
State of Wisconsin
Additional/Voluntary Filing # 2025-24
Dated August 28, 2025

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

Obligations: General Obligation Bonds
Master Lease Certificates of Participation
Transportation Revenue Bonds
Environmental Improvement Fund Revenue Bonds
General Fund Annual Appropriation Bonds

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

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

On August 28, 2025, the Legislative Fiscal Bureau released the final cumulative summary of the executive and legislative action on the State of Wisconsin 2025-27 biennial budget (2025 Wisconsin Act 15). **A copy of this comparative summary of provisions is attached** and is also located on the internet at the following website:

https://docs.legis.wisconsin.gov/misc/lfb/budget/2025_27_biennial_budget/102_comparative_summary_of_provisions_2025_act_15_august_2025_entire_document

Table 8 of this comparative summary of provisions includes the estimated 2025-27 General Fund Condition Statement and Table 9 includes estimated 2025-27 General Fund tax collections.

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
wisconsinbonds.com

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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2025-27 Wisconsin
State Budget

August, 2025

Comparative Summary of Provisions

2025 Wisconsin Act 15

LEGISLATIVE FISCAL BUREAU
State of Wisconsin

2025-27 WISCONSIN STATE BUDGET

Comparative Summary of Provisions

Enacted as 2025 Wisconsin Act 15

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INTRODUCTION

This document, prepared by Wisconsin's Legislative Fiscal Bureau, is the final edition of the cumulative summary of executive and legislative action on the 2025-27 Wisconsin state biennial budget. The budget was signed by the Governor as 2025 Wisconsin Act 15 on July 3, 2025, and published on July 3, 2025. This document describes each of the provisions of Act 15, including all fiscal and policy modifications recommended by the Governor, Joint Committee on Finance, and Legislature.

The document is organized into six sections, the first of which contains a Table of Contents, History of the 2025-27 Budget, Brief Chronology of the 2025-27 Budget, Key to Abbreviations, and a User's Guide.

This is followed by an "overview" section which provides a series of summary tables and charts which display 2025-27 revenues, appropriations, and authorized position levels. Information is presented for all fund sources, the general fund, transportation fund, local government fund, and the state's lottery program.

The next section contains budget and policy summaries for each state agency and program. The agencies appear in alphabetical order. For each agency, comparative tables are presented which depict funding and authorized position levels. This is followed by a narrative description and fiscal effect, if any, of each budget change item. In this section, the author of each change is identified.

The fourth section of the document lists the provisions of the Governor's budget recommendations that were removed by the Joint Committee on Finance from budget consideration pursuant to budget Motion #4. That motion was adopted at the Finance Committee's May 8 executive session.

The fifth section lists the reports and studies required in 2025 Act 15. This is found on page 1095.

The final section, beginning on page 1099, lists the 2025-27 biennial budget issue papers prepared by the Legislative Fiscal Bureau.

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HISTORY OF THE 2025-27 BIENNIAL BUDGET

This section provides a narrative history of the 2025-27 biennial budget. Although the formal legislative history of the biennial state budget commenced with the introduction of a bill comprising the Governor's budget recommendations, the actual process of assembling the budget began several months prior to its introduction. This history starts at that point.

On June 7, 2024, the Department of Administration (DOA) released Governor Tony Evers' major budget policies. Included in these directives were instructions that state agencies prepare their 2025-27 biennial budget requests based on 100 percent of their fiscal year 2024-25 adjusted base. Agencies were to assume zero growth in overall state general purpose revenue (GPR) appropriations, except for the University of Wisconsin System, K-12 school aids, required basic cost-to-continue needs for the state's institutions, entitlements and related assistance programs in the Department of Health Services (such as Medical Assistance), the Department of Children and Families' Division of Safety and Permanence, the Department of Workforce Development's Division of Vocational Rehabilitation, and housekeeping adjustments such as standard budget adjustments, fuel and utilities, and debt service. In addition, increases could be requested for applicable sum certain state operations appropriations supplies and services lines not to exceed 5%. Such requests could not be used to increase salary or fringe benefit lines.

Pursuant to s.16.423 of the statutes, all state agencies were required to submit a base budget review report no later than May 14, 2024. The reports were summarized in the Governor's biennial state budget report to the Legislature. The reports were required to include: (1) a description of each agency appropriation; (2) an accounting of all expenditures by quarter for the three previous fiscal years; (3) an analysis of whether the appropriation contributes to agency's mission and whether the objectives of the appropriation justify the expenditures; (4) the minimum funding needed to achieve the objectives (not to exceed the prior fiscal year's adjusted base) and an accounting of the current funding; and (5) a description of the agency mission or guiding principles.

Under 2015 Wisconsin Act 201, all executive branch agencies were required to include proposals for a state operations budget that met the following requirements: (1) a zero growth target in each fiscal year of the 2025-27 biennium; and (2) a reduction in the agency's state operations budget by 5% from the 2024-25 adjusted base in each year of the 2025-27 biennium. (These requirements excluded federal appropriations and debt service appropriations.)

Agencies were also required to report on performance measures identified in previous biennial budgets. For the 2025-27 biennial budget, agencies were asked to report actual outcome measures through fiscal years 2022-23 and 2023-24. Planned outcome measures were to be included for fiscal years 2024-25, 2025-26, and 2026-27.

Executive branch agencies were required to submit their formal budget requests to the

Department of Administration (DOA) and the Legislative Fiscal Bureau by September 16, 2024. The Division of Executive Budget and Finance (within DOA) began reviewing agency funding requests as they were submitted. On November 20, 2024, DOA distributed a compilation of state agencies' 2025-27 biennial budget requests to Governor Evers and members of the Legislature. This report indicated that agencies were seeking total 2025-27 funding of \$109.63 billion (all funds), of which \$48.34 billion was requested from general purpose revenue. Also included in the summary was the statutorily-required estimate of tax revenues for fiscal year 2024-25 and the 2025-27 biennium, as developed by the Department of Revenue. For fiscal year 2024-25, state general fund tax revenues were estimated at \$22.013 billion. Total general fund tax collections for the 2025-27 biennium were projected at \$45.697 billion.

Every January, the Legislative Fiscal Bureau prepares general fund revenue projections for the Legislature as it begins to consider the state's budget and other legislation. Based on updated tax collection data and economic forecasts, on January 29, 2025, the Bureau estimated that the state's general fund would realize a total of \$894.3 million more in tax collections for the period from 2024-25 through 2026-27 than was reflected in the administration's November 20 report. The Fiscal Bureau annual projections compared to the administration's estimates were \$239.6 million higher in 2024-25, \$355.2 million higher in 2025-26, and \$299.5 million higher in 2026-27. For the 2024-25 fiscal year, there was a \$268.0 million difference between the administration's general fund condition statement, which had a gross ending balance of \$3,999.5 million, and the Bureau's ending balance of \$4,267.5 million. The factors that caused the \$268.0 million difference were \$239.6 million more in tax collections from the November 20 projection, an increase in estimated departmental revenues of \$22.4 million, and a reduction of net appropriations of \$6.0 million.

By statute, the Governor is required to submit the budget message and the executive budget bill (or bills) to the Legislature on or before the last Tuesday in January of each odd-numbered year (January 28 for 2025). However, under 2025 Senate Joint Resolution 1, adopted by the Senate on January 6, 2025, and concurred in by the Assembly on January 6, 2025, the deadline for the submission of Governor Evers' budget was extended to February 20, 2025.

On February 18, 2025, the Governor delivered his budget message to a joint session of the Legislature. Immediately following the Governor's message, the Joint Committee on Finance (JFC) introduced the 2025-27 executive budget in identical form as 2025 Senate Bill 45 and 2025 Assembly Bill 50. As required by statute, the bills were referred to the JFC. In addition, the bills were also referred to the Joint Survey Committee on Tax Exemptions and the Joint Survey Committee on Retirement Systems.

The Joint Committee on Finance held agency informational briefings on the biennial budget on April 1st. During these briefings, agency representatives from the University of Wisconsin System and the Department of Corrections testified before the Committee on the executive budget recommendations affecting their respective agencies.

The Joint Committee on Finance held four public hearings on the biennial budget. Public hearings were held in Kaukauna on April 2, West Allis on April 4, Hayward on April 28, and Wausau on April 29.

On May 1, 2025, the Legislative Fiscal Bureau sent a memorandum to Senator Marklein and Representative Born, the Co-Chairs of the Joint Committee on Finance, identifying 172 non-fiscal policy items contained in the Governor's budget.

On May 6, the Finance Committee's Co-Chairs distributed a memorandum to the Committee's members, which outlined the procedures that the Committee would follow during its deliberations on the 2025-27 budget. In that memorandum, the Co-Chairs indicated that the first executive session on the budget would be held on May 8. In addition, the Co-Chairs indicated that the first item before the Committee on May 8 would be a motion to delete 612 provisions of the Governor's recommendations from further budget consideration. The 612 items included 172 provisions of the Fiscal Bureau's May 1 memorandum and 440 other items contained in the Governor's bill. Those 612 items were incorporated into budget Motion #4.

The Co-Chairs May 6 memorandum also indicated that the Committee would use, as its beginning point, the adjusted base budget, less the items of Motion #4. Those provisions were incorporated into Assembly Substitute Amendment (LRBs0024/1) and Senate Substitute Amendment (LRBs0025/1) to the Governor's budget bill and adopted by the Committee.

Finally, the May 6 memorandum indicated that following the introduction of the substitute amendments, the Committee would vote on motions that: (1) included the standard budget adjustments for 2025-27, with a modification to increase the turnover rate from 3% to 5% for all appropriations subject to the 3% turnover rate under the bill; and (2) provided estimated amounts for current law sum sufficient appropriations and debt service on appropriation obligation bonds.

On May 15, 2025, the Legislative Fiscal Bureau sent a letter to the Co-Chairs of the Joint Committee on Finance regarding recent tax collection data. Based on its review of collection data and economic forecasts, the Bureau indicated that general fund tax revenue estimates of January 29 would be higher by \$22.0 million in 2024-25, and lower by \$321.0 million in 2025-26 and \$36.0 million in 2026-27. The Bureau estimated that departmental revenues would be \$8.7 million above the January 29 projection and net appropriations would be \$39.5 million lower than the earlier estimates. The net result was that the projected gross balance in the general fund for 2024-25 would be \$4,337.7 million.

The Joint Committee on Finance held a total of eight executive sessions on the biennial budget bill. The first executive session was held on May 8, and the last was held on July 1. At the Committee's final executive session, the Committee adopted a substitute amendment incorporating all of its previous actions modifying the biennial budget. The vote to recommend Senate Bill 45/Assembly Bill 50 for passage, as amended, was 12-4. The Committee's recommended 2025-27 budget was incorporated into Senate Substitute Amendment 2 to SB 45 and Assembly Substitute Amendment 2 to AB 50.

Under section 13.95(1r) of the statutes, as created by 2011 Act 220, the Legislative Fiscal Bureau is required to prepare an earmark transparency report on each biennial budget bill and on each amendment to that bill. The report is required to include the following elements: (1) a list of all earmarks; (2) the cost of each earmark; (3) the beneficiary of each earmark, if the Bureau can make

this determination, and the Assembly and Senate district in which the beneficiary resides (for individuals) or is located (for entities); and (4) for a report on a budget amendment, the name of the legislator who proposed the earmark.

Under section 13.102 of the statutes, the Joint Committee on Finance cannot vote to recommend passage of the biennial budget bill or an amendment to the bill until the required report, on either the bill or amendment, has been distributed by the Bureau to each member of the Legislature and is made available on the Legislature's website. Section 13.39 of the statutes specifies that neither house of the Legislature may pass the biennial budget bill until the Bureau has distributed a copy of an earmark transparency report on the bill, as amended, to each member of the Legislature and has made the report available on the Legislature's website.

Under these provisions, the Legislative Fiscal Bureau released earmark reports as follows:

- July 1, 2025 -- Earmark Transparency Report on the JFC Substitute Amendments (SSA 2 to SB 45 and ASA 2 to AB 50): Total of 44 earmarks -- 12 that were included in SB 45/AB 50 (Governor) and an additional 32 added by JFC.
- July 2, 2025 -- Earmark Transparency Report on SA 26 to SSA 2 to SB 45, as amended by the Senate: Total of 46 earmarks -- two additional earmarks were added by the Senate.
- No additional earmarks were added by the Assembly.

On July 1, 2025, the Joint Survey Committee on Tax Exemptions submitted its report on provisions included in Senate Bill 45/Assembly Bill 50. The Committee's report addressed provisions in the bills, as introduced, that would affect existing statutes or create new statutes relating to the exemption of property or persons from state or local taxes. The provisions included: (a) Dividends received deduction limitation; (b) Private school tuition deduction limitation; (c) Sales tax exemption for diapers and feminine hygiene products; (d) Farm-raised deer; (e) Gun safes, trigger locks and barrel locks; (f) Breastfeeding equipment; (g) Disability income subtraction increase; (h) Prairie and wetland counseling services; (i) Battery storage components for renewable energy systems; (j) Marijuana legalization; (k) Telecom and communication towers; (l) increased personal exemption; (m) Labor Union dues and expenses; (n) Electricity and natural gas sales; (o) Catastrophe savings accounts; (p) Over-the-counter (OTC) medications; (q) Adoption deduction expansion; and (r) Individual income tax exemption for tips. The tax exemption provisions in the bills were determined by the Committee to be appropriate public policy.

The Senate took action on the 2025-27 state budget on July 2, 2025. During the Senate deliberations, 26 amendments to SSA 2 to Senate Bill 45 were offered. One amendment was adopted—Senate Amendment 26. On July 2, 2025, Senate Substitute Amendment 2 to SB 45, as amended, was adopted and at 9:14 p.m. the bill, as amended, was passed on a vote of 19-14. The bill was immediately messaged to the Assembly.

The Assembly began debating the Assembly version of the budget as recommended by the Joint Committee on Finance (ASA 2 to 2025 AB 50). A total of 24 amendments were offered. None of the amendments were adopted. ASA 2 to AB 50 was laid on the table when the Senate version of

the budget bill (SSA 2 to SB 45) was messaged and taken up by the Assembly. At 12:48 a.m. on July 3, the Assembly concurred with the Senate on a vote of 59-39, with one member absent.

Immediately following action by the Assembly, the bill was enrolled and presented to the Governor. At 1:32 am. on July 3, Governor Evers approved Senate Bill 45, in part, and had it deposited to the Office of the Secretary of State as 2025 Wisconsin Act 15. The Governor indicated in his message to the Legislature that he had exercised his authority to make 23 partial vetoes to the bill, as passed by the Legislature. 2025 Wisconsin Act 15 was published on July 3, 2025, and became effective on that day.

BRIEF CHRONOLOGY OF THE 2025-27 BUDGET

Governor/Administration

- June 7, 2024 Department of Administration issued major budget policies.
- September 16 Agency deadline for submission of budget requests.
- November 20 Executive Budget Office submitted a compilation of agency budget requests and Department of Revenue estimate of tax revenues.
- February 18, 2025 Governor Evers delivered budget message and recommendations to the Legislature.

Joint Committee on Finance

- January 29 Legislative Fiscal Bureau released general fund expenditure and revenue projections.
- February 18 Introduced the executive budget as 2025 Senate Bill 45/Assembly Bill 50.
- April 1 Budget bill briefings by agency officials.
- April 2-29 Public hearings (Kaukauna, West Allis, Hayward, Wausau).
- May 8-July 1 Executive sessions.
- May 15 Legislative Fiscal Bureau released revised general fund tax collection estimates.
- July 1 Adopted Senate Substitute Amendment 2 (SSA 2) to SB 45 and Assembly Substitute Amendment 2 (ASA 2) to AB 50 and recommended the bills for passage, as amended, on a 12-4 vote.

Legislature

- July 2 Senate adopted Senate Substitute Amendment 2 to SB 45, as amended by Senate Amendment 26, and passed the bill, as amended, on a vote of 19-14.
- July 2 Assembly concurred with the Senate's action on the budget bill on a vote of 59-39.

Enactment

- July 3 Enrolled SB 45 presented to Governor.
- July 3 Governor approved bill, with 23 partial vetoes, as 2025 Wisconsin Act 15.
- July 3 Act 15 published.
- July 3 Act 15 became generally effective.

KEY TO ABBREVIATIONS

REVENUES

BR	Bond revenues which are available from the contracting of public debt (general obligation bonds), from debt which is to be repaid only from pledged or project revenues (revenue bonds), or from debt where repayment is backed by the state's moral obligation pledge and subject to annual appropriation by the Legislature (appropriation obligation bonds).
GPR-Earned	Departmental revenues which are collected by individual state agencies and deposited in the general fund.
GPR-Tax	Revenues which are collected from general fund taxes.
GPR-Tribal	Revenues which are collected from tribal gaming revenues and deposited in the general fund.
REV	Revenue

APPROPRIATIONS

GPR	Appropriations financed from general purpose revenues available in the state's general fund.
FED	Appropriations financed from federal revenues.
PR	Appropriations financed from program revenues, such as user fees or product sales.
PR-S	Program Revenue-Service. Appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
SEG	Appropriations financed from segregated revenues.
SEG-L	Appropriations financed from local revenues which are administered through a state segregated fund.

