a more comprehensive package could be advanced in the Governor’s budget.

The Governor’s budget makes an unprecedented investment in compensation to ensure that the state’s secured institutions at the Departments of Corrections and Health Services can be adequately and safely staffed. The Governor’s budget includes \$364.5 million GPR over the biennium to address critical recruitment and retention needs in these institutions.

First, the budget rolls the \$4 per hour add-on for all security staff, including supervisors into the employees’ base hourly wage. Second, the budget enhances the pay structure for correctional officers, sergeants, psychiatric care technicians and youth counselors. Together, starting hourly pay

for correctional officers, for example, would increase from \$20.29 to \$33 per hour. Pay for correctional officers with 25 or more years of experience would increase to \$39 per hour. Third, the existing add-on for correctional staff working in maximum security institutions is increased from \$2 per hour to \$4 per hour and a \$1 per hour add-on for correctional staff working in medium security institutions is implemented. Fourth, the budget continues the \$5 per hour add-on for security staff working at correctional institutions with vacancy rates greater than 40 percent. Finally, funding is added to support a pay progression for probation and parole agents within the Department of Corrections.

Wisconsin is not alone in making this level of investment in security staffing. Around the country, states are facing severe and unsustainable staffing shortages and have been making similar investments in order to increase hiring and just as important increase retention by boosting morale and easing stress for these critical employees.

Youth Justice

Wisconsin is one of the only states in the nation that automatically treat 17-year-olds as adults for the purposes of criminal prosecution. The Governor again recommends eliminating automatic original adult court jurisdiction for youth under the age of 18. Returning 17-year-olds to the juvenile justice system may increase the cost to run county juvenile detention facilities. To show his commitment that counties will not be left with an unfunded mandate as a result of this important policy change, the Governor's budget includes a GPR sum sufficient appropriation to pay for these costs in this biennium. The budget allocates \$5 million GPR in each fiscal year for this purpose. In addition, the budget creates a Youth Justice Review Committee to study and provide recommendations to the Department of Children and Families and the Department of Corrections on options for juvenile justice reforms, including jurisdictional and sentencing changes.

The Governor's budget recognizes that continuing to move forward with transforming Wisconsin's juvenile justice system will require a variety of approaches ranging from funding effective programs to modernizing statutes, in addition to making sure youth in the deepest end of the system have what they need to be successful, strategic investment in our community-based youth justice system is needed.

The Governor believes we should reduce the number of youth requiring secure placement to promote public policy that aligns with effective and evidence-based youth justice practice. The Governor proposes shifting the focus from incarceration for youth to community-based services provided in the community at the local level. Consistent with that change, the Department of Children and Families will expand its efforts in managing youth justice programs.

The Governor's budget provides funding to help counties better serve youth interacting with the youth justice system, including:

- Develop a youth justice data and reporting system and continue supporting the youth assessment screening instrument with \$936,700 GPR and \$435,100 PR-F in fiscal year 2023-24 and \$945,500 GPR and \$435,100 PR-F in fiscal year 2024-25.
- Provide \$1,563,500 GPR in fiscal year 2023-24 and \$2,102,000 GPR in fiscal year 2024-25 to create and provide a state training program for youth justice workers and continued training for those workers, as well as booster training for the Youth Assessment Screening Instrument.
- Modify the youth justice statutes and appropriations to provide more flexibility in allocating Youth Aids funding and enhance system improvements.
- Allocate \$750,000 GPR starting in fiscal year 2024-25 to provide counties with bonuses for operating secured residential care centers for children and youth that serve youth from more than one county, as required by current law.

The Governor's budget also includes the following initiatives that will improve community-based services for youth at risk of involvement in the youth justice system:

- Create intensive preservation services for families in three regions of the state at risk of having a child enter the out-of-home care system or for children and youth either in out-of-home care or the juvenile justice system. Support these services with \$16,567,500 GPR and \$1,321,500 PR-F in fiscal year 2023-24, \$16,595,900 GPR and \$1,349,900 PR-F in fiscal year 2024-25, and 2.0 FTE GPR positions.
- Increase funding in the Bureau of Youth Services by \$2,020,000 GPR in each year to increase services for runaway and homeless youth.
- Expand independent living services to youth, including Tribal youth with an additional investment of \$3,852,500 GPR in each fiscal year.

E. PROTECTING & CONSERVING OUR NATURAL RESOURCES

CLEAN WATER

Per- and polyfluoroalkyl substances (PFAS) are a group of human-made chemicals used for decades in numerous products, including non-stick cookware, fast food wrappers, stain-resistant sprays, and certain types of firefighting foam. They are known to be toxic, mobile, and persistent in the environment, meaning they do not break down naturally. A number of PFAS compounds are known to pose a risk to human and animal health, bioaccumulating in tissue over time and causing adverse human health effects, including increased serum cholesterol, immune dysregulation, pregnancy-induced hypertension, liver damage, and kidney and testicular cancers.

Two years ago, Marinette and Madison were the two known large-scale PFAS contamination sites in the state. Today, the Department of Natural Resources has identified PFAS contamination in dozens of communities throughout the Wisconsin, including La Crosse, Wausau, Superior, and Milwaukee. That is why the Governor proposes significant resources for the monitoring and testing of PFAS statewide, because without proper testing and monitoring, we cannot have a complete picture of how widespread PFAS contamination has become.

The Governor's recommendations also include providing \$100 million all funds over the biennium for a municipal grant program. The grants under this program may be used to investigate potential PFAS impacts; treat or dispose of PFAS-containing firefighting foam containers; sample a private water supply within three miles of a site or facility known to contain PFAS; test school and daycare drinking water supplies for PFAS; provide a temporary emergency water supply, a water treatment system, or bulk water to replace water contaminated with PFAS; conduct emergency, interim, or remedial actions to mitigate, treat, or dispose of PFAS; or remove PFAS from a public drinking water supply. This grant program is designed to be flexible so that local communities have access to the resources they need to respond to PFAS at whatever stage in the response the community is in.

This budget includes \$750,000 SEG in fiscal year 2024-25 to test public water supply wells for PFAS contamination, as approximately 75 percent of the state's population receives its drinking water from public water systems. The Governor also proposes \$55,000 SEG annually to survey 44 large rivers across the state, covering approximately 80 percent of the state's landmass, to analyze and track trends in water quality related to PFAS. Wastewater treatment plant effluent and biosolids are another concern for PFAS contamination; therefore, this budget proposes \$25,000 SEG annually in testing for wastewater treatment facilities. Hunters and anglers also need to know that the fish and game they harvest are safe to consume, so the Governor proposes \$50,000 SEG annually to sample fish and wildlife for PFAS. The budget also provides \$600,000 SEG annually, on an ongoing basis to test for and mitigate PFAS at state-led sites. State-led sites are those locations where a responsible party cannot be identified or does not have the financial means to remedy the contamination.

Additionally, testing and remediation cannot be carried out without proper resources, so this budget provides the Department of Natural Resources with 11.0 FTE SEG positions who will focus on establishing standards and testing methodologies for PFAS contamination as well as develop plans for the remediation of PFAS contamination. The new staff will also work with staff from the Department of Health Services to develop standards and guidelines for PFAS.

The Governor also recommends providing substantial additional assistance and resources to local communities that are impacted by PFAS contamination. Currently, the Department of Natural Resources is providing emergency assistance in the form of drinking water to homes whose private water supplies have been contaminated by PFAS. The Governor's budget provides an additional \$900,000 SEG annually to continue this critical emergency service to Wisconsin residents. The 2021-23 biennial budget provided \$1 million for a PFAS-containing firefighting foam collection and disposal project, and this budget continues that successful effort by providing an additional \$1 million SEG to continue to assist local fire departments in removing PFAS from their fire stations and also expands the program to enable fire departments to replace the removed foam with new foam without PFAS. The budget also provides \$200,000 GPR annually at the Department of Health Services for outreach related to PFAS.