SEG-S	Segregated Revenue-Service. Segregated appropriations financed from funds transferred between or within state agencies for the purpose of reimbursement for services or materials.
Lapse	Budgeted amounts that are unspent at the end of a fiscal period which revert back to the fund from which they were appropriated.

OTHER

2023 Wisconsin Act 19	The 2023-25 biennial budget act.
2025 Wisconsin Act 15	The 2025-27 biennial budget act.
SB 45/AB 50	Senate Bill 45/Assembly Bill 50, identical bills which incorporate the Governor's 2025-27 budget recommendations.
SSA 2 to SB 45	Senate Substitute Amendment 2 to Senate Bill 45, the 2025-27 budget recommendations of the Joint Committee on Finance (identical to ASA 2 to AB 50).
ASA 2 to AB 50	Assembly Substitute Amendment 2 to Assembly Bill 50, the 2025-27 budget recommendations of the Joint Committee on Finance (identical to ASA 2 to SB 45).
SA 26 to SSA 2 to SB 45	Senate Amendment 26 to SSA 2 to SB 45 that passed the Senate and was concurred in by the Assembly
CY	Calendar year.
FY	Fiscal year.
FTE	Full-time equivalent position.
LTE	Limited-term employment position for which employment is limited to 1,040 hours per appointment in a 12-month period.
2024-25 Adjusted Base	The total 2024-25 authorized funding level for an agency or program. The adjusted base equals 2024-25 appropriations and any supplements. It is this base that serves as the beginning point for calculating budget changes for 2025-27.
2024-25 Base Year Doubled	The 2024-25 base multiplied by two. This produces the biennial base level against which 2025-27 budget levels may be compared.

USER'S GUIDE

The following explanation of entries is keyed to the accompany sample entry (page 11).

- ① Name of agency.
- ② The funding source for the amounts shown in columns 3 through 5. Only the funding sources which are included in the agency's budget are shown.
- ③ The 2024-25 base represents authorized appropriation and position levels for 2024-25. The base is doubled in the budget column to provide a two-year to two-year comparison.
- ④ Appropriation and position levels recommended by the Governor, Joint Committee on Finance, Legislature, and as authorized by 2025 Wisconsin Act 15 (includes the impact of any vetoes).
- ⑤ These columns indicate the change of the budget level contained in 2025 Wisconsin Act 15 to the 2024-25 base year doubled. For positions, the increase or decrease is based on the 2026-27 authorized level compared to the 2024-25 level.
- ⑥ Title of the budget change item. Immediately following the title, if applicable, "[]" shows the number of the Legislative Fiscal Bureau issue paper prepared on this item. A complete listing of all Fiscal Bureau issue papers begins on page 1099 of this document.
- ⑦ Funding and position change to the agency's base budget. If the entry is entitled, "**Governor/Legislature**," the recommendations proposed by the Governor were adopted by the Joint Committee on Finance and the Legislature. For those budget items where the recommendations of the Governor, Joint Finance Committee or Legislature differ, the fiscal and position effect shown at each step is the change to the previous recommendation.
- ⑧ Narrative description of the various budget change items, for each entry, as recommended by the Governor, Joint Committee on Finance, and Legislature. On May 8, 2025, the Joint Committee on Finance, under Motion #4, removed certain provisions of the Governor's budget recommendations from consideration. Those items are identified here as follows: "**Joint Finance/Legislature:** Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #10.)"
- ⑨ Narrative description of partial vetoes by the Governor. At the beginning of the veto entry in the "[]" is the number (in this example E-23) of the veto from the Governor's veto message (July 3, 2025).
- ⑩ Bill sections relating to the budget change item. "Act 15 Sections" lists the sections which remain in the act. "Act 15 Vetoes Sections" lists those sections which were partially or entirely vetoed.

BOARD OF COMMISSIONERS OF PUBLIC LANDS 1

Budget Summary 5							
2	3		4	4	4	4	
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$3,228,200	\$4,075,400	\$3,231,200	\$3,231,200	\$3,231,200	\$3,000	0.1%
FED	105,400	105,400	105,400	105,400	105,400	0	0.0
SEG	<u>146,400</u>	<u>626,400</u>	<u>826,400</u>	<u>826,400</u>	<u>626,400</u>	<u>480,000</u>	327.9
TOTAL	\$3,480,000	\$4,807,200	\$4,163,000	\$4,163,000	\$3,963,000	\$483,000	13.9%

FTE Position Summary 5						
2	3		4	4	4	4
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	8.70	9.70	7.70	7.70	8.70	0.00
SEG	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL	9.70	10.70	8.70	8.70	9.70	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105] 6

8 **Governor/Legislature:** Provide \$117,700 (\$97,700 GPR and \$20,000 SEG from the forestry account of the conservation fund) annually for adjustments to the base budget for full funding of continuing positions.

	7
GPR	\$195,400
SEG	<u>40,000</u>
Total	\$235,400

2. DELETE VACANT POSITION 6

	7					
	Jt. Finance/Leg. (Chg. to Base)	Funding Positions	Veto (Chg. to Leg.) Funding	Positions	Net Change Funding Positions	
GPR	-\$192,400	-1.00	\$0	1.00	-\$192,400	0.00

8 **Joint Finance/Legislature:** Delete 1.0 vacant Deputy Commissioner of Public Lands position, and decrease BCPL's position salary and fringe allotment by \$96,200 each year. Repeal the statutory provision that the BCPL Executive Secretary appoint a Deputy Commissioner.

9 **Veto by Governor [E-23]:** Restore statutory references to the appointment of the Deputy Commissioner. The decrease to the salary and fringe allotment is retained.

10 [Act 15 Vetoes Section: 119]

OVERVIEW

ALL FUNDS BUDGET AND POSITION SUMMARIES

TABLE 1

**Summary of 2025-27 Appropriations,
Compensation Reserves, and Authorizations**

<u>Fund Source</u>	<u>2025-26</u>	<u>2026-27</u>	<u>Total</u>	<u>Percent of Total</u>
General Purpose Revenue	\$22,882,636,500	\$23,194,484,500	\$46,077,121,000	40.3%
Appropriations	22,722,745,300	22,968,675,000	45,691,420,300	
Compensation Reserves	159,891,200	225,809,500	385,700,700	
Federal Revenue	16,657,071,400	17,063,447,800	33,720,519,200	29.4%
Appropriations	16,629,225,900	17,025,086,400	33,654,312,300	
Compensation Reserves	27,845,500	38,361,400	66,206,900	
Program Revenue	8,262,568,100	8,307,102,100	16,569,670,200	14.5%
Appropriations	8,216,915,400	8,244,208,600	16,461,124,000	
Compensation Reserves	45,652,700	62,893,500	108,546,200	
Segregated Revenue	7,539,040,900	7,292,821,700	14,831,862,600	13.0%
Appropriations	7,510,766,100	7,253,868,800	14,764,634,900	
Compensation Reserves	<u>28,274,800</u>	<u>38,952,900</u>	<u>67,227,700</u>	
Subtotal	\$55,341,316,900	\$55,857,856,100	\$111,199,173,000	97.2%
Appropriations	55,079,652,700	55,491,838,800	110,571,491,500	
Compensation Reserves	261,664,200	366,017,300	627,681,500	
Bond Revenue			\$3,156,895,100	2.8%
General Obligation Bonding			2,210,609,800*	
Revenue Bonding			946,285,300	
TOTAL			\$114,356,068,100	100.0%

*Excludes \$1,600,000,000 of economic refunding bonds that would be authorized.

TABLE 2**2025-27 Comparative Summary of Appropriations and Authorizations**

<u>Fund Source</u>	<u>Governor</u>	<u>Jt. Finance</u>	<u>Legislature</u>	<u>Act 15</u>
General Purpose Revenue	\$51,060,290,900	\$46,040,996,000	\$46,077,871,000	\$46,077,121,000
Federal Revenue	37,139,226,700	33,702,019,200	33,720,519,200	33,720,519,200
Program Revenue	16,984,350,900	16,570,225,900	16,570,225,900	16,569,670,200
Segregated Revenue	<u>14,730,161,400</u>	<u>14,827,437,600</u>	<u>14,842,437,600</u>	<u>14,831,862,600</u>
Subtotal	\$119,914,029,900	\$111,140,678,700	\$111,211,053,700	\$111,199,173,000
Bonding				
General Obligation*	\$5,089,213,800**	\$2,210,609,800	\$2,210,609,800	\$2,210,609,800
Revenue	<u>1,044,935,100</u>	<u>946,285,300</u>	<u>946,285,300</u>	<u>946,285,300</u>
Subtotal	\$6,134,148,900	\$3,156,895,100	\$3,156,895,100	\$3,156,895,100
TOTAL	\$126,048,178,800	\$114,297,573,800	\$114,367,948,800	\$114,356,068,100

* Excludes \$1,600,000,000 of economic refunding bonds.

** Includes recommended building program amounts.

TABLE 3**2025-27 Transfers from the General Fund**

<u>General Fund Transfers</u>	<u>Governor</u>	<u>Jt. Finance</u>	<u>Legislature</u>	<u>Act 15</u>
Local Government Fund	\$3,315,235,600	\$3,209,799,300	\$3,209,799,300	\$3,209,799,300
Transportation Fund	(322,796,300)	(732,927,900)	(747,927,900)	(747,927,900)
APART Sales Tax*	129,197,300	0	0	0
0.25% Transfer	122,799,700	111,418,800	111,418,800	111,418,800
EV Sales Tax	70,799,300	56,509,100	56,509,100	56,509,100
Other	0	565,000,000	580,000,000	580,000,000
Building Program	0	326,500,000	326,500,000	326,500,000
Mental Health Institutes	33,850,500	15,800,000	15,800,000	15,800,000
Veterans Homes	<u>21,900,000</u>	<u>5,100,000</u>	<u>5,100,000</u>	<u>5,100,000</u>
Total	\$3,693,782,400	\$4,290,127,200	\$4,305,127,200	\$4,305,127,200

*Estimated sales tax collections from automotive parts, accessories, repair and maintenance services, and tires.

TABLE 4**Summary of Total All Funds Appropriations by Agency**

<u>Agency</u>	<u>2024-25 Adjusted Base Doubled</u>	<u>2025-27 Governor</u>	<u>2025-27 Jt. Finance</u>	<u>2025-27 Legislature</u>	<u>2025-27 Act 15</u>	<u>2025-27 Act 15 Change Over Base</u>	
						<u>Amount</u>	<u>%</u>
Administration	\$1,282,172,400	\$1,726,994,100	\$1,314,745,600	\$1,314,745,600	\$1,314,745,600	\$32,573,200	2.5%
Agriculture, Trade and Consumer Protection	235,072,200	314,894,500	277,727,200	277,727,200	277,727,200	42,655,000	18.1
Appropriation Obligation Bonds	673,881,800	583,551,800	583,551,800	583,551,800	583,551,800	-90,330,000	-13.4
Board for People with Developmental Disabilities	3,400,000	3,681,900	3,681,900	3,681,900	3,681,900	281,900	8.3
Board of Commissioners of Public Lands	3,480,000	4,807,200	4,163,000	4,163,000	3,963,000	483,000	13.9
Board on Aging and Long-Term Care	8,489,000	10,197,200	9,543,000	9,543,000	9,543,000	1,054,000	12.4
Building Commission	93,240,000	140,946,500	143,599,800	143,599,800	143,599,800	50,359,800	54.0
Child Abuse and Neglect Prevention Board	8,871,800	18,503,400	8,753,400	8,753,400	8,753,400	-118,400	-1.3
Children and Families	3,119,406,000	4,008,083,300	3,529,411,400	3,549,911,400	3,549,911,400	430,505,400	13.8
Circuit Courts	252,310,000	339,421,000	264,022,200	264,022,200	264,022,200	11,712,200	4.6
Compensation Reserves	---	938,840,400	627,681,500	627,681,500	627,681,500	627,681,500	N.A.
Corrections	3,450,029,600	3,969,124,500	3,911,185,200	3,911,185,200	3,911,185,200	461,155,600	13.4
Court of Appeals	26,365,200	25,883,500	25,883,500	25,883,500	25,883,500	-481,700	-1.8
District Attorneys	143,135,000	177,514,400	163,992,200	163,992,200	163,992,200	20,857,200	14.6
Educational Communications Board	44,821,000	44,078,700	44,204,000	44,204,000	44,204,000	-617,000	-1.4
Elections Commission	13,773,600	18,426,700	13,647,600	13,647,600	13,647,600	-126,000	-0.9
Employee Trust Funds	128,260,200	158,031,700	198,638,400	198,638,400	198,638,400	70,378,200	54.9
Employment Relations Commission	2,208,800	3,627,800	2,256,900	2,256,900	2,256,900	48,100	2.2
Environmental Improvement Fund	22,398,000	219,102,000	19,018,300	19,018,300	19,018,300	-3,379,700	-15.1
Ethics Commission	3,154,200	8,567,800	3,740,700	3,740,700	3,740,700	586,500	18.6
Financial Institutions	43,914,600	49,204,800	45,234,800	45,234,800	45,234,800	1,320,200	3.0
Fox River Navigational System Authority	250,800	263,400	263,400	263,400	263,400	12,600	5.0
Governor	9,452,600	9,668,800	9,668,800	9,668,800	9,668,800	216,200	2.3
Health Services	33,392,345,800	42,710,510,200	41,192,744,600	41,198,744,600	41,198,744,600	7,806,398,800	23.4
Higher Educational Aids Board	289,391,800	351,327,800	310,936,300	310,936,300	310,936,300	21,544,500	7.4
Historical Society	85,449,000	89,673,700	88,214,300	88,214,300	88,214,300	2,765,300	3.2
Insurance	632,358,200	649,228,800	668,859,700	668,859,700	668,859,700	36,501,500	5.8
Investment Board	205,629,400	205,629,400	205,629,400	205,629,400	205,629,400	0	0.0
Judicial Commission	727,000	758,900	758,900	758,900	758,900	31,900	4.4
Judicial Council	0	0	282,400	282,400	282,400	282,400	N.A.

<u>Agency</u>	<u>2024-25 Adjusted Base Doubled</u>	<u>2025-27 Governor</u>	<u>2025-27 Jt. Finance</u>	<u>2025-27 Legislature</u>	<u>2025-27 Act 15</u>	<u>2025-27 Act 15 Change Over Base</u>	
						<u>Amount</u>	<u>%</u>
Justice	\$406,185,400	\$368,996,000	\$432,829,500	\$432,829,500	\$432,829,500	\$26,644,100	6.6%
Kickapoo Reserve Management Board	2,317,600	2,322,200	2,199,000	2,199,000	2,199,000	-118,600	-5.1
Labor and Industry Review Commission	6,359,400	6,425,000	6,104,600	6,104,600	6,104,600	-254,800	-4.0
Legislature	201,181,000	203,266,800	201,960,500	201,960,500	201,404,800	223,800	0.1
Lieutenant Governor	1,042,000	985,600	985,600	985,600	985,600	-56,400	-5.4
Lower Wisconsin State Riverway Board	552,200	568,000	568,000	568,000	568,000	15,800	2.9
Medical College of Wisconsin	27,701,000	31,230,000	28,291,900	28,291,900	28,291,900	590,900	2.1
Military Affairs	411,294,800	573,355,200	522,863,400	522,863,400	522,863,400	111,568,600	27.1
Miscellaneous Appropriations	457,784,000	503,186,000	495,160,200	495,160,200	495,160,200	37,376,200	8.2
Natural Resources	1,205,305,600	1,495,565,700	1,259,596,200	1,259,596,200	1,257,246,200	51,940,600	4.3
Program Supplements	664,200	11,180,600	91,973,400	166,973,400	166,973,400	166,309,200	N.A.
Public Defender	268,556,200	283,801,200	280,794,100	280,794,100	280,794,100	12,237,900	4.6
Public Instruction	17,785,295,400	21,240,613,100	18,715,323,600	18,715,323,600	18,714,573,600	929,278,200	5.2
Public Service Commission	70,509,800	499,704,700	76,955,700	76,955,700	76,955,700	6,445,900	9.1
Revenue	522,813,400	539,227,100	527,492,400	527,492,400	527,492,400	4,679,000	0.9
Safety and Professional Services	151,086,800	164,286,600	152,605,900	152,605,900	152,605,900	1,519,100	1.0
Secretary of State	583,600	1,502,800	640,400	640,400	640,400	56,800	9.7
Shared Revenue and Tax Relief	7,532,805,400	8,868,226,500	7,703,427,500	7,703,427,500	7,703,427,500	170,622,100	2.3
State Fair Park Board	46,673,600	84,506,900	47,232,100	47,232,100	47,232,100	558,500	1.2
State Treasurer	266,000	470,600	282,600	282,600	282,600	16,600	6.2
Supreme Court	76,300,000	83,100,900	80,364,500	80,364,500	80,364,500	4,064,500	5.3
Tourism	39,980,400	82,461,700	76,953,300	76,953,300	76,953,300	36,972,900	92.5
Transportation	7,138,082,400	8,542,835,100	8,311,922,500	8,328,797,500	8,320,772,500	1,182,690,100	16.6
University of Wisconsin System	15,889,703,400	16,587,146,400	15,984,766,500	15,931,766,500	15,931,766,500	42,063,100	0.3
Veterans Affairs	317,750,200	356,339,400	312,913,000	317,913,000	317,913,000	162,800	0.1
Wisconsin Economic Development Corporation	91,740,000	238,840,000	92,900,000	92,900,000	92,900,000	1,160,000	1.3
Wisconsin Technical College System	1,251,254,600	1,309,390,000	1,264,456,200	1,264,456,200	1,264,456,200	13,201,600	1.1
Workforce Development	<u>802,335,400</u>	<u>1,053,951,600</u>	<u>797,075,900</u>	<u>797,075,900</u>	<u>797,075,900</u>	<u>-5,259,500</u>	-0.7
TOTAL	\$98,880,111,800	\$119,914,029,900	\$111,140,678,700	\$111,211,053,700	\$111,199,173,000	\$12,319,061,200	12.5%