Every Wisconsinite should be able to trust the water from their tap. Unfortunately, PFAS are not the only threat to our drinking water supply. An estimated 170,000 households are served by lead service lines. Lead service lines, which run from the curb stop to the water meter, can unpredictably release lead into drinking water. This budget provides \$200 million GPR over the biennium for the replacement of lead service laterals in communities throughout the state.

In addition to clean drinking water, Wisconsin boasts more than 15,000 freshwater lakes, 84,000 miles of rivers and streams, more than 800 miles of Great Lakes shoreline, and millions of acres of wetlands—all of which contribute to our Wisconsin way of life and are facing their own unique challenges with contamination. The primary cause of water pollution in the state is nonpoint contamination. Common sources of nonpoint contamination include paved surfaces, construction sites, and farm fields. The state and local governments have a long history of working collaboratively with landowners to mitigate nonpoint pollution. Working together, they have employed best practices that are both economically viable and environmentally effective at reducing nonpoint pollution.

The Governor's budget continues this partnership by providing \$6.5 million in bonding for the Target Runoff Management (TRM) Program at the Department of Natural Resources. The TRM Program provides municipalities with financial assistance for infrastructure projects to reduce nonpoint source pollution. In addition, the budget provides an additional \$400,000 SEG for noncapital costs under the TRM Program. The Governor's budget also allocates \$7 million in bonding authority for the Soil and Water Resource Management (SWRM) Program at the Department of Agriculture, Trade, and Consumer Protection. The SWRM Program provides farmers with financial assistance to construct infrastructure projects that reduce nonpoint source pollution. The budget also provides an additional \$100,000 SEG annually for noncapital costs under SWRM. The Department of Agriculture, Trade, and Consumer Protection and the Department of Natural Resources coordinate these nonpoint pollution abatement efforts in the SWRM and TRM programs through an annual joint allocation plan.

The budget also provides \$15 million in bonding authority to clean up the toxic sediment from areas of concern in the Great Lakes Basin. The funds are to be used to remove contaminated sediments, such as dichlorodiphenyltrichloroethane (DDT), polychlorinated biphenyls (PCBs), and heavy metals that have built up over many years.

In the absence of legislative action on the Governor's previous recommendations, the Governor established a stand-alone well compensation program utilizing \$10 million in federal APRA funds and including the revised water quality and financial qualification standards included in this bill. In a little more than four months, the American Rescue Plan Act-funded program has already received more than double the number of applications received by the GPR-funded program in a year. To continue these critical investments, the Governor also recommends providing an additional \$1 million GPR in fiscal year 2024-25 for financial assistance under the state Well Compensation Program, which assists eligible landowners, renters, or businesses to replace, reconstruct, or treat contaminated water supplies. The budget will also update the program's contamination criteria to bring it in line with federal water quality standards and update the program's financial qualifications to allow the program to serve more Wisconsin residents. These changes have been proposed in the past two budgets, yet the Legislature has failed to act. Without updated water quality and financial qualification standards, the well compensation grant will continue to be severely underutilized. These programmatic changes are much needed and long overdue to ensure the state well compensation program is viable and effective moving forward.

To address flooding and erosion, the Governor recommends creating an Erosion Control Loan Program. The program would provide financial assistance to municipalities and owners of homes located on the shores of the Great Lakes or the Mississippi River where buildings or homes are threatened by erosion of the shoreline. The budget will provide \$7 million SEG in fiscal year 2023-24 as an initial capitalization for the program. As loans are repaid, the fund will be recapitalized allowing for additional loans.

The Winnebago Lake System includes four lakes that encompass over 159,000 surface acres, 230 miles of shoreline and make up around 17 percent of Wisconsin's surface water. These lakes are an important resource for public drinking water and for recreational opportunities like fishing, boating, and sturgeon spearing. However, all four lakes are considered impaired due to excessive amounts of nutrients and sediments, including high levels of phosphorus and harmful blue-green algae blooms. The Governor's budget includes 2.0 FTE SEG positions to assist local counties and the Winnebago Waterways Program with the implementation of a lake management plan.

Climate Change and Clean Energy

In recognition that climate change is an imminent threat to our state, economy, and our kid's future, in October 2019, Governor Evers signed Executive Order #52 creating the Governor's Task Force on Climate Change. The Climate Change Report written by the task force was released in December 2020 and included 55 climate solutions across nine sectors that lay the foundation for the state to better adapt to and mitigate the effects of climate change while also seeking environmental justice and economic opportunities in renewable energy and conservation.

The task force worked to identify strategies to combat climate change by studying recent research and data, learning from Tribal Nations, farmers, nonprofit organizations, businesses, energy providers, and local governments that are already taking action to address the crisis, and, most importantly, listening to the experiences of Wisconsinites—particularly those of communities that have been historically excluded from decision making in the past. The task force brought together a diverse coalition of farmers, environmental advocates, Indigenous leaders, and business executives representing different perspectives, communities, and industries. These members worked collaboratively, uniting around the shared goal of making Wisconsin a cleaner, safer, and more equitable state.

The solutions in the report include creating a state office to address environmental injustices, develop job training programs for displaced and marginalized workers, fund assistance to help farmers adopt more sustainable practices, implement transportation policies that promote clean, alternative methods of transportation, and make statutory changes to help the energy sector transition to cleaner energy production. The recommendations included input from the public and private sectors alike.

The Governor's budget again includes the following recommendations from the Task Force on Climate Change to assist the state in mitigating the impact of climate change:

- Establishing in statute the Office of Environmental Justice within the Department of Administration created by the Governor via Executive Order #161. This office is tasked with collaborating across state agencies and will engage with environmental justice advocates, communities of color, Tribal Nations, and low-income communities to design climate policies that reduce emissions and pollutants and address the cumulative and deadly impact of their concentration within those communities;
- Funding and executing state and local climate risk assessment and resilience plans and creating a chief resilience officer within the Office of Environmental Justice to oversee development and execution of these plans. According to the task force, a statewide climate risk assessment and resilience plan is necessary to identify infrastructure and communities most at risk of climate change impacts;
- Modifying current law to require a comprehensive plan be developed by municipalities to address climate change, require that local hazard mitigation plans include the consideration of climate change, and require communities throughout the state to include the consideration of climate change in their community health improvement assessment and plans;

- Providing technical assistance grant funding to assist municipalities and Tribal Nations to develop a plan to be carbon-free by 2050. Provide \$200,000 GPR over the biennium to the Office of Environmental Justice for this purpose; and
- Doubling the required utility contribution for the Focus on Energy program from 1.2 percent to 2.4 percent of annual operating revenues, which would generate an additional \$100 million in funding for the program. Focus on Energy provides both business and residential programs. Examples of programs include assistance for businesses applying for federal grants from the U.S. Department of Energy and providing no or low-cost energy tips, training opportunities for businesses, and financial incentives for residents seeking to improve the energy efficiency in their homes.

To embrace a clean energy economy and meet the Governor's ambitious goal of 100 percent carbon-free electricity use by 2050, the Evers Administration prepared the state's first-ever Clean Energy Plan in April 2022. The plan includes over 70 strategies that, if implemented, will lower energy bills for Wisconsin families, reduce reliance on out-of-state energy sources, invest in job and apprenticeship training, and create more than 40,000 jobs by 2030. The Governor is proposing multiple strategies from the Clean Energy Plan in his budget proposal, as well as additional initiatives that will help invest in clean energy and energy conservation, including:

- Establishing in statute the Office of Sustainability and Clean Energy within the Department of Administration. The office promotes the development and use of clean and renewable energy across the state and advances innovative sustainability solutions that improve the state's economy and environment, diversify the resources used to meet the state's energy needs, and generate family supporting jobs by promoting the expansion of Wisconsin's clean energy economy. The office will also oversee a new \$4 million GPR renewable and clean energy research grant, during the biennium;
- Creating the Clean Energy Small Business Incubator Pilot Program, administered by the Office of Sustainability and Clean Energy, which will provide business development, mentorship, and expertise to Wisconsin small businesses operating in the clean energy sector. The incubator will provide \$5 million in grants to Wisconsin small businesses in the clean energy sector during the biennium;
- Investing \$10 million GPR over the biennium for a clean energy job training and reemployment program, \$2 million GPR over the biennium under the Wisconsin Fast Forward framework for training in green jobs, and \$2 million GPR in fiscal year 2023-24 for a Green Jobs Corps to encourage young adults facing barriers to employment to enter energy efficiency, conservation, and environmental sector jobs;
- Modifying current law to allow utilities to offer inclusive on-bill, low-cost debt financing of clean energy projects for residential, commercial, and governmental customers;
- Modifying current law to include electrification projects, including projects that transfer an energy source from a fossil fuel to electricity, as a qualifying energy efficiency project under the Focus on Energy program; and
- Requiring the Public Service Commission to reevaluate the appropriate social cost of carbon every two years, in consultation with the Department of Natural Resources, and report the findings in a biennial report to the standing legislative committees. The proposal would also require the commission to consider the social cost of carbon when determining whether to issue construction certifications. The "social cost" of carbon includes the economic damage resulting from carbon dioxide emissions, including effects on human health, agricultural productivity, and property damage from severe weather events. The cost is an estimate of the economic damages that would result from emitting one additional ton of greenhouse gas into the atmosphere.

Economic Assumptions and Revenue Estimates

V. ECONOMIC ASSUMPTIONS AND REVENUE ESTIMATES

NATIONAL ECONOMY

The Legislative Fiscal Bureau's 2023-25 revenue estimates are based on the January 2023 national economic forecast from S&P Global. IHS Markit forecasts a mild economic downturn in 2023, following a period of strong growth in the aftermath of the COVID-19 global pandemic. Moderate growth is expected to resume in 2024 and 2025 as inflation subsides and negative global economic effects from Russia's war against Ukraine diminish.

- Real Output Growth. Real Gross Domestic Product (GDP) is projected to increase by 0.5 percent in 2023, 1.8 percent in 2024 and 2.0 percent in 2025. This follows 2.0 percent growth in real GDP in 2022.
- Employment. Employment is projected to level out over the next few years with growth in total nonfarm payrolls of 0.7 percent in 2023, a decline of 0.2 percent in 2024 and rise of 0.5 percent in 2025. This period of moderation follows 4.1 percent growth in 2022, which saw employment return to full employment levels and drive unemployment to its lowest levels in over 50 years.
- Inflation. Inflation is projected to moderate to its long-term trend, with growth rates in consumer prices of 3.9 percent in 2023, 2.2 percent in 2024 and 2.0 percent in 2025. This follows a recent multidecade high rate of inflation of 8.0 percent in 2022.
- Profits. Corporate profits are expected to remain relatively flat for the next few years after rising sharply in the aftermath of the pandemic. Economic profits are projected to decline by 1.9 percent in 2023 and 0.6 percent in 2024 before returning to very slight growth of 0.1 percent in 2025. This follows growth of 7.7 percent in 2022.
- Incomes. Personal income growth is projected to be moderate over the next few years at a steady rate. Nominal personal income is projected to grow by 4.3 percent in 2023 and 4.7 percent in each 2024 and 2025.
- Retail Sales. Retail sales growth is expected to moderate following rapid growth in the immediate aftermath of the pandemic. Retail sales are projected to grow by 1.6 percent in 2023, 2.0 percent in 2024 and 2.1 percent in 2025. This follows growth of 9.4 percent in 2022 and 19.8 percent in 2021.

TABLE 7: SUMMARY OF THE NATIONAL ECONOMIC OUTLOOK

Economic Indicators	Actual			Forecast	
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Gross Domestic Product					
Nominal GDP	10.7	9.2	4.2	4.1	4.1
Real GDP	5.9	2.0	0.5	1.8	2.0
Prices and Wages					
GDP Deflator	4.5	7.0	3.6	2.3	2.1
Consumer Price Index	1.8	1.3	2.1	2.5	2.1
Compensation Per Hour	4.8	4.5	4.4	4.0	3.9
Production and Other Measures					
Total Nonfarm Employment	2.8	4.1	0.7	-0.2	0.5
Industrial Production	2.4	-1.4	0.1	1.9	1.4
Housing Starts (Millions)	1.605	1.555	1.192	1.256	1.377
Light Vehicle Sales (Millions)	14.95	13.70	14.79	15.88	16.29
Retail Sales	19.8	9.4	1.6	2.0	2.1
Profits and Income					
Corporate Profits Before Tax	22.6	7.7	-1.9	-0.6	0.1
Personal Income	7.4	2.1	4.3	4.7	4.7

All numbers are annual percent change except as noted.

REVENUE ESTIMATES

TABLE 8: GENERAL PURPOSE TAX REVENUE ESTIMATES
(\$ in millions)

	Actual	Estimate	Estimate	Estimate
<u>Current Law Estimates</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Individual Income	\$9,214.4	\$9,610.0	\$9,770.0	\$10,300.0
General Sales and Use	\$6,978.3	\$7,480.0	\$7,600.0	\$7,780.0
Corporation Franchise and Income	\$2,960.0	\$2,910.0	\$2,850.0	\$2,970.0
Public Utility	\$383.6	\$391.0	\$372.0	\$377.0
Excise				
Cigarette	\$482.4	\$451.0	\$439.0	\$427.0
Tobacco Products	\$94.4	\$92.0	\$94.0	\$96.0
Vapor Products	\$4.1	\$5.6	\$6.2	\$6.8
Liquor and Wine	\$64.9	\$68.0	\$69.0	\$71.0
Beer	\$8.9	\$8.7	\$8.6	\$8.6
Insurance Companies	\$221.8	\$230.0	\$237.0	\$245.0
Miscellaneous	<u>\$135.6</u>	<u>\$107.0</u>	<u>\$96.0</u>	<u>\$110.0</u>
Total GPR Taxes	\$20,548.4	\$21,353.3	\$21,541.8	\$22,391.4
Change Over Prior Year				
Amount		\$804.9	\$188.5	\$849.6
Percent		3.9%	0.9%	3.9%

TABLE 9: GENERAL PURPOSE REVENUE ESTIMATES UNDER GOVERNOR'S RECOMMENDATIONS

(\$ in millions)

	Actual	Estimate	Estimate	Estimate
<u>Current Law Estimates</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
Individual Income	\$9,214.4	\$9,610.0	\$9,737.5	\$10,187.1
General Sales and Use	\$6,978.3	\$7,480.0	\$7,603.2	\$7,817.0
Corporation Franchise and Income	\$2,960.0	\$2,910.0	\$3,056.6	\$3,183.3
Public Utility	\$383.6	\$391.0	\$372.0	\$377.0
Excise				
Cigarette	\$482.4	\$451.0	\$441.3	\$430.2
Tobacco Products	\$94.4	\$92.0	\$94.0	\$96.0
Vapor Products	\$4.1	\$5.6	\$15.4	\$20.0
Liquor and Wine	\$64.9	\$68.0	\$69.0	\$71.0
Beer	\$8.9	\$8.7	\$8.6	\$8.6
Insurance Companies	\$221.8	\$230.0	\$237.0	\$245.0
Miscellaneous	<u>\$135.6</u>	<u>\$107.0</u>	<u>\$96.0</u>	<u>\$110.0</u>
Total GPR Taxes	\$20,548.4	\$21,353.3	\$21,730.5	\$22,545.2
Change Over Prior Year				
Amount		\$804.9	\$377.2	\$814.6
Percent		3.9%	1.8%	3.7%

TABLE 10: GENERAL FUND TAX CHANGES
(\$ IN MILLIONS)