TABLE 5

Appropriations Comparisons

All Funds Comparison

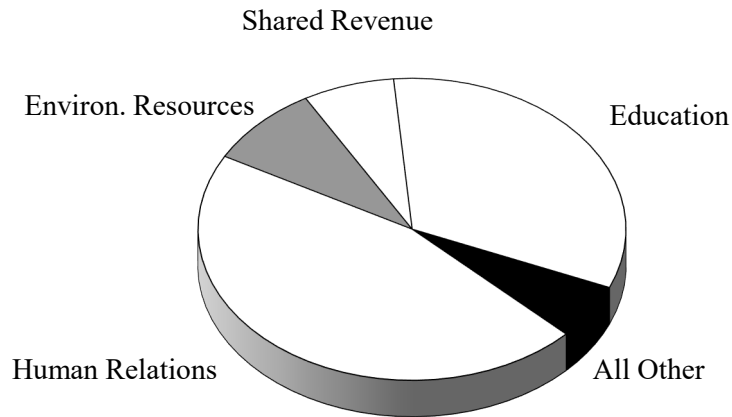
	<u>2024-25</u> <u>Base Doubled</u>	<u>2025-27</u> <u>Governor</u>	<u>2025-27</u> <u>Jt. Finance</u>	<u>2025-27</u> <u>Legislature</u>	<u>2025-27</u> <u>Act 15</u>
	\$98,880,111,800	\$119,914,029,900	\$111,140,678,700	\$111,211,053,700	\$111,199,173,000
Change to:					
Base Doubled		\$21,033,918,100	\$12,260,566,900	\$12,330,941,900	\$12,319,061,200
Governor			-8,773,351,200	-8,702,976,200	-8,714,856,900
Jt. Finance				70,375,000	58,494,300
Legislature					-11,880,700

General Fund Comparison

	<u>2024-25</u> <u>Base Doubled</u>	<u>2025-27</u> <u>Governor</u>	<u>2025-27</u> <u>Jt. Finance</u>	<u>2025-27</u> <u>Legislature</u>	<u>2025-27</u> <u>Act 15</u>
	\$42,762,088,000	\$51,060,290,900	\$46,040,996,000	\$46,077,871,000	\$46,077,121,000
Change to:					
Base Doubled		\$8,298,202,900	\$3,278,908,000	\$3,315,783,000	\$3,315,033,000
Governor			-5,019,294,900	-4,982,419,900	-4,983,169,900
Jt. Finance				36,875,000	36,125,000
Legislature					-750,000

FIGURE 1

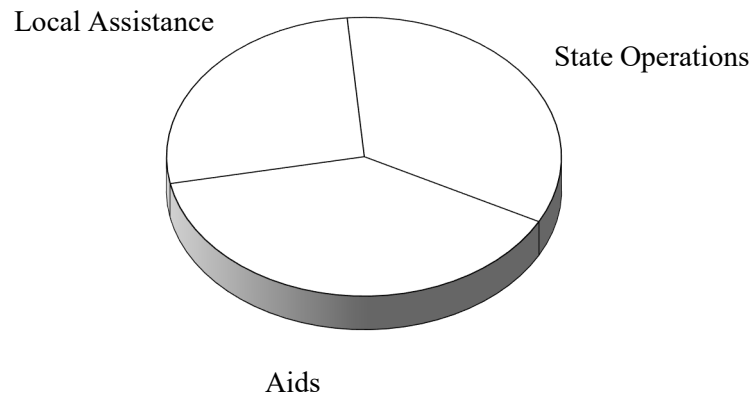
**2025-27 All Funds Appropriations
By Functional Area**



<u>Functional Area</u>	<u>Amount</u>	<u>Percent of Total</u>
Human Relations and Resources	\$50,924,855,000	45.8%
Education	36,382,442,800	32.7
Environmental Resources	9,677,020,700	8.7
Shared Revenue and Tax Relief	7,703,427,500	6.9
All Other		
General Executive	3,143,780,400	2.8
Commerce	1,361,515,400	1.2
General Appropriations	805,733,400	0.7
Compensation Reserves	627,681,500	0.6
Judicial	371,311,500	0.4
Legislative	<u>201,404,800</u>	<u>0.2</u>
TOTAL	\$111,199,173,000	100.0%

FIGURE 2

**2025-27 All Funds Appropriations
By Purpose**



<u>Purpose</u>	<u>Amount</u>	<u>Percent of Total</u>
Aids to Individuals and Organizations	\$43,547,296,600	39.2%
State Operations	(37,910,077,800)	(34.1)
UW System	15,929,416,700	14.3
Transportation	5,478,726,300	4.9
Corrections	3,816,531,700	3.4
Compensation Reserves	627,681,500	0.6
Other Programs	12,057,721,600	10.9
Local Assistance	<u>29,741,798,600</u>	<u>26.7</u>
TOTAL	\$111,199,173,000	100.0%

TABLE 6**Summary of All Funds Full-Time Equivalent Positions by Agency**

	2024-25 <u>Base</u>	2026-27 <u>Governor</u>	2026-27 <u>Jt. Finance</u>	2026-27 <u>Legislature</u>	2026-27 <u>Act 15</u>	Act 15 <u>Change to Base</u>
Administration	1,509.28	1,523.83	1,445.05	1,445.05	1,445.05	-64.23
Agriculture, Trade and Consumer Protection	647.29	660.29	636.29	636.29	636.29	-11.00
Board for People with Developmental Disabilities	8.60	7.00	7.00	7.00	7.00	-1.60
Board of Commissioners of Public Lands	9.70	10.70	8.70	8.70	9.70	0.00
Board on Aging and Long-Term Care	46.50	50.50	45.50	45.50	45.50	-1.00
Child Abuse and Neglect Prevention Board	7.00	7.00	7.00	7.00	7.00	0.00
Children and Families	818.40	832.90	812.40	812.40	812.40	-6.00
Circuit Courts	551.00	555.00	551.00	551.00	551.00	0.00
Corrections	10,162.52	10,416.32	10,328.17	10,328.17	10,328.17	165.65
Court of Appeals	75.50	75.50	75.50	75.50	75.50	0.00
District Attorneys	499.30	571.60	549.60	549.60	549.60	50.30
Educational Communications Board	51.50	51.50	51.50	51.50	51.50	0.00
Elections Commission	36.00	46.00	32.00	32.00	32.00	-4.00
Employee Trust Funds	287.20	291.20	286.20	286.20	286.20	-1.00
Employment Relations Commission	6.00	23.50	6.00	6.00	6.00	0.00
Ethics Commission	8.00	27.00	8.00	8.00	8.00	0.00
Financial Institutions	141.54	149.00	141.54	141.54	141.54	0.00
Governor	37.25	37.25	37.25	37.25	37.25	0.00
Health Services	6,777.54	6,824.54	6,741.31	6,741.31	6,741.31	-36.23
Higher Educational Aids Board	11.50	11.50	11.50	11.50	11.50	0.00
Historical Society	184.55	183.55	185.95	185.95	185.95	1.40
Insurance	142.83	184.50	143.83	143.83	143.83	1.00
Investment Board	298.00	298.00	298.00	298.00	298.00	0.00
Judicial Commission	2.00	2.00	2.00	2.00	2.00	0.00
Judicial Council	0.00	0.00	1.00	1.00	1.00	1.00
Justice	759.84	760.95	749.65	749.65	749.65	-10.19
Kickapoo Reserve Management Board	4.00	5.00	4.00	4.00	4.00	0.00
Labor and Industry Review Commission	18.70	18.70	16.70	16.70	16.70	-2.00
Legislature	787.97	790.97	793.97	793.97	789.97	2.00
Lieutenant Governor	5.00	5.00	5.00	5.00	5.00	0.00

	2024-25 <u>Base</u>	2026-27 <u>Governor</u>	2026-27 <u>Jt. Finance</u>	2026-27 <u>Legislature</u>	2026-27 <u>Act 15</u>	Act 15 <u>Change to Base</u>
Lower Wisconsin State Riverway Board	2.00	2.00	2.00	2.00	2.00	0.00
Military Affairs	625.00	635.00	619.00	619.00	619.00	-6.00
Natural Resources	2,539.92	2,529.92	2,473.82	2,473.82	2,473.82	-66.10
Public Defender	619.85	672.35	632.35	632.35	632.35	12.50
Public Instruction	656.27	645.27	638.67	638.67	638.67	-17.60
Public Service Commission	192.75	181.75	183.75	183.75	183.75	-9.00
Revenue	1,184.80	1,231.30	1,179.80	1,179.80	1,179.80	-5.00
Safety and Professional Services	257.89	287.89	255.89	255.89	255.89	-2.00
Secretary of State	2.00	6.00	2.00	2.00	2.00	0.00
State Fair Park Board	54.00	54.00	54.00	54.00	54.00	0.00
State Treasurer	1.00	2.00	1.00	1.00	1.00	0.00
Supreme Court	233.10	246.25	233.10	233.10	233.10	0.00
Tourism	34.00	40.00	35.00	35.00	35.00	1.00
Transportation	3,302.93	3,273.93	3,258.93	3,258.93	3,258.93	-44.00
University of Wisconsin System	38,239.40	38,453.40	38,239.40	38,239.40	38,239.40	0.00
Veterans Affairs	1,240.50	1,252.50	1,014.80	1,014.80	1,014.80	-225.70
Wisconsin Technical College System	55.00	55.00	51.00	51.00	51.00	-4.00
Workforce Development	<u>1,597.75</u>	<u>1,624.25</u>	<u>1,573.55</u>	<u>1,573.55</u>	<u>1,573.55</u>	<u>-24.20</u>
TOTAL	74,732.67	75,613.61	74,429.67	74,429.67	74,426.67	-306.00

TABLE 7**Full-Time Equivalent Positions Summary by Funding Source**

	2024-25 <u>Base</u>	2026-27 <u>Governor</u>	2026-27 <u>Jt. Finance</u>	2026-27 <u>Legislature</u>	2026-27 <u>Act 15</u>	Act 15 Change to Base
GPR	35,463.80	36,766.59	35,761.41	35,761.41	35,762.41	298.61
FED	11,540.51	11,279.26	11,249.43	11,249.43	11,249.43	-291.08
PR	22,833.81	22,609.31	22,528.28	22,528.28	22,524.28	-309.53
SEG	<u>4,894.55</u>	<u>4,958.45</u>	<u>4,890.55</u>	<u>4,890.55</u>	<u>4,890.55</u>	<u>-4.00</u>
TOTAL	74,732.67	75,613.61	74,429.67	74,429.67	74,426.67	-306.00

All Funds Comparison

	2024-25 <u>Base</u>	2026-27 <u>Governor</u>	2026-27 <u>Jt. Finance</u>	2026-27 <u>Legislature</u>	2026-27 <u>Act 15</u>
Authorized Positions	74,732.67	75,613.61	74,429.67	74,429.67	74,426.67
Change to Base		880.94	-303.00	-303.00	-306.00
Change to Governor			-1,183.94	-1,183.94	-1,186.94
Change to Jt. Finance				0.00	-3.00
Change to Legislature					-3.00

General Fund Comparison

	2024-25 <u>Base</u>	2026-27 <u>Governor</u>	2026-27 <u>Jt. Finance</u>	2026-27 <u>Legislature</u>	2026-27 <u>Act 15</u>
Authorized Positions	35,463.80	36,766.59	35,761.41	35,761.41	35,762.41
Change to Base		1,302.79	297.61	297.61	298.61
Change to Governor			-1,005.18	-1,005.18	-1,004.18
Change to Jt. Finance				0.00	1.00
Change to Legislature					1.00

OVERVIEW

GENERAL FUND BUDGET AND POSITION SUMMARIES

TABLE 8**2025-27 General Fund Condition Statement**

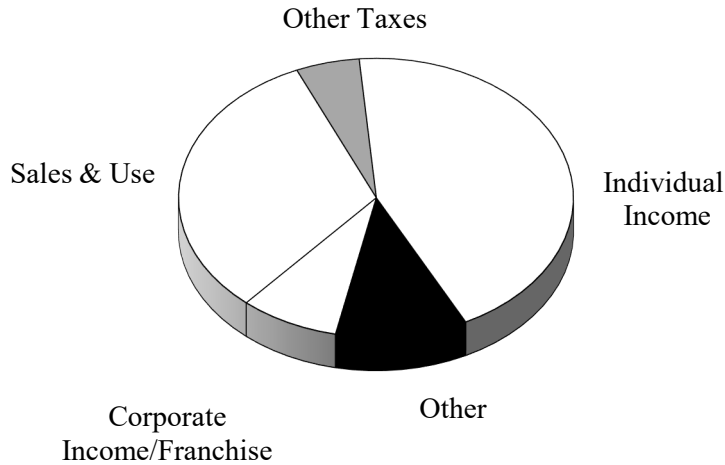
	<u>2025-26</u>	<u>2026-27</u>
Revenues		
Opening Balance, July 1	\$4,410,352,700	\$1,997,501,800
Taxes	21,960,445,000	22,607,070,000
Departmental Revenues		
Tribal Gaming	12,176,500	14,922,200
Other	<u>661,000,500</u>	<u>512,846,000</u>
Total Available	\$27,043,974,700	\$25,132,340,000
Appropriations, Transfers, and Reserves		
Gross Appropriations	\$22,722,745,300	\$22,968,675,000
Transfers to:		
Building Program	326,500,000	0
Local Government Fund	1,587,022,700	1,622,776,600
Transportation Fund:		
EV Sales Tax	28,038,500	28,470,600
0.25% Transfer	54,901,100	56,517,700
Other	580,000,000	0
Mental Health Institutes	15,800,000	0
Veterans Homes	5,100,000	0
Compensation Reserves	159,891,200	225,809,500
Less Lapses	<u>-433,525,900</u>	<u>-540,407,500</u>
Net Appropriations	\$25,046,472,900	\$24,361,841,900
Balances		
Gross Balance	\$1,997,501,800	\$770,498,100
Less Required Statutory Balance	<u>-110,000,000</u>	<u>-115,000,000</u>
Net Balance, June 30	\$1,887,501,800	\$655,498,100

TABLE 9**Estimated 2025-27 General Fund Taxes**

<u>Tax Source</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2025-27</u>	<u>% of Total</u>
Individual Income	\$10,149,405,000	\$11,240,900,000	\$21,390,305,000	48.0%
Sales and Use	8,083,295,000	8,249,260,000	16,332,555,000	36.6
Corporate Income/Franchise	2,391,495,000	1,793,660,000	4,185,155,000	9.4
Public Utility	404,000,000	394,000,000	798,000,000	1.8
Excise				
Cigarette	348,000,000	326,000,000	674,000,000	1.5
Tobacco Products	85,000,000	84,000,000	169,000,000	0.4
Vapor Products	7,200,000	7,300,000	14,500,000	<0.1
Liquor and Wine	74,000,000	76,000,000	150,000,000	0.3
Beer	8,200,000	8,100,000	16,300,000	<0.1
Insurance Company	285,000,000	294,000,000	579,000,000	1.3
Miscellaneous	<u>124,850,000</u>	<u>133,850,000</u>	<u>258,700,000</u>	<u>0.6</u>
TOTAL	\$21,960,445,000	\$22,607,070,000	\$44,567,515,000	100.0%