<u>Provision</u>	<u>FY24</u>	<u>FY25</u>
<u>Tax Relief Measures</u>		
Family and Reinvestment Credit	\$418.7	\$420.9
Caregiver Credit	96.7	98.3
Expansion of Child and Dependent Care Credit	27.3	27.8
Homestead Credit Expansion and Indexing	43.2	56.2
Veterans and Surviving Spouses Credit Eligibility Expansion	21.1	22.1
EITC Expansion	60.7	63.8
Veterans and Surviving Spouses Credit for Renters	5.1	5.2
Disability Income Subtraction Increase	0.3	0.3
State Housing Tax Credit Increase	1.5	7.3
Pre-Tax Treatment of Paid Family Leave	0.0	20.5
Retirement Income Subtraction Increase	8.1	8.1
Refundable Research Credit Increase to 50%	16.1	64.4
Credit for Universal Changing Stations	5.3	10.6
Flood Insurance Premiums Credit	0.4	0.4
First-Time Homebuyer Deduction	0.0	4.8
Prairie or Wetland Planning Services	0.4	0.6
Battery Storage for Renewable Energy Systems	1.7	2.5
Breastpump Sales Tax Exemption	0.5	0.7
Gun Safe Exemption	0.2	0.3
Diapers, Feminine Hygiene and Incontinence Products	<u>13.7</u>	<u>19.1</u>
Total Reductions	\$720.9	\$833.8
<u>Revenue Enhancement Measures</u>		
Internal Revenue Code Update	\$187.6	\$200.6
Manufacturing Credit Limitation	348.7	306.4
Capital Gains Exclusion Limits	185.2	154.2
Repeal Net Operating Loss Carrybacks	2.9	1.5
Sales Tax on Marijuana	0.0	10.2
Sales Tax on Prewritten Software	18.1	40.9
Dividends Received Deduction Limitation	3.2	3.2
Limitation on Private School Tuition Subtraction	6.5	6.5
Brown Cigarettes/Little Cigars	2.3	3.2
Vapor Products Tax	9.2	13.2
Sales and Use Tax Exemption Repeal - Farm-Raised Deer	0.1	0.1
Interactive Effects	11.8	12.2
DOR Enforcement Actions	<u>\$4.0</u>	<u>\$23.7</u>
Total Revenue Enhancements	\$779.6	\$775.9
Net Change	\$58.7	-\$57.9
Net Change Excluding Tax Enforcement	\$54.7	-\$81.6

Reference Section

VI. REFERENCE SECTION

Glossary of Terms and Abbreviations

Adjusted Base Year: The legislatively authorized total level of funding in the second year of a biennium for an appropriation, program or agency, which becomes the base and starting point for funding changes in the upcoming budget.

Aids to Individuals and Organizations: State payments made directly to or on behalf of an individual or private organization.

Annual Appropriations: Authorization for expenditures only up to the amount shown in the Chapter 20 appropriations schedule and only for the fiscal year for which they are appropriated. Unused funds in annual appropriations lapse to the fund of origin at the close of each fiscal year.

Base Level Reallocations: A means of transferring existing budgeted dollars from lower to higher priority activities.

Base Year Reconciliation: The documentation of adjustments to agency budgets at the appropriation level throughout the current biennium which have an effect on the base year (the second year of the current biennium).

Biennial Appropriations: Authorization for expenditures for the biennium for which they are appropriated. Dollar amounts shown in the Chapter 20 appropriations schedule represent the most reliable estimates of the amounts which will be expended in each fiscal year. Amounts can be expended in any fashion between the two years of the biennium.

Bond Revenue: Monies resulting from the contracting of public debt as authorized by the Legislature for specific purposes.

Continuing Appropriations: Authorization for expenditures from an appropriation until the appropriation is fully depleted or repealed by subsequent action of the Legislature. The appropriation for any given year consists of the previous fiscal year ending balance together with the new Chapter 20 appropriation authority granted during the current fiscal year.

Fiscal Year (FY): The year between July 1 and the following June 30 which corresponds to the state's budget and accounting period. A fiscal year is usually expressed as FY25 for fiscal year 2024-25, for example.

Full-Time Equivalent (FTE) Position: Designates the number (down to 0.1) of authorized positions affected by an action. A 1.0 FTE position represents full-time authority for 2,080 hours of employment, 0.5 FTE position represents 1,040 hours, etc.

General Purpose Revenue (GPR): Monies consisting of general taxes (sales, income, excise, etc.), miscellaneous receipts and revenues collected by state agencies which are paid into the general fund, lose their identity and are then available for appropriation for any purpose by the Legislature.

General Purpose Revenue-Earned (GPR-E): Miscellaneous revenues collected by agencies that are deposited in the general fund and interest earnings on general fund balances.

Lapse: For annual appropriations, any budgeted funds that remain unspent at the end of each fiscal year revert or lapse back to the fund (general fund, transportation fund, conservation fund, etc.) from which they were appropriated. For biennial appropriations, a lapse occurs only in the second fiscal year of each biennium. There is no lapse from continuing appropriations.

Limited Term Employee (LTE): Individuals employed by the state for temporary positions, which are limited by law to 1,040 hours per 26 consecutive pay periods, and are not part of the state's civil service system.

Local Assistance: Appropriations made to or on behalf of units of local government in Wisconsin to help pay costs which would otherwise be borne by local governments.

Mission Statement: The overall purpose of a governmental organization. In many cases specific legislative direction is given to an agency and serves as the principal purpose of the agency.

One-Time Financing: The provision of funds for a cost that will not recur in future years.

Permanent Positions: All positions, classified and unclassified, which are not LTE or project positions which do not have a termination date. Most position numbers are expressed as full-time equivalent (FTE). This would represent one person working full-time as one FTE position and two persons each working half-time as one FTE position.

Program Goal: A broadly based statement of anticipated results.

Program Revenue – Federal (PR-F): Monies received from the federal government and deposited as program revenues in the general fund.

Program Revenue – Other (PR or PR-O): Monies credited by law to a specific general fund appropriation to finance a particular agency, program or activity. They generally represent monies from user charges such as license and inspection fees, receipts from product sales or reimbursement for the cost of services provided to an individual or organization which is not another state agency.

Program Revenue – Service (PR-S): Monies credited by law to a specific general fund appropriation to finance a particular agency, program or activity when the service is provided to another state agency or the funding is received from another state agency.

Program Structure: The building blocks of an agency's budget are as follows:

Program: A broad category of similar services for an identifiable group or segment of the population for a specific purpose.

Subprogram: A breakdown of a program into units which identify more specific services or a more specific segment of the population.

Program Element: A breakdown of a subprogram into units which further program objectives by contributing to a specific output or group of related outputs described by a service or target group.

Program Summary: The same information as the department summary but at the program and subprogram levels.

Project Positions: A position with a fixed termination date and with a maximum duration of four years.

Segregated Revenue – Federal (SEG-F): Monies received from the federal government and deposited as revenues in a segregated fund.

Segregated Revenue – Local (SEG-L): Monies received from local governments which are used in conjunction with state and/or federal funds on transportation projects with a local component.

Segregated Revenue – Other (SEG or SEG-O): Monies which, by law, are deposited into funds other than the general fund. The funds retain their interest earnings and are available for predesignated purposes.

Segregated Revenue – Service (SEG-S): Monies which are credited by law to a specific segregated fund appropriation to finance a particular agency, program or activity when the service is provided to another state agency.

Standard Budget Adjustments: Technical adjustments to the base which are needed to accurately reflect the current level of funding on an annualized basis.

State Operations: Expenditures which are not local assistance or aids to individuals that fund the administrative operations of state agencies and the University of Wisconsin.

Sum Certain Appropriations: Authorization for expenditures from the indicated source in the specific amounts appropriated in the Chapter 20 schedule.

Sum Sufficient Appropriations: Authorization for expenditures from the indicated source in the amounts necessary to accomplish the purpose specified. Dollar amounts shown in the Chapter 20 appropriation schedule represent the most reliable estimate of the amounts which will be needed; however, they are not controlling.

Turnover: A reduction to the salary budget to reflect the savings realized when positions become vacant and when experienced employees are replaced with those who earn only the minimum salary in their classification.

Unclassified Positions: Permanent positions which are not filled through the civil service and which have no civil service protection.