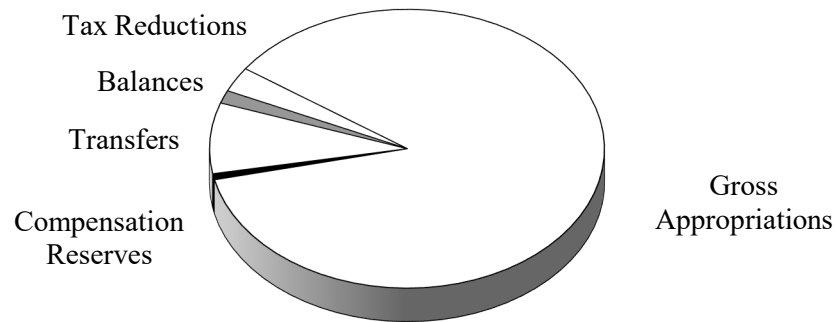
TABLE 10**Estimated 2025-27 Departmental Revenues**

	<u>2025-26</u>	<u>2026-27</u>	<u>2025-27</u>
Administration	\$6,982,700	\$7,095,800	\$14,078,500
Agriculture Trade and Consumer Protection	45,800	45,800	91,600
Appropriation Obligation Bonds	215,780,100	157,828,400	373,608,500
Board of Commissioners of Public Lands	65,000	65,000	130,000
Children and Families	100,000	100,000	200,000
Circuit Courts	33,972,700	34,511,000	68,483,700
Corrections	4,811,000	4,811,000	9,622,000
Court of Appeals	178,400	178,700	357,100
Educational Communications Board	6,900	6,900	13,800
Financial Institutions	91,445,000	93,436,300	184,881,300
Health Services	54,285,400	55,143,200	109,428,600
Higher Educational Aids Board	520,000	520,000	1,040,000
Insurance Commissioner	25,876,000	25,393,600	51,269,600
Interest Earnings	148,950,000	55,900,000	204,850,000
Military Affairs	30,000	30,000	60,000
Miscellaneous Appropriations	16,000,000	16,000,000	32,000,000
Natural Resources	4,650,000	4,560,000	9,210,000
Public Defender	8,000	8,000	16,000
Public Instruction	400,000	400,000	800,000
Public Service Commission	2,235,100	2,298,300	4,533,400
Revenue	36,699,700	36,905,900	73,605,600
Safety and Professional Services	1,918,000	1,525,700	3,443,700
Secretary of State	175,200	175,600	350,800
Shared Revenue and Tax Relief	12,209,400	12,209,400	24,418,800
Supreme Court	46,200	47,100	93,300
Transportation	3,037,600	3,078,000	6,115,600
Veterans Affairs	400,000	400,000	800,000
Workforce Development	<u>172,300</u>	<u>172,300</u>	<u>344,600</u>
Subtotal	\$661,000,500	\$512,846,000	\$1,173,846,500
Tribal Gaming	<u>12,176,500</u>	<u>14,922,200</u>	<u>27,098,700</u>
Total	\$673,177,000	\$527,768,200	\$1,200,945,200

FIGURE 3**Estimated 2025-27 General Fund Revenues**

<u>Tax Source</u>	<u>Amount</u>	<u>Percent of Total</u>
Individual Income	\$22,695,465,000	43.9%
Sales and Use	16,530,155,000	32.0
Corporate Income/Franchise	4,185,155,000	8.1
Public Utility	798,000,000	1.6
Excise		
Cigarette	674,000,000	1.3
Tobacco Products	169,000,000	0.3
Vapor Products	14,500,000	<0.1
Liquor and Wine	150,000,000	0.3
Beer	16,300,000	<0.1
Insurance	579,000,000	1.1
Miscellaneous	259,000,000	0.5
Total -- Taxes*	\$46,070,575,000	89.2%
Other		
Opening Balance, July 1, 2025	\$4,410,352,700	8.5%
Departmental Revenues	1,200,945,200	2.3
Total -- Other	\$5,611,297,900	10.8%
GRAND TOTAL	\$51,681,872,900	100.0%

*Estimated taxes prior to reductions of: (a) \$1,305,000,000 to individual income taxes; (b) \$178,700,000 to sales and use taxes for exemption of residential electricity and natural gas; and (c) \$19,360,000 of other taxes.

FIGURE 4**Use of 2025-27 General Fund Revenues**

<u>Use</u>	<u>Amount</u>	<u>Percent of Total</u>
Tax Reductions	(\$1,503,060,000)	(2.9%)
Individual Income Tax		
Retirement Income Exclusion (less interactive effect of \$33.0 million)	662,000,000	1.3
Expand Second Tax Bracket	643,000,000	1.2
Sales Tax Exemption for Residential Electricity and Natural Gas	178,700,000	0.4
Other General Fund Taxes	19,360,000	<0.1
Gross Appropriations	45,691,420,300	86.7
Compensation Reserves	385,700,700	0.7
Transfers	(4,305,127,200)	(8.2)
Local Government Fund	3,209,799,300	6.1
Transportation Fund	747,927,900	1.4
Building Program	326,500,000	0.6
Mental Health Institutes	15,800,000	<0.1
Veterans Homes	5,100,000	<0.1
Balances	(770,498,100)	(1.5)
Statutory Balance	115,000,000	0.2
Net Balance	<u>655,498,100</u>	<u>1.3</u>
GROSS TOTAL	\$52,655,806,300	100.0%
Less Lapses	<u>-973,933,400</u>	
NET TOTAL	\$51,681,872,900	

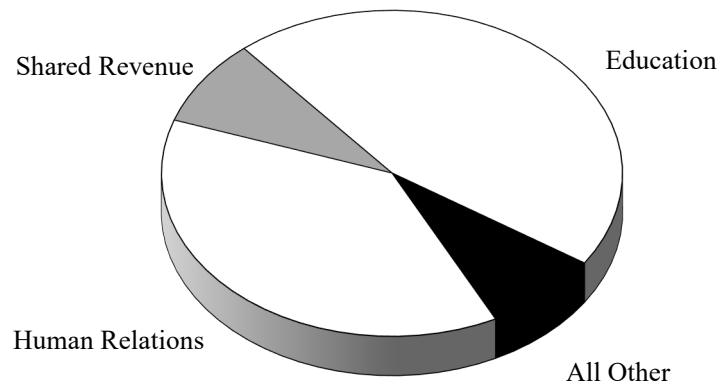
TABLE 11**Summary of General Fund Appropriations by Agency**

<u>Agency</u>	<u>2024-25 Adjusted Base Doubled</u>	<u>2025-27 Governor</u>	<u>2025-27 Jt. Finance</u>	<u>2025-27 Legislature</u>	<u>2025-27 Act 15</u>	<u>2025-27 Act 15 Change Over Base</u>	
						<u>Amount</u>	<u>%</u>
Administration	\$61,932,600	\$339,885,900	\$69,438,400	\$69,438,400	\$69,438,400	7,505,800	12.1%
Agriculture, Trade and Consumer Protection	65,987,800	124,879,100	84,311,100	84,311,100	84,311,100	18,323,300	27.8
Appropriation Obligation Bonds	673,881,800	583,551,800	583,551,800	583,551,800	583,551,800	-90,330,000	-13.4
Board for People with Developmental Disabilities	264,200	228,400	228,400	228,400	228,400	-35,800	-13.6
Board of Commissioners of Public Lands	3,228,200	4,075,400	3,231,200	3,231,200	3,231,200	3,000	0.1
Board on Aging and Long-Term Care	3,934,600	4,809,700	4,398,100	4,398,100	4,398,100	463,500	11.8
Building Commission	88,566,000	135,951,000	136,433,800	136,433,800	136,433,800	47,867,800	54.0
Child Abuse and Neglect Prevention Board	3,990,000	13,740,000	3,990,000	3,990,000	3,990,000	0	0.0
Children and Families	932,935,600	1,534,116,400	1,018,880,300	1,020,880,300	1,020,880,300	87,944,700	9.4
Circuit Courts	251,844,600	338,955,600	263,556,800	263,556,800	263,556,800	11,712,200	4.7
Compensation Reserves	--	575,490,800	385,700,700	385,700,700	385,700,700	385,700,700	N.A.
Corrections	3,149,392,400	3,671,685,600	3,546,763,200	3,546,763,200	3,546,763,200	709,110,900	22.5
Court of Appeals	26,365,200	25,883,500	25,883,500	25,883,500	25,883,500	-481,700	-1.8
District Attorneys	135,273,200	170,180,500	152,422,900	152,422,900	152,422,900	17,149,700	12.7
Educational Communications Board	13,549,400	12,842,800	12,645,100	12,645,100	12,645,100	-904,300	-6.7
Elections Commission	10,426,200	15,062,700	10,746,200	10,746,200	10,746,200	320,000	3.1
Employee Trust Funds	25,800	20,200	20,200	20,200	20,200	-5,600	-21.7
Employment Relations Commission	1,917,600	3,336,600	1,965,700	1,965,700	1,965,700	48,100	2.5
Environmental Improvement Fund	13,398,000	210,602,000	10,518,300	10,518,300	10,518,300	-2,879,700	-21.5
Ethics Commission	2,067,800	8,495,400	2,412,800	2,412,800	2,412,800	345,000	16.7
Governor	9,452,600	9,668,800	9,668,800	9,668,800	9,668,800	216,200	2.3
Health Services	11,152,338,800	10,548,332,700	12,110,171,500	12,116,171,500	12,116,171,500	963,832,700	8.6
Higher Educational Aids Board	285,757,000	347,500,200	307,226,800	307,226,800	307,226,800	21,469,800	7.5
Historical Society	54,637,600	57,770,900	56,383,500	56,383,500	56,383,500	1,745,900	3.2
Insurance	33,070,000	63,932,600	72,564,100	72,564,100	72,564,100	39,494,100	119.4

<u>Agency</u>	<u>2024-25 Adjusted Base Doubled</u>	<u>2025-27 Governor</u>	<u>2025-27 Jt. Finance</u>	<u>2025-27 Legislature</u>	<u>2025-27 Act 15</u>	<u>2025-27 Act 15 Change Over Base</u>	
						<u>Amount</u>	<u>%</u>
Judicial Commission	\$727,000	\$758,900	\$758,900	\$758,900	\$758,900	\$31,900	4.4%
Judicial Council	0	0	282,400	282,400	282,400	282,400	N.A.
Justice	168,760,000	182,750,800	205,088,000	205,088,000	205,088,000	36,328,000	21.5
Labor and Industry Review Commission	335,200	331,600	331,600	331,600	331,600	-3,600	-1.1
Legislature	195,946,800	197,803,600	196,088,900	196,088,900	196,088,900	142,100	0.1
Lieutenant Governor	1,042,000	985,600	985,600	985,600	985,600	-56,400	-5.4
Medical College of Wisconsin	27,206,000	30,735,000	27,796,900	27,796,900	27,796,900	590,900	2.2
Military Affairs	78,278,800	176,099,400	171,679,000	171,679,000	171,679,000	93,400,200	119.3
Miscellaneous Appropriations	393,042,000	438,640,400	431,362,000	431,362,000	431,362,000	38,320,000	9.7
Natural Resources	198,441,400	246,405,100	226,158,600	226,158,600	226,158,600	27,717,200	14.0
Program Supplements	664,200	5,029,200	42,873,400	117,873,400	117,873,400	117,209,200	N.A.
Public Defender	265,555,600	280,779,700	277,772,600	277,772,600	277,772,600	12,217,000	4.6
Public Instruction	15,737,816,000	19,140,553,900	16,621,610,200	16,621,610,200	16,620,860,200	883,044,200	5.6
Public Service Commission	0	422,000,000	0	0	0	0	N.A.
Revenue	424,669,200	430,680,900	418,154,900	418,154,900	418,154,900	-6,514,300	-1.5
Safety and Professional Services	0	1,963,800	0	0	0	0	N.A.
Shared Revenue and Tax Relief	3,853,224,200	4,906,986,100	3,960,942,800	3,960,942,800	3,960,942,800	107,718,600	2.8
State Fair Park Board	4,880,600	3,054,200	3,913,200	3,913,200	3,913,200	-967,400	-19.8
Supreme Court	41,321,800	43,787,500	41,510,600	41,510,600	41,510,600	188,800	0.5
Tourism	16,660,400	76,980,300	53,537,700	53,537,700	53,537,700	36,877,300	221.3
Transportation	384,998,400	570,353,800	372,095,900	373,970,900	373,970,900	-11,027,500	-2.9
University of Wisconsin System	2,693,265,200	3,384,817,500	2,781,716,200	2,728,716,200	2,728,716,200	35,451,000	1.3
Veterans Affairs	4,038,600	3,860,900	6,321,000	11,321,000	11,321,000	7,282,400	180.3
Wisconsin Economic Development Corporation	0	145,000,000	5,000,000	5,000,000	5,000,000	5,000,000	N.A.
Wisconsin Technical College System	1,174,885,800	1,234,161,200	1,188,227,400	1,188,227,400	1,188,227,400	13,341,600	1.1
Workforce Development	<u>122,091,800</u>	<u>334,772,900</u>	<u>133,675,000</u>	<u>133,675,000</u>	<u>133,675,000</u>	<u>11,583,200</u>	9.5
Total	\$42,762,088,000	\$51,060,290,900	\$46,040,996,000	\$46,077,871,000	\$46,077,121,000	3,315,033,000	7.8%

FIGURE 5

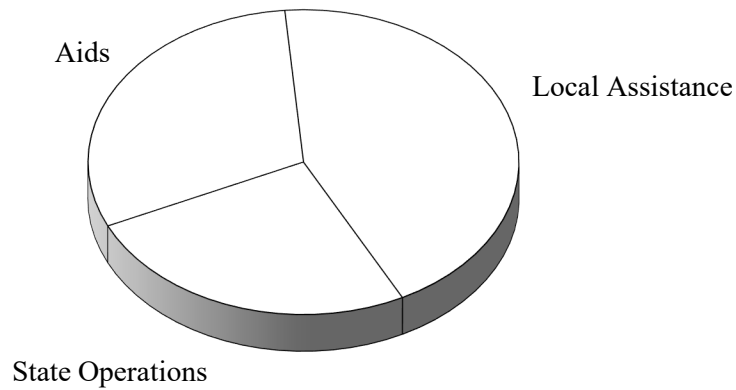
**2025-27 General Fund Appropriations
By Functional Area**



<u>Functional Area</u>	<u>Amount</u>	<u>Percent of Total</u>
Education	\$20,941,856,100	45.4%
Human Relations and Resources	17,368,914,700	37.7
Shared Revenue and Tax Relief	3,960,942,800	8.6
All Other		
General Executive	1,375,982,500	3.0
General Appropriations	685,669,200	1.5
Environmental Resources	664,185,500	1.5
Compensation Reserves	385,700,700	0.8
Judicial	331,992,200	0.7
Legislative	196,088,900	0.4
Commerce	165,788,400	0.4
TOTAL	\$46,077,121,000	100.0%

FIGURE 6

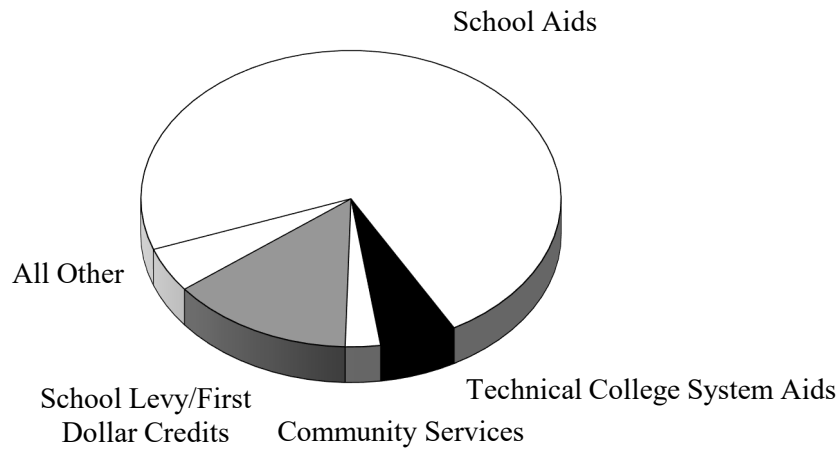
**2025-27 General Fund Appropriations
By Purpose**



<u>Purpose</u>	<u>Amount</u>	<u>Percent of Total</u>
Local Assistance	\$20,185,203,000	43.8%
Aids to Individuals and Organizations	14,073,054,400	30.5
State Operations	(11,818,863,600)	(25.7)
Corrections	3,462,716,500	7.5
UW System	2,728,456,200	5.9
Compensation Reserves	385,700,700	0.9
Other Programs	<u>5,241,990,200</u>	<u>11.4</u>
TOTAL	\$46,077,121,000	100.0%

FIGURE 7

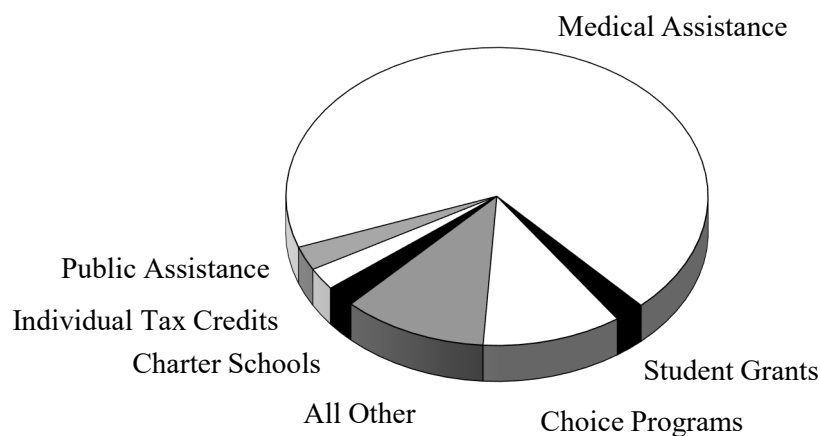
**2025-27 General Fund Appropriations
Local Assistance**



<u>Program</u>	<u>Amount</u>	<u>Percent of Total</u>
Elementary and Secondary School Aids	\$14,617,229,700	72.4%
School Levy/First Dollar Tax Credits	2,847,573,100	14.1
Technical College System Aids	1,181,353,200	5.9
Community and Juvenile Correctional Services	547,978,600	2.7
Transit Aid	232,297,800	1.2
Public Utility Aid	208,699,100	1.0
Income Maintenance and Circuit Court Payments	140,842,200	0.7
Other	<u>409,229,300</u>	<u>2.0</u>
TOTAL	\$20,185,203,000	100.0%

FIGURE 8

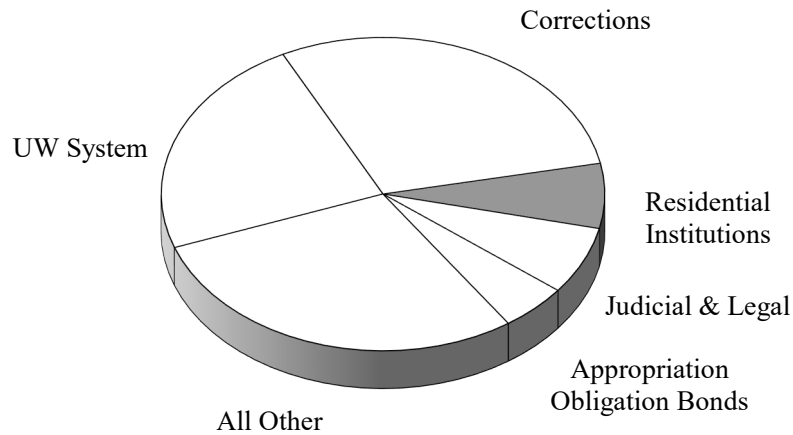
**2025-27 General Fund Appropriations
Aids to Individuals and Organizations**



<u>Program</u>	<u>Amount</u>	<u>Percent of Total</u>
Medical Assistance Benefits	\$9,658,702,300	68.6%
Private School Choice Programs	1,512,637,100	10.7
Public Assistance	364,600,800	2.6
Refundable Individual Tax Credits	341,094,000	2.4
Independent Charter Schools	323,754,300	2.3
Supplemental Security Income	320,796,400	2.3
Student Grants and Aids	318,032,800	2.3
Refundable Business Tax Credits	182,960,000	1.3
Milwaukee Child Welfare	157,753,200	1.1
Out-of-Home Care and Adoption Services	105,590,400	0.8
Other	787,133,100	5.6
TOTAL	\$14,073,054,400	100.0%

FIGURE 9

**2025-27 General Fund Appropriations
State Operations**



<u>Program</u>	<u>Amount</u>	<u>Percent of Total</u>
Correctional Operations	\$3,462,716,500	29.3%
UW System	2,728,456,200	23.1
Judicial and Legal Services	823,955,300	7.0
State Residential Institutions	790,912,700	6.7
Appropriation Obligation Bonds	583,551,800	4.9
Health Services/Workforce Development	481,383,700	4.1
Tax Administration	418,154,900	3.5
Compensation Reserves	385,700,700	3.3
Conservation Fund -- Forestry Account	339,096,600	2.9
Income Tax Reciprocity	317,900,000	2.7
Natural Resources	205,292,600	1.7
Legislature	196,088,900	1.6
Joint Finance -- Supplemental Appropriation	117,476,400	1.0
Other	<u>968,177,300</u>	<u>8.2</u>
TOTAL	\$11,818,863,600	100.0%

TABLE 12
Distribution of 2025-27 General Fund Appropriations

	<u>Amount</u>	<u>% of Category</u>	<u>% of Total</u>
LOCAL ASSISTANCE			
Elementary and Secondary School Aids	\$14,617,229,700	72.4%	31.7%
School Levy/First Dollar Tax Credits	2,847,573,100	14.1	6.2
Technical College System Aids	1,181,353,200	5.9	2.6
Community and Juvenile Correctional Services	547,978,600	2.7	1.2
Transit Aid	232,297,800	1.2	0.5
Public Utility Aid	208,699,100	1.0	0.4
Income Maintenance and Circuit Court Payments	140,842,200	0.7	0.3
Other	<u>409,229,300</u>	<u>2.0</u>	<u>0.9</u>
TOTAL--LOCAL ASSISTANCE	\$20,185,203,000	100.0%	43.8%
AIDS TO INDIVIDUALS AND ORGANIZATIONS			
Medical Assistance Benefits	\$9,658,702,300	68.6%	21.0%
Private School Choice Programs	1,512,637,100	10.7	3.3
Public Assistance	364,600,800	2.6	0.8
Refundable Individual Tax Credits	341,094,000	2.4	0.7
Independent Charter Schools	323,754,300	2.3	0.7
Supplemental Security Income	320,796,400	2.3	0.7
Student Grants and Aids	318,032,800	2.3	0.7
Refundable Business Tax Credits	182,960,000	1.3	0.4
Milwaukee Child Welfare	157,753,200	1.1	0.3
Out-of-Home Care and Adoption Services	105,590,400	0.8	0.2
Other	<u>787,133,100</u>	<u>5.6</u>	<u>1.7</u>
TOTAL--AIDS	\$14,073,054,400	100.0%	30.5%
STATE OPERATIONS			
Correctional Operations	\$3,462,716,500	29.3%	7.5%
UW System	2,728,456,200	23.1	5.9
Judicial and Legal Services	823,955,300	7.0	1.8
State Residential Institutions	790,912,700	6.7	1.7
Appropriation Obligation Bonds	583,551,800	4.9	1.3
Health Services/Workforce Development	481,383,700	4.1	1.1
Tax Administration	418,154,900	3.5	0.9
Compensation Reserves	385,700,700	3.3	0.9
Conservation Fund -- Forestry Account	339,096,600	2.9	0.7
Income Tax Reciprocity	317,900,000	2.7	0.7
Natural Resources	205,292,600	1.7	0.4
Legislature	196,088,900	1.6	0.4
Joint Finance -- Supplemental Appropriation	117,476,400	1.0	0.3
Other	<u>968,177,300</u>	<u>8.2</u>	<u>2.1</u>
TOTAL--STATE OPERATIONS	\$11,818,863,600	100.0%	25.7%
GRAND TOTAL	\$46,077,121,000		100.0%

TABLE 13

**2025-27 General Fund Appropriations
Ten Largest General Fund Programs**

	<u>Amount</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
Elementary and Secondary School Aids	\$14,617,229,700	31.7%	31.7%
Medical Assistance Benefits	9,658,702,300	21.0	52.7
Correctional Operations	3,462,716,500	7.5	60.2
School Levy/First Dollar Tax Credits	2,847,573,100	6.2	66.4
UW System	2,728,456,200	5.9	72.3
Private School Choice Programs	1,512,637,100	3.3	75.6
Technical College System Aids	1,181,353,200	2.6	78.2
Judicial and Legal Services	823,955,300	1.8	80.0
State Residential Institutions	790,912,700	1.7	81.7
Appropriation Obligation Bonds	<u>583,551,800</u>	<u>1.3</u>	83.0
Subtotal	\$38,207,087,900	83.0%	
All Other Programs	\$7,870,033,100	17.0%	100.0%
GRAND TOTAL	\$46,077,121,000	100.0%	

TABLE 14**Summary of General Fund Full-Time Equivalent Positions by Agency**

	2024-25 <u>Base</u>	2026-27 <u>Governor</u>	2026-27 <u>Jt. Finance</u>	2026-27 <u>Legislature</u>	2026-27 <u>Act 15</u>	Act 15 <u>Change to Base</u>
Administration	59.87	90.87	58.87	58.87	58.87	-1.00
Agriculture, Trade and Consumer Protection	201.40	219.40	202.40	202.40	202.40	1.00
Board of Commissioners of Public Lands	8.70	9.70	7.70	7.70	8.70	0.00
Board on Aging and Long-Term Care	21.13	24.28	21.13	21.13	21.13	0.00
Children and Families	232.91	243.67	231.99	231.99	231.99	-0.92
Circuit Courts	551.00	555.00	551.00	551.00	551.00	0.00
Corrections	9,615.22	10,173.72	9,780.87	9,780.87	9,780.87	165.65
Court of Appeals	75.50	75.50	75.50	75.50	75.50	0.00
District Attorneys	460.80	544.30	502.80	502.80	502.80	42.00
Educational Communications Board	25.94	25.94	25.94	25.94	25.94	0.00
Elections Commission	25.75	35.75	25.75	25.75	25.75	0.00
Employment Relations Commission	6.00	23.50	6.00	6.00	6.00	0.00
Ethics Commission	4.70	27.00	4.70	4.70	4.70	0.00
Governor	37.25	37.25	37.25	37.25	37.25	0.00
Health Services	2,690.43	2,836.86	2,773.36	2,773.36	2,773.36	82.93
Higher Educational Aids Board	11.50	11.50	11.50	11.50	11.50	0.00
Historical Society	112.65	115.65	118.65	118.65	118.65	6.00
Insurance	0.00	10.00	0.00	0.00	0.00	0.00
Judicial Commission	2.00	2.00	2.00	2.00	2.00	0.00
Judicial Council	0.00	0.00	1.00	1.00	1.00	1.00
Justice	412.28	423.38	415.98	415.98	415.98	3.70
Labor and Industry Review Commission	0.80	0.80	0.80	0.80	0.80	0.00
Legislature	768.17	771.17	770.17	770.17	770.17	2.00
Lieutenant Governor	5.00	5.00	5.00	5.00	5.00	0.00
Military Affairs	82.48	95.73	82.53	82.53	82.53	0.05

TABLE 14 (continued)**Summary of General Fund Full-Time Equivalent Positions by Agency**

	<u>2024-25</u> <u>Base</u>	<u>2026-27</u> <u>Governor</u>	<u>2026-27</u> <u>Jt. Finance</u>	<u>2026-27</u> <u>Legislature</u>	<u>2026-27</u> <u>Act 15</u>	<u>Act 15</u> <u>Change to Base</u>
Natural Resources	219.77	232.77	219.77	219.77	219.77	0.00
Public Defender	614.85	667.35	627.35	627.35	627.35	12.50
Public Instruction	247.29	250.29	247.29	247.29	247.29	0.00
Revenue	950.15	962.90	931.85	931.85	931.85	-18.30
Supreme Court	115.50	123.90	115.50	115.50	115.50	0.00
Tourism	33.00	39.00	34.00	34.00	34.00	1.00
University of Wisconsin System	17,697.49	17,911.49	17,697.49	17,697.49	17,697.49	0.00
Veterans Affairs	0.00	1.00	1.00	1.00	1.00	1.00
Wisconsin Technical College System	23.25	27.25	23.25	23.25	23.25	0.00
Workforce Development	<u>151.02</u>	<u>192.67</u>	<u>151.02</u>	<u>151.02</u>	<u>151.02</u>	<u>0.00</u>
TOTAL	35,463.80	36,766.59	35,761.41	35,761.41	35,762.41	298.61

OVERVIEW

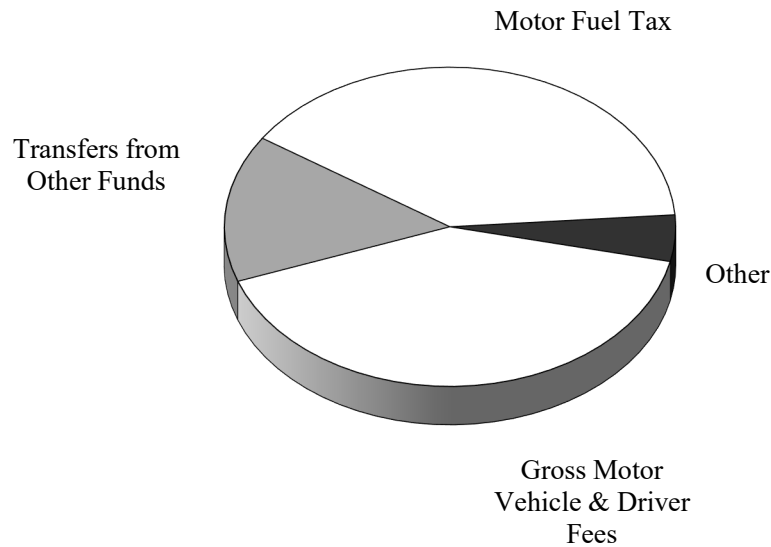
TRANSPORTATION FUND BUDGET

TABLE 15**2025-27 Transportation Fund Condition Statement**

	<u>2025-26</u>	<u>2026-27</u>
Unappropriated Balance, July 1	\$161,381,600	\$328,864,500
Revenues		
Motor Fuel Tax	\$1,061,244,200	\$1,055,749,400
Registration and Title Fee Revenues		
Registration Revenues	743,690,300	753,319,900
Title Revenues	267,150,400	286,232,300
Miscellaneous Motor Vehicle Fees	32,684,100	32,792,800
Less Revenue Bond Debt Service	-174,576,400	-194,280,600
Petroleum Inspection Fee One-Cent Deposit	38,160,500	37,962,900
Driver's License Fees	40,935,500	41,746,400
Aeronautical Fees and Taxes	7,132,400	7,391,500
Railroad Property Taxes and Transfers	24,846,400	25,039,400
Miscellaneous Departmental Revenues	9,364,100	9,298,300
Investment Earnings	57,454,800	38,409,500
Electric Vehicle Charging Tax	344,200	464,100
Transfers to the Fund		
Transfer of 0.25% of General Fund Taxes	54,901,100	56,517,700
One-Time General Fund Transfer	580,000,000	0
Electric Vehicle Sales Tax Transfer	28,038,500	28,470,600
OCI Transfer	6,000,000	6,000,000
Petroleum Inspection Fund Unencumbered Balance	15,134,400	15,032,900
Petroleum Inspection Fund Ongoing Transfer	<u>6,258,500</u>	<u>6,258,500</u>
Total Revenues	\$2,798,763,000	\$2,206,405,600
Total Available	\$2,960,144,600	\$2,535,270,100
Appropriations and Reserves		
DOT Appropriations	\$2,595,178,300	\$2,461,994,300
Less Estimated Lapses	-3,000,000	-3,000,000
Compensation and Other Reserves	11,591,700	19,640,500
Other Agency Appropriations	<u>27,510,100</u>	<u>28,097,000</u>
Net Appropriations and Reserves	\$2,631,280,100	\$2,506,731,800
Unappropriated Balance, June 30	\$328,864,500	\$28,538,300

FIGURE 10

Estimated 2025-27 Transportation Fund Revenues



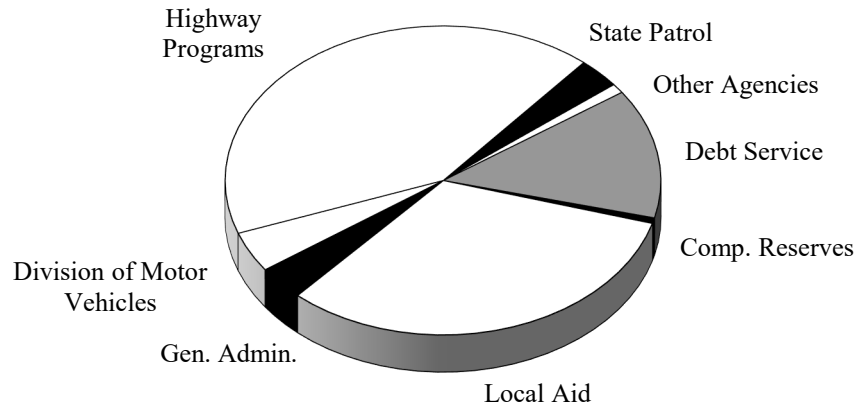
<u>Source</u>	<u>Amount</u>	<u>Percent of Total</u>
Gross Motor Vehicle and Driver Fees*	\$2,198,551,700	40.9%
Motor Fuel Tax	2,116,993,600	39.4
Transfers from Other Funds	802,612,200	14.9
Petroleum Inspection Fee One-Cent Deposit	76,123,400	1.4
Railroad Property Taxes and Transfers	49,885,800	0.9
Aeronautical Fees and Taxes	14,523,900	0.3
Miscellaneous Revenue	<u>115,335,000</u>	<u>2.2</u>
Net Balance	\$5,374,025,600	100.0%

*The amount shown is the total motor vehicle and driver fee revenue before deductions for the payment of revenue bond debt service.