Appendices

Summary of All Funds Appropriations Governor's Recommendations - FY24

	FY23 Base	FY24 Recommended	Change From Base (Amt)	Change Percent
Administration	924,167,000	1,928,186,000	1,004,019,000	108.6
Aging and Long-Term Care, Board on	3,818,300	4,140,500	322,200	8.4
Agriculture, Trade and Consumer Protection	110,422,800	145,933,700	35,510,900	32.2
Budget Stabilization Fund	0	0	0	0.0
Building Commission	41,733,800	46,378,500	4,644,700	11.1
Child Abuse and Neglect Prevention Board	3,243,200	7,548,800	4,305,600	132.8
Children and Families	1,457,302,000	1,734,915,400	277,613,400	19.0
Circuit Courts	115,971,300	118,081,100	2,109,800	1.8
Corrections	1,472,134,400	1,541,350,300	69,215,900	4.7
Court of Appeals	12,384,500	11,983,200	-401,300	-3.2
District Attorneys	61,315,700	72,559,700	11,244,000	18.3
Educational Communications Board	20,905,400	21,467,500	562,100	2.7
Elections Commission	6,078,700	7,843,400	1,764,700	29.0
Employee Trust Funds	52,744,800	57,636,300	4,891,500	9.3
Employment Relations Commission	1,029,400	1,395,900	366,500	35.6
Environmental Improvement Program	13,487,000	211,509,300	198,022,300	1,468.2
Ethics Commission	1,541,400	1,827,700	286,300	18.6
Financial Institutions	19,329,300	26,049,200	6,719,900	34.8
Fox River Navigational System Authority	125,400	125,400	0	0.0
Governor, Office of the	4,358,200	4,530,400	172,200	4.0
Health and Educational Facilities Authority	0	0	0	0.0
Health Services	15,152,943,900	17,636,197,200	2,483,253,300	16.4
Higher Educational Aids Board	150,438,900	162,093,300	11,654,400	7.7
Historical Society	31,316,200	42,165,100	10,848,900	34.6
Insurance, Office of the Commissioner of	283,511,300	319,045,000	35,533,700	12.5
Investment Board	102,731,100	102,731,100	0	0.0
Judicial Commission	352,800	351,700	-1,100	-0.3
Judicial Council	0	0	0	0.0
Justice	158,719,500	198,315,000	39,595,500	24.9
Kickapoo Reserve Management Board	1,044,800	1,031,700	-13,100	-1.3
Labor and Industry Review Commission	2,875,600	3,052,300	176,700	6.1
Legislature	92,298,300	92,926,200	627,900	0.7
Lieutenant Governor, Office of the	485,100	498,200	13,100	2.7
Lower Wisconsin State Riverway Board	263,000	266,000	3,000	1.1
Medical College of Wisconsin	11,115,900	21,982,000	10,866,100	97.8
Military Affairs	145,355,800	236,060,800	90,705,000	62.4
Miscellaneous Appropriations	195,234,200	221,494,000	26,259,800	13.5
Natural Resources	567,425,900	708,511,400	141,085,500	24.9
People with Developmental Disabilities, Board for	1,721,400	1,668,300	-53,100	-3.1
Program Supplements	332,100	143,537,000	143,204,900	43,121.0
Public Defender Board	114,656,100	134,946,900	20,290,800	17.7
Public Instruction	8,234,211,500	9,214,413,600	980,202,100	11.9
Public Lands, Board of Commissioners of	1,699,800	1,864,100	164,300	9.7
Public Service Commission	33,130,800	786,882,800	753,752,000	2,275.1
Revenue	243,698,800	261,594,700	17,895,900	7.3
Safety and Professional Services	61,055,300	73,891,500	12,836,200	21.0
Secretary of State	288,100	485,100	197,000	68.4
Shared Revenue and Tax Relief	2,929,854,900	3,160,247,300	230,392,400	7.9
State Fair Park Board	22,756,300	21,800,200	-956,100	-4.2
Supreme Court	34,617,000	36,861,800	2,244,800	6.5
Technical College System Board	618,022,100	660,660,200	42,638,100	6.9
Tourism	18,287,700	75,855,900	57,568,200	314.8
Transportation	3,303,151,300	3,755,523,200	452,371,900	13.7
Treasurer, State	130,300	180,000	49,700	38.1
University of Wisconsin System	6,774,407,300	6,894,094,700	119,687,400	1.8
Veterans Affairs	142,889,900	157,695,600	14,805,700	10.4
Wisconsin Artistic Endowment Foundation	0	1,500,000	1,500,000	0.0
Wisconsin Economic Development Corporation	41,550,700	196,550,700	155,000,000	373.0
Wisconsin Housing and Economic Development	0	100,000,000	100,000,000	0.0
Workforce Development	370,413,200	710,438,100	340,024,900	91.8
TOTALS	44,165,079,500	52,080,875,000	7,915,795,500	17.9

Summary of All Funds Appropriations Governor's Recommendations - FY25

	FY24 Recommended	FY25 Recommended	Change From FY24 (Amt)	Change Percent
Administration	1,928,186,000	1,055,590,600	-872,595,400	-45.3
Aging and Long-Term Care, Board on	4,140,500	4,199,100	58,600	1.4
Agriculture, Trade and Consumer Protection	145,933,700	147,024,900	1,091,200	0.7
Budget Stabilization Fund	0	0	0	0.0
Building Commission	46,378,500	99,825,400	53,446,900	115.2
Child Abuse and Neglect Prevention Board	7,548,800	7,548,800	0	0.0
Children and Families	1,734,915,400	1,943,069,100	208,153,700	12.0
Circuit Courts	118,081,100	117,207,300	-873,800	-0.7
Corrections	1,541,350,300	1,569,133,300	27,783,000	1.8
Court of Appeals	11,983,200	12,005,500	22,300	0.2
District Attorneys	72,559,700	74,449,000	1,889,300	2.6
Educational Communications Board	21,467,500	21,267,400	-200,100	-0.9
Elections Commission	7,843,400	7,443,500	-399,900	-5.1
Employee Trust Funds	57,636,300	62,423,600	4,787,300	8.3
Employment Relations Commission	1,395,900	1,500,100	104,200	7.5
Environmental Improvement Program	211,509,300	11,329,500	-200,179,800	-94.6
Ethics Commission	1,827,700	1,827,700	0	0.0
Financial Institutions	26,049,200	25,535,200	-514,000	-2.0
Fox River Navigational System Authority	125,400	125,400	0	0.0
Governor, Office of the	4,530,400	4,530,400	0	0.0
Health and Educational Facilities Authority	0	0	0	0.0
Health Services	17,636,197,200	17,658,754,000	22,556,800	0.1
Higher Educational Aids Board	162,093,300	168,044,100	5,950,800	3.7
Historical Society	42,165,100	40,834,900	-1,330,200	-3.2
Insurance, Office of the Commissioner of	319,045,000	322,529,200	3,484,200	1.1
Investment Board	102,731,100	102,731,100	0	0.0
Judicial Commission	351,700	352,400	700	0.2
Judicial Council	0	0	0	0.0
Justice	198,315,000	211,344,900	13,029,900	6.6
Kickapoo Reserve Management Board	1,031,700	1,031,700	0	0.0
Labor and Industry Review Commission	3,052,300	3,052,300	0	0.0
Legislature	92,926,200	93,174,000	247,800	0.3
Lieutenant Governor, Office of the	498,200	498,200	0	0.0
Lower Wisconsin State Riverway Board	266,000	266,000	0	0.0
Medical College of Wisconsin	21,982,000	21,440,300	-541,700	-2.5
Military Affairs	236,060,800	189,387,500	-46,673,300	-19.8
Miscellaneous Appropriations	221,494,000	222,091,900	597,900	0.3
Natural Resources	708,511,400	626,506,500	-82,004,900	-11.6
People with Developmental Disabilities, Board for	1,668,300	1,668,300	0	0.0
Program Supplements	143,537,000	332,100	-143,204,900	-99.8
Public Defender Board	134,946,900	136,956,500	2,009,600	1.5
Public Instruction	9,214,413,600	10,094,557,500	880,143,900	9.6
Public Lands, Board of Commissioners of	1,864,100	1,881,400	17,300	0.9
Public Service Commission	786,882,800	38,598,500	-748,284,300	-95.1
Revenue	261,594,700	258,176,600	-3,418,100	-1.3
Safety and Professional Services	73,891,500	75,797,200	1,905,700	2.6
Secretary of State	485,100	500,300	15,200	3.1
Shared Revenue and Tax Relief	3,160,247,300	3,910,016,400	749,769,100	23.7
State Fair Park Board	21,800,200	21,773,800	-26,400	-0.1
Supreme Court	36,861,800	37,043,600	181,800	0.5
Technical College System Board	660,660,200	655,660,200	-5,000,000	-0.8
Tourism	75,855,900	32,272,500	-43,583,400	-57.5
Transportation	3,755,523,200	3,780,501,800	24,978,600	0.7
Treasurer, State	180,000	197,400	17,400	9.7
University of Wisconsin System	6,894,094,700	6,960,630,000	66,535,300	1.0
Veterans Affairs	157,695,600	158,711,700	1,016,100	0.6
Wisconsin Artistic Endowment Foundation	1,500,000	3,000,000	1,500,000	100.0
Wisconsin Economic Development Corporation	196,550,700	81,550,700	-115,000,000	-58.5
Wisconsin Housing and Economic Development	100,000,000	0	-100,000,000	-100.0
Workforce Development	710,438,100	593,627,800	-116,810,300	-16.4
TOTALS	52,080,875,000	51,671,529,100	-409,345,900	-0.8