Note: The 2025-27 opening balance in the transportation fund totaled \$161.4 million, so the total amount of revenues available in the 2025-27 biennium is estimated at \$5,535.4 million.

FIGURE 11

**2025-27 Transportation Fund Appropriations
By Category**



<u>Category</u>	<u>Amount</u>	<u>Percent of Total</u>
Highway Programs*	\$2,326,481,700	42.2%
Local Transportation Aid	1,790,400,500	32.5
Debt Service	699,492,200	12.7
Division of Motor Vehicles	236,671,600	4.3
General Administration	195,965,200	3.6
Division of State Patrol	177,018,400	3.2
Other Agencies	55,607,100	1.0
Compensation Reserves	<u>31,232,200</u>	<u>0.6</u>
Total	\$5,512,868,900	100.0%

*Does not include transportation fund-supported bond proceeds.

Note: Lapses to the transportation fund from the appropriations above are estimated to be \$6.0 million in the 2025-27 biennium. Therefore, expenditures are estimated to be \$5,506.9 million.

OVERVIEW

LOCAL GOVERNMENT FUND

TABLE 16**2025-27 Local Government Fund**

	<u>2025-26</u>	<u>2026-27</u>
Opening Balance	\$37,836,200	\$53,721,900
Revenues		
Transfer from General Fund	\$1,587,022,700	\$1,622,776,600
Interest Earnings	<u>16,700,000</u>	<u>10,000,000</u>
Total	\$1,641,558,900	\$1,686,498,500
Expenditures		
<i>Department of Revenue</i>		
County and Municipal Aid	\$770,396,000	\$796,589,500
Supplemental County and Municipal Aid	281,189,200	290,749,700
Full Personal Property Exemption Aid	173,800,000	173,800,000
Computer Aid	98,047,100	98,047,100
Existing Personal Property Aid	75,619,700	75,619,700
Expenditure Restraint Incentive Program	58,145,700	58,145,700
Payments for Municipal Services	25,584,200	25,584,200
Video Service Provider Fee Aid	10,008,200	10,008,200
Local Grant Writing and Compliance Grants	0	3,000,000
County and Municipal Aid Lapses	<u>-5,857,200</u>	<u>-5,857,200</u>
Subtotal	\$1,486,932,900	\$1,525,686,900
<i>Department of Children and Families</i>		
Youth and Family Aids	\$46,652,900	\$46,652,900
<i>Department of Health Services</i>		
Emergency Medical System Funding	\$25,000,000	\$25,000,000
<i>Departments of Military Affairs and Justice</i>		
Law Enforcement Training Reimbursement	\$8,800,000	\$8,800,000
Urban Search and Rescue Task Force	3,000,000	1,500,000
State Disaster Assistance	3,000,000	3,000,000
Hazardous Materials Response Teams	1,500,000	1,500,000
Neenah-Menasha Fire Rescue	<u>200,000</u>	<u>0</u>
Subtotal	\$16,500,000	\$14,800,000
<i>Department of Transportation</i>		
Transfer to Transportation Fund	\$10,451,200	\$10,451,200
Columbia County Bridges Grant	<u>100,000</u>	<u>0</u>
Subtotal	\$10,551,200	\$10,451,200
<i>Department of Natural Resources</i>		
Lake Vista Shoreline Stabilization	\$2,200,000	\$0
Total Expenditures	\$1,587,837,000	\$1,622,591,000
Closing Balance	\$53,721,900	\$63,907,500

OVERVIEW

LOTTERY FUND BUDGET

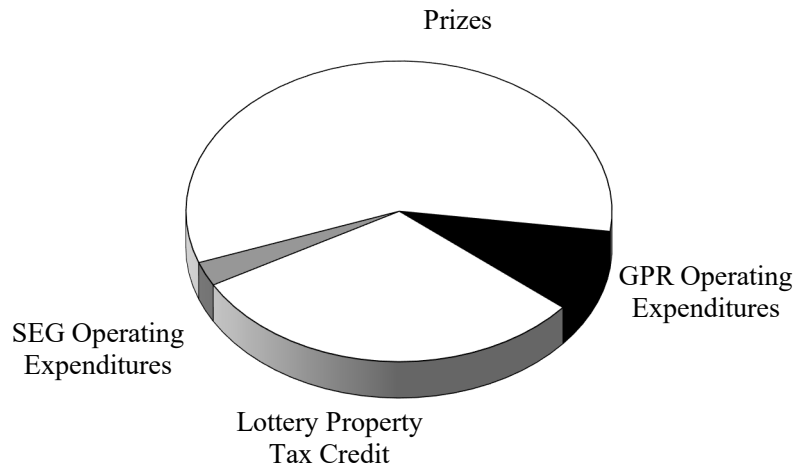
TABLE 17**2025-27 Lottery Fund Condition Statement**

	<u>2025-26</u>	<u>2026-27</u>
Fiscal Year Opening Balance	\$18,916,900	\$17,566,000
Operating Revenues		
Total Ticket Sales	\$877,951,200	\$877,951,200
Retailer Fees and Miscellaneous	<u>348,600</u>	<u>348,600</u>
Gross Revenues	\$878,299,800	\$878,299,800
Expenditures (SEG)		
Prizes	\$559,055,200	\$559,055,200
Retailer Compensation	0	0
Vendor Fees	2,106,700	2,106,700
General Program Operations	21,825,500	21,825,600
Gaming Law Enforcement	512,000	512,000
Lottery Credit Administration	339,200	339,200
Program Reserves	<u>200</u>	<u>200</u>
Total SEG Expenditures	\$583,838,800	\$583,838,900
Expenditures (GPR)		
Retailer Compensation	\$61,875,100	\$61,875,100
Vendor Fees	<u>24,358,400</u>	<u>24,358,400</u>
Total GPR Expenditures	\$86,233,500	\$86,233,500
Net SEG Proceeds	\$294,460,900	\$294,460,800
Interest Earnings	\$3,397,000	\$2,381,000
Total Available for Tax Relief *	\$316,774,800	\$314,407,800
Appropriations For Tax Relief		
Lottery and Gaming Credit	\$298,125,700	\$295,758,700
Late Lottery and Gaming Credit Applications	<u>1,083,100</u>	<u>1,083,100</u>
Total Appropriations for Tax Relief	\$299,208,800	\$296,841,800
Gross Closing Balance	\$17,566,000	\$17,566,000
Reserve (2% of Gross Revenues)	\$17,566,000	\$17,566,000
Net Closing Balance	\$0	\$0

*Opening balance, net SEG proceeds, and interest earnings.

FIGURE 12

2025-27 Lottery Fund Expenditures



	<u>Amount</u>	<u>Percent of Total</u>
Prizes	\$1,118,110,400	57.7%
Lottery Property Tax Credit*	596,050,600	30.8
GPR Operating Expenditures	(172,467,000)	(8.9)
Retailer Compensation	123,750,200	6.4
Vendor Payments	48,716,800	2.5
SEG Operating Expenditures	(49,567,200)	(2.6)
General Program Operations	43,651,000	2.3
Vendor Payments	4,213,400	0.2
Appropriations to DOJ and DOR	1,702,400	0.1
Program Reserves	<u>400</u>	<u><0.1</u>
TOTAL	\$1,936,195,200	100.0%

* Includes late credit claims.

STATE AGENCY BUDGET SUMMARIES

ADMINISTRATION

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$61,932,600	\$339,885,900	\$69,438,400	\$69,438,400	\$69,438,400	\$7,505,800	12.1%
FED	287,661,000	281,703,000	282,966,800	282,966,800	282,966,800	- 4,694,200	- 1.6
PR	828,899,600	951,150,700	858,494,900	858,494,900	858,494,900	29,595,300	3.6
SEG	<u>103,679,200</u>	<u>154,254,500</u>	<u>103,845,500</u>	<u>103,845,500</u>	<u>103,845,500</u>	<u>166,300</u>	<u>0.2</u>
TOTAL	\$1,282,172,400	\$1,726,994,100	\$1,314,745,600	\$1,314,745,600	\$1,314,745,600	\$32,573,200	2.5%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	59.87	90.87	58.87	58.87	58.87	- 1.00
FED	138.30	63.30	67.80	67.80	67.80	- 70.50
PR	1,298.56	1,352.11	1,305.83	1,305.83	1,305.83	7.27
SEG	<u>12.55</u>	<u>17.55</u>	<u>12.55</u>	<u>12.55</u>	<u>12.55</u>	<u>0.00</u>
TOTAL	1,509.28	1,523.83	1,445.05	1,445.05	1,445.05	- 64.23

Budget Change Items

General Agency Provisions

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$299,200	0.00	\$0	0.00	\$299,200	0.00
FED	- 4,218,800	- 68.50	-161,000	0.00	- 4,379,800	- 68.50
PR	7,787,800	0.00	- 732,800	10.00	7,055,000	10.00
SEG	<u>166,300</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>166,300</u>	<u>0.00</u>
Total	\$4,034,500	- 68.50	- \$893,800	10.00	\$3,140,700	- 58.50

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	\$0	-\$120,800	-\$2,582,900	\$0	-\$2,703,700
Removal of Noncontinuing Elements	0	-585,600	0	0	-585,600
Full Funding of Cont. Pos. Salary/Fringe	302,800	204,500	6,932,200	108,400	7,547,900
Reclassification/Pay Progression	0	0	40,300	0	40,300
Overtime	0	0	549,000	0	549,000
Night and Weekend Differential	0	0	28,600	0	28,600
Full Funding of Lease/Directed Moves	<u>-151,800</u>	<u>-82,200</u>	<u>-1,049,100</u>	<u>-25,000</u>	<u>-1,308,100</u>
Total	\$151,000	-\$584,100	\$3,918,100	\$83,400	\$3,568,400
2026-27					
Turnover Reduction	\$0	-\$120,800	-\$2,582,900	\$0	-\$2,703,700
Removal of Noncontinuing Elements	0	-3,634,500	0	0	-3,634,500
Full Funding of Cont. Pos. Salary/Fringe	302,800	204,500	6,932,200	108,400	7,547,900
Reclassification/Pay Progression	0	0	46,800	0	46,800
Overtime	0	0	549,000	0	549,000
Night and Weekend Differential	0	0	28,600	0	28,600
Full Funding of Lease/Directed Moves	<u>-154,600</u>	<u>-83,900</u>	<u>-1,104,000</u>	<u>-25,500</u>	<u>-1,368,000</u>
Total	\$148,200	-\$3,634,700	\$3,869,700	\$82,900	\$466,100
Biennial Totals	\$299,200	-\$4,218,800	\$7,787,800	\$166,300	\$4,034,500

In addition, reduce authorized positions by 15.00 in 2025-26 and 68.50 in 2026-27 under the removal of noncontinuing elements standard budget adjustment.

Joint Finance/Legislature: Increase the rate to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$1,721,900 PR and -\$80,500 FED annually.

Increase funding by \$1,355,500 PR annually to reflect the annualized cost of creating 10.0 PR positions, which the Committee approved in executive session under s.13.10 of the statutes on April 1, 2025. The Committee created the following positions for the Division of Facilities Development: (a) five construction representatives - senior; (b) four capitol project principal managers; and (c) one enterprise contract officer.

Total adjustments to funding for standard budget adjustments are shown in the following table, with adjustments to position authority of -15.0 FED positions in 2025-26, -68.5 FED positions in 2026-27, and 10.0 PR positions annually.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	\$0	-\$201,300	-\$4,304,800	\$0	-\$4,506,100
Removal of Noncontinuing Elements	0	-585,600	0	0	-585,600
Full Funding of Cont. Pos. Salary/Fringe	302,800	204,500	6,932,200	108,400	7,547,900
Funding of Ongoing s. 13.10 Supplements	0	0	1,355,500	0	1,355,500
Reclassification/Pay Progression	0	0	40,300	0	40,300
Overtime	0	0	549,000	0	549,000
Night and Weekend Differential	0	0	28,600	0	28,600
Full Funding of Lease/Directed Moves	<u>-151,800</u>	<u>-82,200</u>	<u>-1,049,100</u>	<u>-25,000</u>	<u>-1,308,100</u>
Total	\$151,000	-\$664,600	\$3,551,700	\$83,400	\$3,121,500

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2026-27					
Turnover Reduction	\$0	-\$201,300	-\$4,304,800	\$0	-\$4,506,100
Removal of Noncontinuing Elements	0	-3,634,500	0	0	-3,634,500
Full Funding of Cont. Pos. Salary/Fringe	302,800	204,500	6,932,200	108,400	7,547,900
Funding of Ongoing s. 13.10 Supplements	0	0	1,355,500	0	1,355,500
Reclassification/Pay Progression	0	0	46,800	0	46,800
Overtime	0	0	549,000	0	549,000
Night and Weekend Differential	0	0	28,600	0	28,600
Full Funding of Lease/Directed Moves	<u>-154,600</u>	<u>-83,900</u>	<u>-1,104,000</u>	<u>-25,500</u>	<u>-1,368,000</u>
Total	\$148,200	-\$3,715,200	\$3,503,300	\$82,900	\$19,200
Biennial Totals	\$299,200	-\$4,379,800	\$7,055,000	\$166,300	\$3,140,700

2. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$123,700	\$11,800	\$135,500
PR	<u>-2,679,100</u>	<u>313,500</u>	<u>-2,365,600</u>
Total	<u>-\$2,555,400</u>	<u>\$325,300</u>	<u>-\$2,230,100</u>

Governor: Provide \$52,300 GPR and \$783,400 PR in 2025-26 and \$71,400 GPR and -\$3,462,500 PR in 2026-27 to reflect current law estimates of debt service costs on state general obligation bonds and commercial paper debt issued for the following programs: (a) educational technology infrastructure in schools (\$57,300 GPR in 2025-26 and \$57,500 GPR in 2026-27); (b) educational technology infrastructure for public library boards (-\$800 GPR in 2026-27); (c) Black Point Estate in Lake Geneva (-\$5,000 GPR in 2025-26 and \$14,700 GPR in 2026-27); (d) parking facilities in Madison (-\$14,700 PR in 2025-26 and -\$49,900 PR in 2026-27); and (e) buildings used to house state agencies (\$798,100 PR in 2025-26 and -\$3,412,600 PR in 2026-27).

Joint Finance/Legislature: Modify estimated debt service amounts by \$6,400 GPR and \$309,900 PR in 2025-26 and \$5,400 GPR and \$3,600 PR in 2026-27 for: (a) educational technology infrastructure in schools (\$100 GPR in 2025-26); (b) educational technology infrastructure for public library boards (\$100 GPR in 2025-26); (c) Black Point Estate in Lake Geneva (\$6,200 GPR in 2025-26 and 5,400 GPR in 2026-27); (d) parking facilities in Madison (\$346,900 PR in 2025-26 and \$333,600 PR in 2026-27); and (e) buildings used to house state agencies (-\$37,000 PR in 2025-26 and -\$330,000 PR in 2026-27).

3. GRANT TO LOCAL PROFESSIONAL BASEBALL PARK DISTRICT -- SUM SUFFICIENT REESTIMATE [LFB Paper 106]

GPR	\$1,600,000

Joint Finance/Legislature: Increase estimated funding by \$500,000 in 2025-26 and by \$1,100,000 in 2026-27 for the Department's grant to local professional baseball park district sum sufficient appropriation. Total funding for local professional baseball park districts grant payments would be \$13,900,000 in 2025-26 and \$14,500,000 in 2026-27.

4. **OVERTIME AND NIGHT AND WEEKEND DIFFERENTIAL REESTIMATE** [LFB Paper 110]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$403,200	- \$403,200	\$0

Governor: Provide \$201,600 annually for an ongoing increase to the Division of Facilities and Transportation Services' overtime and night and weekend differential expenditure authority under the facility operations and maintenance; police and protection functions appropriation. The increase includes \$188,200 annually for overtime costs to operate and maintain state-owned and leased properties and \$13,400 annually to fully fund night and weekend budgets in the Division. The increase is based on the difference between funding provided in standard budget adjustments for the same purposes and average actual expenditures in 2022-23 and 2023-24.

Joint Finance/Legislature: Provision not included.

5. **OVERTIME AND NIGHT AND WEEKEND DIFFERENTIAL BASE BUDGETS** [LFB Paper 110]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$1,418,400	- \$1,418,400	\$0

Governor: Provide \$709,200 annually to establish budgets for overtime and standby pay and night and weekend differential pay for the Division of Enterprise Technology (\$574,300 annually) and Division of Personnel Management (\$134,900 annually). The recommendation is based on average actual expenditures for such purposes in 2022-23 and 2023-24.

Joint Finance/Legislature: Provision not included.

6. **GRANTS FOR LOCAL CONSTRUCTION PROJECTS** [LFB Paper 111]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$125,311,700	2.00	- \$125,311,700	- 2.00	\$0	0.00
SEG	<u>40,100,000</u>	<u>0.00</u>	<u>- 40,100,000</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>
Total	\$165,411,700	2.00	- \$165,411,700	- 2.00	\$0	0.00

Governor: Create two appropriations and provide funding as follows: (a) a continuing appropriation with \$125,000,000 GPR in 2025-26 for one-time funding to award grants to eligible nonstate organizations for construction projects that have a statewide public purpose; and (b) a continuing appropriation with \$23,400,000 SEG in 2025-26 and \$16,700,000 SEG in 2026-27,

which would be funded from interest earnings of the state segregated local government fund, to award grants to eligible local and tribal governments for construction projects that have a statewide public purpose. Specify that a separate account be established in the local government fund that is designated the "local construction project grants account" for this purpose. The construction projects funded from both appropriations would be subject to Building Commission approval and eligible recipients must secure at least 50% of the total cost of the project from nonstate revenues.

Provide \$136,400 GPR in 2025-26, \$175,300 GPR in 2026-27, and 2.0 GPR positions annually to DOA's general program operations GPR appropriation to administer the grant programs. The Department would be responsible for administering a grant program to assist nonstate organizations, local governments, and tribal governments for construction projects that have a statewide public purpose.

Specify that grants may be made to the following recipients from each appropriation: (1) from the GPR nonstate appropriation: (a) \$4,000,000 to the New Community Shelter, Inc. in Brown County to support a permanent housing facility; (b) \$6,000,000 to the YMCA of Metropolitan Milwaukee, Inc. and Community Smiles Dental for renovation costs; (c) \$15,000,000 to the Second Harvest Foodbank of Southern Wisconsin, Inc., to construct a new facility for food processing, storage, and distribution; (d) \$860,000 to the Colfax Railroad Museum, Inc. for construction and renovation costs; and (e) \$2,500,000 to Wellpoint Care Network, Inc. for renovating a facility to create a child care center in the City of Milwaukee; and (2) from the SEG governmental appropriation: (a) \$3,000,000 to the City of Green Bay for the construction of a public market; and (b) \$4,250,000 to the City of Glendale for construction of a new library. Additionally, specify that a grant of \$2,000,000 may be made to any municipality or nongovernmental organization for the purchase, construction, or renovation of a child care facility in the southwest region of the state, which the fund source would depend on the recipient (i.e., GPR for a nongovernmental organization or SEG for a municipal recipient).

Under current law, the Building Commission is authorized to operate a grant program to provide funding from the capital improvement fund to nonstate organization construction projects that provide a statewide public purpose. The program is currently allocated no funding for this purpose. [See "Building Commission."]

Joint Finance/Legislature: Provision not included under DOA. [See "Building Program."]

7. CIVIL LEGAL ASSISTANCE GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$43,000,000	- \$43,000,000	\$0

Governor: Create a continuing GPR civil legal assistance appropriation and provide \$43,000,000 in 2025-26. Require DOA to pay the amounts appropriated to the Wisconsin Trust Account Foundation, Inc. to distribute grants to programs that provide civil legal services to indigent persons. Specify that grant funds may be used as a match for other federal and private

grants, but may only be used for the purposes for which the funding was provided. The Administration indicates that eligible services may include legal services relating to eviction, unemployment compensation, consumer law, domestic violence, and health insurance matters.

The Wisconsin Trust Account Foundation, Inc. (WisTAF) is a nonprofit created in 1986 by the Wisconsin Supreme Court to increase access to legal services. The Department of Children and Families (DCF) is budgeted temporary assistance for needy families (TANF) funding of \$500,000 FED annually (increased to \$4,500,000 annually in the Governor's budget recommendations) to support WisTAF. These funds may not be used for litigation against the state and may only be used to support specific civil legal services (related to domestic abuse, sexual abuse, or restraining orders for certain at-risk elderly and disabled individuals) for TANF-eligible individuals at or below 200% of the federal poverty level. (See "Children and Families -- TANF and Economic Support.")

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. SUPPLEMENT TO CRIME VICTIM SERVICES GRANT PROGRAM

Governor: Create a sum sufficient GPR appropriation to supplement the Department of Justice's (DOJ) crime victim services grant program if DOA determines the funding received from the federal government for crime victim assistance is insufficient. If DOA determines federal funds are insufficient to provide grants to crime victim services under the DOJ grant program created in the bill, then DOA would determine the amount of supplemental funding based on the difference between an amount determined by DOA for total program funding, no greater than \$44,500,000, and the sum of funding received from the federal government and the amount received from the newly-created crime victim services surcharge each fiscal year. DOA may consider the following factors for determining the supplemental grants: (a) the needs of rural and urban communities; (b) the amount of funding that a crime victim services organization receives as a percentage of its operating budget from the state or federal government; and (c) the degree to which the services of a crime victim service organization are coordinated with other resources in the community and state [See "Justice -- Victim and Witness Services."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. CREATE THE OFFICE OF VIOLENCE PREVENTION

	Governor		Jt. Finance/Leg.		Net Change	
	<u>(Chg. to Base)</u>		<u>(Chg. to Gov)</u>		<u>Funding Positions</u>	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$13,291,300	7.00	-\$13,291,300	- 7.00	\$0	0.00

Governor: Create an Office of Violence Prevention under Chapter 15 of the statutes and specify that the Office be attached to DOA. Create an annual GPR general program operations

appropriation for the Office and provide \$597,200 in 2025-26, \$694,100 in 2026-27, and 7.0 positions annually to administer the Office. The 7.0 positions consist of: (a) one classified director (budgeted at an annual salary of \$104,400); (b) one program and policy analyst - advanced for central office functions; (c) three positions for awarding grants and researching violence prevention initiatives for the Wisconsin Missing and Murdered Indigenous Women and Relatives Task Force; (d) one program and policy analyst - advanced for the Missing and Murdered African American Women and Girls Task Force; and (e) one human services program coordinator - senior for the Suicide Prevention Program. [Note that language was inadvertently included in the bill to specify that the director of the Office be appointed by the Secretary of DOA and that, for organizational purposes, the Office be considered a division within DOA and the director be considered a division administrator.]

Further, specify that the Office would: (a) establish a violence prevention focus across state government and collaborate with state agencies that are interested or active in the reduction of interpersonal violence; (b) support the development and implementation of community-based violence prevention initiatives within local units of governments across the state, including collaborating with law enforcement agencies; (c) develop a source of funding beyond state revenues to maintain the Office and expand its activities; (d) create a directory of violence prevention services and activities in each county; (e) provide technical assistance to local organizations that provide violence prevention services; and (f) develop public education campaigns to promote safer communities.

Create an annual GPR appropriation for violence reduction initiative grants and provide \$3,500,000 in 2025-26 and \$8,500,000 in 2026-27 for DOA to award to eligible recipients. Specify that the grants be awarded to support violence reduction initiatives, evidence-based outreach programs, and focused deterrence strategies that reduce the incidence of violence, victimization, and firearm incidents. The Department would award: (a) \$5,000,000 in 2026-27 for grants to entities throughout the state to support violence reduction initiatives; (b) \$3,000,000 annually to federally-recognized tribes in the state or organizations affiliated with tribes relating to missing and murdered indigenous women; and (c) \$500,000 annually to nongovernmental entities, municipalities, or federally-recognized tribes in the state for suicide prevention initiatives pertaining to firearms.

Create a Task Force on Missing and Murdered African American Women and Girls. Membership within the Task Force would consist of members who have experience in crime victim rights or violence protection and would be appointed by the Governor (except as otherwise specified) as follows: (a) two members of the Senate (one appointment each by the Majority and Minority Leader); (b) two members of the Assembly (one appointment each by the Speaker and Minority Leader); (c) two representatives from among the Wisconsin Chiefs of Police Association, the Badger State Sheriffs' Association, and the Division of Criminal Investigations within the Department of Justice; (d) a county coroner, representative from a statewide coroner's association, or a representative of the Department of Health Services; (e) three or more representatives from among a state or local organization that provides legal services, advocacy or counseling, and non-legal services to African American women and girls; the Wisconsin Coalition Against Sexual Assault; End Domestic Abuse Wisconsin; and an African American woman who is a survivor of gender violence. Specify that the Department would reimburse members of the task force for

necessary expenses incurred. Require the task force to meet at least quarterly and submit recommendations to the Governor by the end of calendar year 2025 and 2026.

The Office was established administratively within DOA in January, 2025, by Executive Order #254. Currently, there are no positions budgeted or designated under this office. However, according to a State and Local Fiscal Recovery Funds quarterly compliance allocation report (October to December, 2024), \$10,675,000 of American Rescue Plan Act funds was obligated to the State of Wisconsin Office of Violence Prevention.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. INCREASE LAND INFORMATION PROGRAM FUNDING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$16,588,200	- \$16,588,200	\$0
SEG-REV	16,588,200	- 16,588,200	0

Governor: Provide \$8,294,100 annually to the land information program; local aids appropriation and increase the general recording and filing fees charged by each county register of deeds and the amounts of the fees that counties must submit to DOA for the land information program. Modify the local aids appropriation by specifying all monies received from the fees are eligible for awards to counties, except funding appropriated and expended from the state operations appropriation by June 30. Under current law, the land information program has two separate appropriations: (a) land information program; state operations; and (b) land information program; local aids. According to the Administration, the proposed modification to the local aids appropriation language is a technical change that would allow unutilized funds transferred to the state operations appropriation to be used for the local aids appropriation.

Increase the recording and filing fee from \$30 to \$45 and specify that a county must submit \$30 of the fee to DOA (unless they meet the criteria required to retain \$15 of the submitted fee). The Department indicates the increase in revenues would be used for: (a) \$288,000 annually for training and education grants for awarding \$5,000 to each county rather than \$1,000 under current law; and (b) \$8,006,100 for strategic initiative grants for development and implementation of information systems and preparation of parcel property maps.

Specify the minimum amount of land information system base budget grants by subtracting the amount of fees a county retained in the preceding fiscal year from \$140,000 (rather than \$100,000). Further, specify that DOA is not required to award grants to counties that retained at least \$140,000 in fees from the preceding fiscal year (an increase from \$100,000). Specify the minimum amount for grants to any county for training county employees for the design, development, and implementation of a land information system be increased from \$1,000 to \$5,000 per year.

Under current law, DOA's Division of Intergovernmental Relations administers the land information program which provides technical assistance and grants to local governments for modernizing their land information systems. Counties are currently required to collect a general fee of \$30 to record or file an instrument, of which \$15 is transferred to DOA for the land information program. However, a county may retain \$8 of the submitted fee (\$23 in total) if they meet certain requirements such as establishing a land information office and council. According to DOA, all 72 counties are eligible to retain \$23 from each recording fee. Current base funding for the appropriation is \$6,945,300.

2023 Act 235 (relating to privacy protections for judicial officers) required any provider of public-facing land records to establish a process for judicial officers and immediate family members to opt out from the display of their names and name-based search functions on the provider's land records websites. The Department indicates the Act has increased workloads for local land records offices and costs for modernizing land information systems have increased.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. ADDRESS MILWAUKEE PUBLIC SCHOOL AUDIT RECOMMENDATIONS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,000,000	- \$5,000,000	\$0

Governor: Create a GPR biennial appropriation titled "First class city school district audit response support" and provide \$5,000,000 in 2025-26. Require DOA to make payments to the Milwaukee Public School District (MPSD) to implement recommendations from instructional and operations audits of the school district. Under the bill, funding under this appropriation could be used for items addressed in the audits, development and implementation of integrated financial reporting software, and facilitation of data compatibility with state and local finance systems. The operational audit of MPSD was released in February, 2025, with recommendations including the following: (a) create a coherent central system by restructuring the central office, investing in the office of human resources, and making targeted shifts to the strategic plan; (b) foster meaningful communication and collaboration by improving relationships between the MPSD Board of Directors and District leadership, bolstering leadership and operations within the Department of Communications and Marketing, and enhancing data management and utilization; and (c) operate and fund strategically by maintaining external accountability structures, investing in technological infrastructure and planning, and redesigning key internal procedures to equip staff for success. Under the bill, payments to MPSD would be at the discretion of the Secretary of DOA if the school district is making substantial progress on implementing audit recommendations.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. INCREASE RESOURCES TO THE NATIONAL AND COMMUNITY SERVICE BOARD

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$3,257,300	0.00	- \$3,257,300	0.00	\$0	0.00
FED	83,000	0.00	- 83,000	0.00	0	0.00
PR	<u>229,200</u>	<u>1.00</u>	<u>- 229,200</u>	<u>- 1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$3,569,500	1.00	- \$3,569,500	- 1.00	\$0	0.00

Governor: Provide: (a) \$26,200 GPR in 2025-26 and \$31,100 GPR to DOA's general program operations GPR appropriation; (b) \$104,900 PR in 2025-26, \$124,300 PR in 2026-27 and 1.0 PR position annually to the appropriation for NCSB administrative support; and (c) \$41,500 FED annually to the NCSB FED appropriation for federal aid - administration.

Funds provided to GPR and PR appropriations would be used to fulfill match requirements for federal funding from the Corporation for National and Community Service (AmeriCorps). Base funding for the PR appropriation is \$344,100 with 1.0 position.

Modify the federally-funded NCSB appropriations for administration and for grants from continuing appropriations limited to the amounts in the schedule to appropriations that allow expenditures of all monies received. Reestimate expenditures for administration by \$41,500 FED annually associated with projected program administration costs. Base funding for the administration appropriation is \$1,151,300 FED with 7.0 FED positions.

Create an appropriation called the national and community service board; state scholarship program and provide \$1,600,000 GPR annually to award state-funded annual educational scholarships based on a 100% match with a federal award to individuals who complete a term of service in the AmeriCorps program. The scholarships under the program could only be used to pay tuition and fees at a technical college, college, or university in Wisconsin. The state-funded scholarship program would award up to \$1,600,000 annually to eligible applicants. According to DOA, the annual award amount is based on a five-year average (2018 to 2022) of federal award payments to AmeriCorps alumni at Wisconsin schools.

Serve Wisconsin, Wisconsin's National and Community Service Board, has a mission to promote service, provide training, and allocate resources to programs that enrich lives and communities through service and volunteerism. The organization works with AmeriCorps programs and volunteers.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. LIMITED-TERM EMPLOYMENT REESTIMATES [LFB Paper 112]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$64,600	- \$64,600	\$0
PR	<u>2,537,000</u>	<u>- 2,537,000</u>	<u>0</u>
Total	\$2,601,600	- \$2,601,600	\$0

Governor: Provide \$32,300 GPR and \$1,268,500 PR annually for limited-term employee (LTE) costs to appropriations within DOA for which such costs exceeded the average budgeted amounts in 2022-23 and 2023-24. Increases for LTE expenditure authority would be provided to appropriations under the following programs: (a) supervision and management (\$30,600 GPR and \$619,000 PR annually); (b) risk management (\$19,200 PR annually); (c) attached divisions and other bodies (\$1,700 GPR and \$80,100 PR annually); (d) facilities management (\$530,500 PR annually); and (e) Division of Gaming (\$19,700 PR annually). According to DOA, LTEs were previously supported by budget transfers from other areas and there is no longer sufficient funding to support such transfers.

Joint Finance/Legislature: Provision not included.

14. LOCAL GOVERNMENT GRANT RESOURCE TEAM

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$822,400	5.00	- \$822,400	- 5.00	\$0	0.00

Governor: Provide \$361,000 in 2025-26, \$461,400 in 2026-27, and 5.0 positions annually to DOA's general program operations appropriation to create a grant resource team within the Division of Intergovernmental Relations which would be responsible for assisting local governments in navigating state and federal grant application processes. The grant resource team is intended to increase the ability of local governments to obtain state and federal resources.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. TAX APPEALS COMMISSION FUNDING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$372,200	-\$372,200	\$0
PR	<u>12,000</u>	<u>- 12,000</u>	<u>0</u>
Total	\$384,200	- \$384,200	\$0

Governor: Provide \$322,300 GPR in 2025-26 and \$49,900 GPR in 2026-27 to the Department of Administration's attached divisions and other bodies - adjudication of tax appeals appropriation to: (a) implement and maintain an electronic filing and payment system (\$304,500 in 2025-26 and \$32,100 in 2026-27); and (b) increase supplies and services funding needed under current law (\$17,800 annually). [The Administration indicates that it did not intend to provide funding for a supplies and services increase under the bill. Therefore, an adjustment would be needed to address this item.] Provide \$6,000 PR annually to DOA's attached divisions and other bodies - program services appropriation to enable the Tax Appeals Commission to use additional revenue generated from increased filing fees to support operations.