Summary of All Funds Positions Governor's Recommendations - FY24

	FY23 Base	FY24 Recommended	Change From Base (FTE)
Administration	1,459.78	1,544.78	85.00
Aging and Long-Term Care, Board on	44.50	47.50	3.00
Agriculture, Trade and Consumer Protection	641.29	658.79	17.50
Budget Stabilization Fund	0.00	0.00	0.00
Building Commission	0.00	0.00	0.00
Child Abuse and Neglect Prevention Board	7.00	7.00	0.00
Children and Families	821.67	811.67	-10.00
Circuit Courts	543.00	551.00	8.00
Corrections	10,261.52	10,256.12	-5.40
Court of Appeals	75.50	75.50	0.00
District Attorneys	544.90	586.70	41.80
Educational Communications Board	54.18	54.18	0.00
Elections Commission	32.00	42.00	10.00
Employee Trust Funds	275.20	291.20	16.00
Employment Relations Commission	6.00	9.00	3.00
Environmental Improvement Program	0.00	0.00	0.00
Ethics Commission	8.00	8.00	0.00
Financial Institutions	141.54	144.04	2.50
Fox River Navigational System Authority	0.00	0.00	0.00
Governor, Office of the	37.25	37.25	0.00
Health and Educational Facilities Authority	0.00	0.00	0.00
Health Services	6,589.92	6,982.92	393.00
Higher Educational Aids Board	10.00	14.00	4.00
Historical Society	177.70	182.70	5.00
Insurance, Office of the Commissioner of	134.83	172.33	37.50
Investment Board	290.00	290.00	0.00
Judicial Commission	2.00	2.00	0.00
Judicial Council	0.00	0.00	0.00
Justice	747.84	772.34	24.50
Kickapoo Reserve Management Board	4.00	4.00	0.00
Labor and Industry Review Commission	18.70	18.70	0.00
Legislature	777.97	780.97	3.00
Lieutenant Governor, Office of the	5.00	5.00	0.00
Lower Wisconsin State Riverway Board	2.00	2.00	0.00
Medical College of Wisconsin	0.00	0.00	0.00
Military Affairs	604.00	617.50	13.50
Miscellaneous Appropriations	0.00	0.00	0.00
Natural Resources	2,553.43	2,570.43	17.00
People with Developmental Disabilities, Board for	7.00	7.00	0.00
Program Supplements	0.00	0.00	0.00
Public Defender Board	682.85	732.85	50.00
Public Instruction	654.00	659.00	5.00
Public Lands, Board of Commissioners of	9.50	10.50	1.00
Public Service Commission	161.75	169.25	7.50
Revenue	1,178.00	1,219.60	41.60
Safety and Professional Services	242.14	321.64	79.50
Secretary of State	2.00	4.00	2.00
Shared Revenue and Tax Relief	0.00	0.00	0.00
State Fair Park Board	47.00	47.00	0.00
Supreme Court	232.85	233.10	0.25
Technical College System Board	55.00	55.00	0.00
Tourism	34.00	41.50	7.50
Transportation	3,287.41	3,341.41	54.00
Treasurer, State	1.00	2.00	1.00
University of Wisconsin System	36,534.36	36,473.63	-60.73
Veterans Affairs	1,242.43	1,252.93	10.50
Wisconsin Artistic Endowment Foundation	0.00	0.00	0.00
Wisconsin Economic Development Corporation	0.00	0.00	0.00
Wisconsin Housing and Economic Development	0.00	0.00	0.00
Workforce Development	1,674.45	1,677.45	3.00
TOTALS	72,916.46	73,787.48	871.02

Summary of All Funds Positions Governor's Recommendations - FY25

	FY24 Recommended	FY25 Recommended	Change From FY24 (FTE)
Administration	1,544.78	1,535.78	-9.00
Aging and Long-Term Care, Board on	47.50	47.50	0.00
Agriculture, Trade and Consumer Protection	658.79	658.79	0.00
Budget Stabilization Fund	0.00	0.00	0.00
Building Commission	0.00	0.00	0.00
Child Abuse and Neglect Prevention Board	7.00	7.00	0.00
Children and Families	811.67	808.67	-3.00
Circuit Courts	551.00	551.00	0.00
Corrections	10,256.12	10,263.12	7.00
Court of Appeals	75.50	75.50	0.00
District Attorneys	586.70	546.70	-40.00
Educational Communications Board	54.18	54.18	0.00
Elections Commission	42.00	42.00	0.00
Employee Trust Funds	291.20	291.20	0.00
Employment Relations Commission	9.00	9.00	0.00
Environmental Improvement Program	0.00	0.00	0.00
Ethics Commission	8.00	8.00	0.00
Financial Institutions	144.04	144.04	0.00
Fox River Navigational System Authority	0.00	0.00	0.00
Governor, Office of the	37.25	37.25	0.00
Health and Educational Facilities Authority	0.00	0.00	0.00
Health Services	6,982.92	6,903.42	-79.50
Higher Educational Aids Board	14.00	14.00	0.00
Historical Society	182.70	182.70	0.00
Insurance, Office of the Commissioner of	172.33	172.33	0.00
Investment Board	290.00	290.00	0.00
Judicial Commission	2.00	2.00	0.00
Judicial Council	0.00	0.00	0.00
Justice	772.34	765.34	-7.00
Kickapoo Reserve Management Board	4.00	4.00	0.00
Labor and Industry Review Commission	18.70	18.70	0.00
Legislature	780.97	780.97	0.00
Lieutenant Governor, Office of the	5.00	5.00	0.00
Lower Wisconsin State Riverway Board	2.00	2.00	0.00
Medical College of Wisconsin	0.00	0.00	0.00
Military Affairs	617.50	613.50	-4.00
Miscellaneous Appropriations	0.00	0.00	0.00
Natural Resources	2,570.43	2,569.43	-1.00
People with Developmental Disabilities, Board for	7.00	7.00	0.00
Program Supplements	0.00	0.00	0.00
Public Defender Board	732.85	669.85	-63.00
Public Instruction	659.00	659.00	0.00
Public Lands, Board of Commissioners of	10.50	10.50	0.00
Public Service Commission	169.25	169.25	0.00
Revenue	1,219.60	1,219.60	0.00
Safety and Professional Services	321.64	320.64	-1.00
Secretary of State	4.00	4.00	0.00
Shared Revenue and Tax Relief	0.00	0.00	0.00
State Fair Park Board	47.00	47.00	0.00
Supreme Court	233.10	233.10	0.00
Technical College System Board	55.00	55.00	0.00
Tourism	41.50	41.50	0.00
Transportation	3,341.41	3,341.41	0.00
Treasurer, State	2.00	2.00	0.00
University of Wisconsin System	36,473.63	36,475.66	2.03
Veterans Affairs	1,252.93	1,252.93	0.00
Wisconsin Artistic Endowment Foundation	0.00	0.00	0.00
Wisconsin Economic Development Corporation	0.00	0.00	0.00
Wisconsin Housing and Economic Development	0.00	0.00	0.00
Workforce Development	1,677.45	1,821.45	144.00
TOTALS	73,787.48	73,733.01	-54.47

Summary of GPR Appropriations Governor's Recommendations - FY24

	FY23 Base	FY24 Recommended	Change From Base (Amt)	Change Percent
Administration	328,630,200	1,255,525,500	926,895,300	282.0
Aging and Long-Term Care, Board on	1,710,500	1,907,300	196,800	11.5
Agriculture, Trade and Consumer Protection	30,837,100	55,863,600	25,026,500	81.2
Budget Stabilization Fund	0	0	0	0.0
Building Commission	40,148,200	44,443,100	4,294,900	10.7
Child Abuse and Neglect Prevention Board	995,000	5,145,000	4,150,000	417.1
Children and Families	504,827,800	682,124,500	177,296,700	35.1
Circuit Courts	115,738,600	117,848,400	2,109,800	1.8
Corrections	1,345,065,800	1,400,801,100	55,735,300	4.1
Court of Appeals	12,384,500	11,983,200	-401,300	-3.2
District Attorneys	56,624,900	66,197,900	9,573,000	16.9
Educational Communications Board	5,834,200	5,965,900	131,700	2.3
Elections Commission	4,869,500	6,516,900	1,647,400	33.8
Employee Trust Funds	32,500	27,900	-4,600	-14.2
Employment Relations Commission	883,800	1,250,300	366,500	41.5
Environmental Improvement Program	6,487,000	205,509,300	199,022,300	3,068.0
Ethics Commission	1,013,700	1,192,700	179,000	17.7
Financial Institutions	0	2,000,000	2,000,000	0.0
Governor, Office of the	4,358,200	4,530,400	172,200	4.0
Health and Educational Facilities Authority	0	0	0	0.0
Health Services	4,450,053,700	4,670,204,600	220,150,900	4.9
Higher Educational Aids Board	148,621,500	160,251,800	11,630,300	7.8
Historical Society	22,077,000	28,153,100	6,076,100	27.5
Insurance, Office of the Commissioner of	34,233,200	23,715,900	-10,517,300	-30.7
Judicial Commission	352,800	351,700	-1,100	-0.3
Judicial Council	0	0	0	0.0
Justice	79,016,100	113,908,900	34,892,800	44.2
Labor and Industry Review Commission	152,600	165,800	13,200	8.7
Legislature	89,851,800	90,401,800	550,000	0.6
Lieutenant Governor, Office of the	485,100	498,200	13,100	2.7
Medical College of Wisconsin	10,868,400	21,734,500	10,866,100	100.0
Military Affairs	33,901,500	88,038,100	54,136,600	159.7
Miscellaneous Appropriations	162,941,200	189,201,000	26,259,800	16.1
Natural Resources	94,500,100	187,879,400	93,379,300	98.8
People with Developmental Disabilities, Board for	129,000	134,800	5,800	4.5
Program Supplements	332,100	94,240,300	93,908,200	28,277.1
Public Defender Board	113,150,900	133,466,100	20,315,200	18.0
Public Instruction	7,225,881,800	8,190,432,800	964,551,000	13.3
Public Lands, Board of Commissioners of	1,647,100	1,811,400	164,300	10.0
Public Service Commission	0	751,750,000	751,750,000	0.0
Revenue	192,630,300	198,190,900	5,560,600	2.9
Shared Revenue and Tax Relief	2,551,048,500	2,727,749,300	176,700,800	6.9
State Fair Park Board	1,660,300	1,229,800	-430,500	-25.9
Supreme Court	18,231,100	18,100,700	-130,400	-0.7
Technical College System Board	579,933,100	623,024,900	43,091,800	7.4
Tourism	6,487,000	73,166,800	66,679,800	1,027.9
Transportation	87,559,900	150,277,200	62,717,300	71.6
Treasurer, State	0	0	0	0.0
University of Wisconsin System	1,238,072,200	1,266,299,200	28,227,000	2.3
Veterans Affairs	1,749,900	1,778,800	28,900	1.7
Wisconsin Economic Development Corporation	4,550,700	157,050,700	152,500,000	3,351.1
Wisconsin Housing and Economic Development	0	100,000,000	100,000,000	0.0
Workforce Development	55,107,500	295,483,800	240,376,300	436.2
TOTALS	19,665,667,900	24,227,525,300	4,561,857,400	23.2

Summary of GPR Appropriations Governor's Recommendations - FY25

	FY24 Recommended	FY25 Recommended	Change From FY24 (Amt)	Change Percent
Administration	1,255,525,500	420,865,900	-834,659,600	-66.5
Aging and Long-Term Care, Board on	1,907,300	1,935,600	28,300	1.5
Agriculture, Trade and Consumer Protection	55,863,600	56,160,600	297,000	0.5
Budget Stabilization Fund	0	0	0	0.0
Building Commission	44,443,100	96,718,100	52,275,000	117.6
Child Abuse and Neglect Prevention Board	5,145,000	5,145,000	0	0.0
Children and Families	682,124,500	839,206,200	157,081,700	23.0
Circuit Courts	117,848,400	116,974,600	-873,800	-0.7
Corrections	1,400,801,100	1,428,057,000	27,255,900	1.9
Court of Appeals	11,983,200	12,005,500	22,300	0.2
District Attorneys	66,197,900	70,755,200	4,557,300	6.9
Educational Communications Board	5,965,900	5,754,600	-211,300	-3.5
Elections Commission	6,516,900	6,114,300	-402,600	-6.2
Employee Trust Funds	27,900	21,400	-6,500	-23.3
Employment Relations Commission	1,250,300	1,354,500	104,200	8.3
Environmental Improvement Program	205,509,300	6,829,500	-198,679,800	-96.7
Ethics Commission	1,192,700	1,192,700	0	0.0
Financial Institutions	2,000,000	0	-2,000,000	-100.0
Governor, Office of the	4,530,400	4,530,400	0	0.0
Health and Educational Facilities Authority	0	0	0	0.0
Health Services	4,670,204,600	4,945,472,800	275,268,200	5.9
Higher Educational Aids Board	160,251,800	166,177,300	5,925,500	3.7
Historical Society	28,153,100	25,693,700	-2,459,400	-8.7
Insurance, Office of the Commissioner of	23,715,900	59,464,900	35,749,000	150.7
Judicial Commission	351,700	352,400	700	0.2
Judicial Council	0	0	0	0.0
Justice	113,908,900	128,219,400	14,310,500	12.6
Labor and Industry Review Commission	165,800	165,800	0	0.0
Legislature	90,401,800	90,456,600	54,800	0.1
Lieutenant Governor, Office of the	498,200	498,200	0	0.0
Medical College of Wisconsin	21,734,500	21,192,800	-541,700	-2.5
Military Affairs	88,038,100	41,361,000	-46,677,100	-53.0
Miscellaneous Appropriations	189,201,000	189,798,900	597,900	0.3
Natural Resources	187,879,400	99,744,300	-88,135,100	-46.9
People with Developmental Disabilities, Board	134,800	134,800	0	0.0
Program Supplements	94,240,300	332,100	-93,908,200	-99.6
Public Defender Board	133,466,100	135,476,100	2,010,000	1.5
Public Instruction	8,190,432,800	9,070,352,400	879,919,600	10.7
Public Lands, Board of Commissioners of	1,811,400	1,828,700	17,300	1.0
Public Service Commission	751,750,000	3,500,000	-748,250,000	-99.5
Revenue	198,190,900	195,268,400	-2,922,500	-1.5
Shared Revenue and Tax Relief	2,727,749,300	3,473,775,200	746,025,900	27.3
State Fair Park Board	1,229,800	1,303,000	73,200	6.0
Supreme Court	18,100,700	18,113,200	12,500	0.1
Technical College System Board	623,024,900	618,024,900	-5,000,000	-0.8
Tourism	73,166,800	29,583,400	-43,583,400	-59.6
Transportation	150,277,200	78,008,700	-72,268,500	-48.1
Treasurer, State	0	0	0	0.0
University of Wisconsin System	1,266,299,200	1,343,447,100	77,147,900	6.1
Veterans Affairs	1,778,800	2,042,700	263,900	14.8
Wisconsin Economic Development Corporation	157,050,700	42,050,700	-115,000,000	-73.2
Wisconsin Housing and Economic Development	100,000,000	0	-100,000,000	-100.0
Workforce Development	295,483,800	79,469,100	-216,014,700	-73.1
TOTALS	24,227,525,300	23,934,929,700	-292,595,600	-1.2

Summary of GPR Positions Governor's Recommendations - FY24

	FY23 Base	FY24 Recommended	Change From Base (FTE)
Administration	59.87	87.92	28.05
Aging and Long-Term Care, Board on	20.48	21.98	1.50
Agriculture, Trade and Consumer Protection	201.40	214.90	13.50
Budget Stabilization Fund	0.00	0.00	0.00
Building Commission	0.00	0.00	0.00
Child Abuse and Neglect Prevention Board	0.00	0.00	0.00
Children and Families	232.92	244.44	11.52
Circuit Courts	543.00	551.00	8.00
Corrections	9,716.22	9,718.52	2.30
Court of Appeals	75.50	75.50	0.00
District Attorneys	456.40	505.20	48.80
Educational Communications Board	25.94	25.94	0.00
Elections Commission	25.75	35.75	10.00
Employee Trust Funds	0.00	0.00	0.00
Employment Relations Commission	6.00	9.00	3.00
Environmental Improvement Program	0.00	0.00	0.00
Ethics Commission	4.70	4.70	0.00
Financial Institutions	0.00	0.00	0.00
Governor, Office of the	37.25	37.25	0.00
Health and Educational Facilities Authority	0.00	0.00	0.00
Health Services	2,642.84	2,751.05	108.21
Higher Educational Aids Board	10.00	14.00	4.00
Historical Society	112.65	116.65	4.00
Insurance, Office of the Commissioner of	0.00	10.00	10.00
Judicial Commission	2.00	2.00	0.00
Judicial Council	0.00	0.00	0.00
Justice	405.58	447.08	41.50
Labor and Industry Review Commission	0.80	0.80	0.00
Legislature	758.17	761.17	3.00
Lieutenant Governor, Office of the	5.00	5.00	0.00
Medical College of Wisconsin	0.00	0.00	0.00
Military Affairs	82.08	93.48	11.40
Miscellaneous Appropriations	0.00	0.00	0.00
Natural Resources	222.52	225.52	3.00
People with Developmental Disabilities, Board for	0.00	0.00	0.00
Program Supplements	0.00	0.00	0.00
Public Defender Board	614.85	664.85	50.00
Public Instruction	252.47	258.47	6.00
Public Lands, Board of Commissioners of	9.50	10.50	1.00
Public Service Commission	0.00	0.00	0.00
Revenue	950.15	983.15	33.00
Shared Revenue and Tax Relief	0.00	0.00	0.00
State Fair Park Board	0.00	0.00	0.00
Supreme Court	115.50	115.50	0.00
Technical College System Board	23.25	26.25	3.00
Tourism	32.00	40.50	8.50
Transportation	0.00	0.00	0.00
Treasurer, State	0.00	0.00	0.00
University of Wisconsin System	17,817.99	17,725.99	-92.00
Veterans Affairs	0.00	0.00	0.00
Wisconsin Economic Development Corporation	0.00	0.00	0.00
Wisconsin Housing and Economic Development	0.00	0.00	0.00
Workforce Development	151.03	168.45	17.42
TOTALS	35,613.81	35,952.51	338.70

Summary of GPR Positions Governor's Recommendations - FY25

	FY24 Recommende	FY25 Recommended	Change From FY24
Administration	87.92	87.92	0.00
Aging and Long-Term Care, Board on	21.98	21.98	0.00
Agriculture, Trade and Consumer Protection	214.90	214.90	0.00
Budget Stabilization Fund	0.00	0.00	0.00
Building Commission	0.00	0.00	0.00
Child Abuse and Neglect Prevention Board	0.00	0.00	0.00
Children and Families	244.44	244.44	0.00
Circuit Courts	551.00	551.00	0.00
Corrections	9,718.52	9,725.52	7.00
Court of Appeals	75.50	75.50	0.00
District Attorneys	505.20	511.20	6.00
Educational Communications Board	25.94	25.94	0.00
Elections Commission	35.75	35.75	0.00
Employee Trust Funds	0.00	0.00	0.00
Employment Relations Commission	9.00	9.00	0.00
Environmental Improvement Program	0.00	0.00	0.00
Ethics Commission	4.70	4.70	0.00
Financial Institutions	0.00	0.00	0.00
Governor, Office of the	37.25	37.25	0.00
Health and Educational Facilities Authority	0.00	0.00	0.00
Health Services	2,751.05	2,748.72	-2.33
Higher Educational Aids Board	14.00	14.00	0.00
Historical Society	116.65	116.65	0.00
Insurance, Office of the Commissioner of	10.00	10.00	0.00
Judicial Commission	2.00	2.00	0.00
Judicial Council	0.00	0.00	0.00
Justice	447.08	453.28	6.20
Labor and Industry Review Commission	0.80	0.80	0.00
Legislature	761.17	761.17	0.00
Lieutenant Governor, Office of the	5.00	5.00	0.00
Medical College of Wisconsin	0.00	0.00	0.00
Military Affairs	93.48	104.48	11.00
Miscellaneous Appropriations	0.00	0.00	0.00
Natural Resources	225.52	225.52	0.00
People with Developmental Disabilities, Board	0.00	0.00	0.00
Program Supplements	0.00	0.00	0.00
Public Defender Board	664.85	664.85	0.00
Public Instruction	258.47	258.47	0.00
Public Lands, Board of Commissioners of	10.50	10.50	0.00
Public Service Commission	0.00	0.00	0.00
Revenue	983.15	983.15	0.00
Shared Revenue and Tax Relief	0.00	0.00	0.00
State Fair Park Board	0.00	0.00	0.00
Supreme Court	115.50	115.50	0.00
Technical College System Board	26.25	26.25	0.00
Tourism	40.50	40.50	0.00
Transportation	0.00	0.00	0.00
Treasurer, State	0.00	0.00	0.00
University of Wisconsin System	17,725.99	17,728.02	2.03
Veterans Affairs	0.00	0.00	0.00
Wisconsin Economic Development Corporation	0.00	0.00	0.00
Wisconsin Housing and Economic	0.00	0.00	0.00
Workforce Development	168.45	168.45	0.00
TOTALS	35,952.51	35,982.41	29.90

ABOUT THE BUDGET DOCUMENTS

The 2023-25 budget appears in four components: Executive Budget, Budget in Brief, Summary of Tax Exemption Devices and Budget Message.

The Executive Budget presents each agency's budget request, accompanied by the Governor's recommendations and initiatives. The Budget in Brief gives an overview of the Governor's revenue and expenditure priorities and serves as the state's fiscal plan. The Governor's Budget Message provides the text of the speech the Governor delivers to the Legislature at the time the budget is introduced, laying out the Governor's budget priorities and plans for the state. These documents were prepared by the Division of Executive Budget and Finance in the Department of Administration.

Summary of Tax Exemption Devices, written by the Division of Research and Policy in the Department of Revenue, explains current Wisconsin tax law provisions that decrease state revenue by exempting certain persons, income, goods or property from the impact of established taxes. It includes data on the fiscal impact of each exemption device for fiscal year 2021-22.

The Executive Budget, Budget in Brief and Budget Message can be found on the Internet at: <https://doa.wi.gov/Pages/StateFinances/CurrentBiennialBudget.aspx>.

The Summary of Tax Exemption Devices can be found on the Internet at: <https://www.revenue.wi.gov/Pages/Report/Summary-Tax-Exemption-Devices.aspx>.

The state's Publishing Services Center printed and bound the documents.