Separate provisions of the bill would increase filing fees on petitions to the Tax Appeals Commission and allow for electronic filing of petitions. [For additional information, see "Department of Revenue."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. POSITION REALLOCATIONS [LFB Paper 113]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
FED	-\$1,822,200	- 6.50	\$1,822,200	6.50	\$0	0.00
PR	402,600	1.50	- 402,600	- 1.50	0	0.00
SEG	<u>1,419,600</u>	<u>5.00</u>	<u>- 1,419,600</u>	<u>- 5.00</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Adjust positions and funding annually for appropriations as shown in the following table.

	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>	<u>Positions</u>
<u>Reduce Funding and Positions</u>					
505(1)(ic) Services to nonstate governmental units	\$0	-\$78,500	\$0	-\$78,500	-0.50
505(1)(jc) Employee development and training services	0	-118,300	0	-118,300	-1.00
505(1)(mb) Federal aid	-803,700	0	0	-803,700	-5.50
505(2)(ki) Risk management administration	0	-42,800	0	-42,800	-0.45
505(7)(m) Housing and community development federal aid; state operations	-107,400	0	0	-107,400	-1.00
505(8)(h) General program operations; Indian gaming	<u>0</u>	<u>-50,800</u>	<u>0</u>	<u>-50,800</u>	<u>-0.25</u>
Subtotal	-\$911,100	-\$290,400	\$0	-\$1,201,500	-8.70

	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>	<u>Positions</u>
<u>Increase Funding and Positions</u>					
505(1)(iu) Plat and proposed incorporation and annexation review	\$0	\$42,800	\$0	\$42,800	0.45
505(1)(ka) Materials and services to state agencies	0	107,400	0	107,400	1.00
505(1)(kr) Legal services; relocation assistance	0	144,700	0	144,700	0.75
505(1)(kz) General program operations; personnel management	0	196,800	0	196,800	1.50
505(3)(q) General program operations; utility public benefits	<u>0</u>	<u>0</u>	<u>709,800</u>	<u>709,800</u>	<u>5.00</u>
Subtotal	\$0	\$491,700	\$709,800	\$1,201,500	8.70
Total	-\$911,100	\$201,300	\$709,800	\$0	0.00
Biennial Totals	-\$1,822,200	\$402,600	\$1,409,600	\$0	0.00

State positions may generally be created only through legislation or by the Joint Committee on Finance under s. 13.10 of the statutes. Positions funded from program revenue can be created through a passive review request to the Committee. Positions funded from federal revenue can be created by the Governor. The Department indicates that, in general, it aims to utilize vacant position authority where possible in place of requesting creation of new positions.

Joint Finance/Legislature: Provision not included.

17. REPRESENTATION FOR LAW LICENSE GRIEVANCES

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$209,700	1.00	-\$209,700	- 1.00	\$0	0.00

Governor: Provide funding and position authority to DOA's legal services; relocation assistance appropriation with \$91,600 in 2025-26, \$118,100 in 2026-27, and 1.0 position annually to hire an attorney to represent state attorneys before the Office of Lawyer Regulation regarding grievances filed against their law licenses. Current base funding for the appropriation is \$1,357,200.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. ADMINISTRATIVE SUPPORT TO HIGHER EDUCATIONAL AIDS BOARD

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
PR	\$194,800	1.00	- \$194,800	- 1.00	\$0	0.00

Governor: Provide \$85,200 in 2025-26, \$109,600 in 2026-27, and 1.0 position annually to DOA's appropriation for materials and services to state agencies and certain districts to provide administrative support to the Higher Educational Aids Board (HEAB). The provision would be funded from assessments to HEAB for services provided. Specify that HEAB and the Distance Learning Authorization Board (DLAB) be administratively attached to the Department. Renumber the appropriation for DLAB general operations to be a DOA appropriation for the same purpose. Under current law, HEAB is responsible for its own administrative services and the DLAB is attached to HEAB.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

19. INCREASE RESOURCES TO THE WISCONSIN WOMEN'S COUNCIL

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$81,000	- \$81,000	\$0

Governor: Provide \$42,000 in 2025-26 and \$39,000 in 2026-27 the Women's Council operations appropriation to increase funding for the Wisconsin's Women's Council for additional research capacity and operational support. Of the amounts, \$40,000 in 2025-26 and \$37,000 in 2026-27 would be used to cover costs for LTEs and supplies for the Council's research operations. The recommendation would also include an ongoing increase of \$2,000 annually for the Council's supplies and services expenditure authority to provide sponsorships, support partners' initiatives, and develop informational webinars and reports. Current base funding for the Council is \$172,600.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

20. MUNICIPAL RECORDS FILINGS AND BOUNDARY REVIEW

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$9,600	0.05	- \$9,600	- 0.05	\$0	0.00

Governor: Provide \$4,800 and 0.05 position annually to DOA's plat and proposed incorporation and annexation review appropriation for the Division of Intergovernmental Relations to support the work related to requiring county register of deeds to record municipal boundary plans and agreements. Current base funding for the appropriation is \$378,800.

Transfer the responsibility of filing certain municipal records from the Secretary of State to the Secretary of Administration and transfer associated records to DOA. Under 2015 Act 55, some, but not all, municipal records filing duties were transferred from the Secretary of State to DOA. The provision is intended to complete the transfer of these duties for all municipal filing categories. [See "Secretary of State."]

Modify intergovernmental cooperation statutes to include filing and recording requirements for anticipated boundary changes. If a boundary change under a cooperative agreement or plan is anticipated to be enacted by ordinance more than 30 days after entering into a written agreement or approval of a plan, require the municipal clerk, as designated in the plan, to file and record a certified copy of the agreement with the register of deeds.

In addition, modify DOA's current statutory requirements to replace the term "plat" with the term "scale map" to conform to existing requirements for certain filings, including petitions for incorporation and annexation. Reduce the number of copies that must be provided to DOA from multiple copies to one copy in certain circumstances.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

21. USS COBIA

GPR	\$500,000

Joint Finance/Legislature: Create an annual GPR appropriation under DOA and provide \$500,000 GPR in 2025-26 to the Wisconsin Maritime Museum for maintenance of the USS Cobia. Sunset the appropriation July 1, 2027.

[Act 15 Sections: 84, 85, 9101(3), and 9401(1)]

22. VACANT POSITIONS

	Funding	Positions
PR	- \$201,800	- 1.73

Joint Finance/Legislature: Delete \$100,900 and 1.73 positions annually associated with positions that have been vacant for 12 months or more as follows: (a) 1.0 position and \$98,800 annually from the enterprise resource planning system appropriation; and (b) 0.73 position and \$2,100 annually from the facility and operations maintenance; police and protection functions appropriation.

23. POSITIONS IN CERTAIN OFFICES

Joint Finance/Legislature: Delete 4.0 positions annually (1.0 GPR, 2.0 FED, and 1.0 PR) from the following offices: (a) Office of Clean Energy and Sustainability (1.0 PR Director, 1.0 FED research analyst, and 1.0 FED communications specialist); and (b) Office of Environmental Justice (1.0 unclassified GPR Director). Reduce the federal aid FED appropriation by -\$157,200 FED annually, materials and services to state agencies and certain districts PR appropriation by -\$146,800 PR annually, and general program operations GPR appropriation by -\$138,200 GPR annually.

	Funding	Positions
GPR	-\$276,400	- 1.00
FED	- 314,400	- 2.00
PR	<u>- 293,600</u>	<u>- 1.00</u>
Total	-\$884,400	- 4.00

24. CLAIMS BOARD TIMELINE FOR CERTAIN CLAIMS

Joint Finance/Legislature: Specify that any claim referred to the Claims Board that relates to a contract with the Department of Transportation for a transportation infrastructure improvement or to a contract with DOA or the Board of Regents of the University of Wisconsin System for a construction project must be heard by the Claims Board, and the Claims Board must make a final determination within six months. Specify that if the Claims Board concludes that a claim under this provision would be more properly adjudicated in a court of law or upon the failure of the Claims Board to make a final determination within six months, the claimant may commence an action against the state seeking judgment on the claim by service and by filing with the clerk of court a bond, not exceeding \$1,000, with two or more sureties, to be approved by the Attorney General, to the effect that the claimant will indemnify the state against all costs that may accrue in such action and pay to the clerk or court all costs in case the claimant fails to obtain judgment against the state.

[Act 15 Sections: 8, 349, and 350]

Housing and Environment

1. HOMELESSNESS PREVENTION INITIATIVES

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$22,919,300	2.00	-\$22,919,300	- 2.00	\$0	0.00
PR	<u>1,159,600</u>	<u>1.00</u>	<u>- 1,159,600</u>	<u>- 1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$24,078,900	3.00	-\$24,078,900	- 3.00	\$0	0.00

Governor: Increase funding for the Housing Assistance Program (HAP) and State Shelter Subsidy Grant Program (SSSG) by providing \$8,300,000 GPR annually to the shelter for homeless and housing grants appropriation. Under current law, HAP provides grants to local governments,

nonprofit organizations, for-profit organizations, and other entities to operate housing and supportive services for individuals experiencing homelessness. The SSSG program provides grants to local governments, nonprofit organizations, for-profit organizations, and federally-recognized tribes or bands for shelter operations. Currently, HAP is allocated \$900,000 GPR annually and SSSG is allocated \$1,613,600 GPR annually. Specify that the distribution of HAP grants would be balanced across the state, rather than geographic areas served by the each of the continuum of care organizations (COC) in the state (Milwaukee County, Dane County, Racine County, and Balance of State). According to the Administration, the change in HAP language would allow non-COC organizations that provide similar services to receive funding.

Create a housing quality standards grant program funded by an annual GPR appropriation and provide \$2,000,000 annually. Under the bill, DOA would award grants to owners of rental housing units for the purposes of satisfying applicable housing quality standards. According to the Administration, grants would be awarded for satisfying applicable federal housing quality standards such as ensuring units are clean, agreeing to charge applicable fair market rental rates during grant periods, and accepting referrals for tenants from waiting lists. The Administration indicates the \$2,000,000 annual amount was determined based on a recommendation from the Interagency Council on Homelessness.

Increase funding for the Homeless Prevention Program (HPP) by providing \$1,000,000 GPR annually to the housing grants and loans appropriation. Under current law, DOA provides HPP grants to eligible recipients who can also use the grants as a match for federally-funded Emergency Solutions Grants, which are used for a variety of housing services such as street outreach, emergency shelter, and rapid-rehousing. Eligible uses of HPP grants include: (a) housing payments (rent, security deposits, utilities, and moving costs); and (b) housing relocation and stabilization services. Currently, HPP is allocated \$1,515,000 GPR annually.

Increase the Temporary Assistance for Needy Families (TANF) block grant program allocation to DOA's PR appropriation for homeless case management services (HCMS) from \$500,000 to \$1,000,000 annually. Under current law and under the bill, funds are used to provide intensive case management services to homeless families, including: (a) financial management services; (b) employment services, including connecting parents who are job training graduates or who have a recent work history with their local workforce development board and assisting them with using the job center website maintained by the Department of Workforce Development; (c) services intended to ensure continuation of school enrollment for children; and (d) services to enroll unemployed or underemployed parents in a food stamp employment and training program or in the Wisconsin Works program.

Modify program language for HCMS to remove the limit of 10 grants per fiscal year and increase the maximum award from \$50,000 to \$75,000. Provide \$570,100 PR in 2025-26, \$589,500 PR in 2026-27, and 1.0 PR position annually. The position would be classified as a grants specialist-advanced to administer the HCMS program. According to the Administration, the language modification would provide flexibility to award amounts to eligible organizations of different sizes and award a greater number of applicants with the increase from TANF funding. From 2020-21 to 2023-24, the number of HCMS applications received increased from 18 to 26. Under current law, base funding for the appropriation is \$922,700.

Provide \$140,300 GPR in 2025-26, \$179,000 GPR in 2026-27, and 2.0 positions annually to the Division of Energy, Housing and Community Resources (DEHCR) GPR general program operations appropriation. The positions included in the bill include two grants specialists-advanced that would be responsible for administering existing housing programs, as well as the housing quality standards grant program, if increased funding for the programs is approved.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. MUNICIPAL ZONING INCENTIVE GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$20,000,000	- \$20,000,000	\$0

Governor: Create a grant program to incentivize eliminating zoning barriers for affordable housing funded by a GPR biennial appropriation. Provide \$20,000,000 in 2025-26 for DOA to award competitive grants to local governments or federally-recognized tribes in the state to implement one or more of the following zoning initiatives: (a) reduce minimum lot sizes and widths; (b) reduce setback requirements to allow greater use of existing lots; (c) increase allowed lot coverages to match historic patterns; (d) adoption of a traditional neighborhood development ordinance, such as the model ordinance developed by the UW Extension in 2001; and (e) allow accessory dwelling units.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. CLIMATE ACTION GRANTS

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$11,474,000	2.00	- \$11,474,000	- 2.00	\$0	0.00

Governor: Create a biennial GPR appropriation and a community climate action grant program to provide grants to local governments and federally-recognized tribes in the state for the development of climate risk assessments and action plans and to implement emission reduction and climate action projects. Provide \$10,000,000 in 2025-26 for grants to eligible recipients and \$66,200 in 2025-26 and \$84,200 in 2026-27 and 1.0 position annually to administer the grants. According to the Administration, the amount of the appropriation was determined to ensure that recipients had an opportunity to receive planning or implementation grants and would reassess for future biennia how much additional funding would be recommended. The bill does not specify the meaning of "climate action."

Create a biennial GPR appropriation and community climate engagement grant program to provide grants to nongovernmental organizations in the state for promoting climate and clean energy community engagement. Require DOA to provide statewide outreach and support concerning climate change, climate resilience, and the reduction of greenhouse gas emissions. Provide \$310,000 in 2025-26 and \$360,000 in 2026-27 for grants to eligible applicants. Provide \$297,800 in 2025-26 and \$355,800 in 2026-27 and 1.0 position annually to administer the program (\$40,800 for salaries and fringe benefits and \$257,000 for supplies and services in 2025-26 and \$54,300 for salaries and fringe benefits and \$301,500 for supplies and services in 2026-27).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. WHOLE-HOME UPGRADE GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$7,200,000	- \$7,200,000	\$0

Governor: Create a "whole-home upgrades" grant program and provide one-time funding of \$7,200,000 in 2025-26. Under the bill, one or more grants would provide funding to Walnut Way Conservation Corporation in the City of Milwaukee for home improvements for low-income households in a first-class city that have one or more of the following goals: (a) reducing carbon emissions; (b) reducing energy burdens; (c) creating cost savings; and (d) creating healthier living environments. Milwaukee is currently the only first-class city in Wisconsin. Authorize DOA to establish eligibility requirements and program guidelines for the grant program. The provision is intended to make improvements to single family and small multi-family (two- to four-unit) housing structures that include maintenance, weatherization, building electrification, and installation of solar energy systems.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. AFFORDABLE HOUSING AND WORKFORCE DEVELOPMENT GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Create an affordable housing and workforce development grant program funded from a biennial GPR appropriation and provide \$1,000,000 in 2025-26. Under the bill, DOA would establish a competitive grant program to award grants to local governments, nongovernmental entities, and school districts for building or improving affordable housing.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. MILWAUKEE COUNTY HOUSING FIRST INITIATIVE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$200,000	- \$200,000	\$0

Governor: Create an annual GPR appropriation and provide one-time funding of \$100,000 annually to the Milwaukee County Department of Health and Human Services to support the County's Housing First initiative. The program was created in 2015 and provides permanent housing and supportive services to individuals experiencing homelessness. According to DOA, the one-time funds would be used to increase the program's operational capacity to address the increasing number of people experiencing homelessness in Milwaukee County.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Risk Management and Procurement

1. RISK MANAGEMENT INSURANCE PREMIUMS COSTS [LFB Paper 130]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$13,587,900	- \$13,587,900	\$0

Governor: Provide \$5,519,400 in 2025-26 and \$8,068,500 in 2026-27 for the risk management administration appropriation to provide for actual and estimated increases in the cost of excess property and liability insurance premiums. The recommended increase is based on 2024-25 excess insurance premium expenditures adjusted by the average rate of growth for excess insurance premiums from 2020-21 to 2024-25.

The risk management program is self-funded to insure state agencies against property, liability, and worker's compensation losses. The state also purchases excess insurance coverage from private insurance carriers for property and liability losses greater than the state's self-funded limits. Premiums for excess property and liability insurance are dependent on loss experience, general insurance market conditions, and risk exposure. In 2023-24, the state expended \$11,346,200 and \$5,500,200 for property excess insurance premiums and liability excess insurance premiums, respectively, for a total of \$16,846,400 (an increase of \$3,089,600 from 2022-23).

Currently, both excess insurance premiums and program administration are supported through an annual sum certain appropriation, funded by assessments to state agencies. Annual assessments are based on prior losses, current exposure, and administrative expenses. Base funding for the program's administration appropriation is \$18,233,700.

Joint Finance/Legislature: Provision not included.

2. LANGUAGE TRANSLATION PROCUREMENT SERVICES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Create an annual GPR appropriation and provide \$500,000 annually for the State Bureau of Procurement within DOA to support state agencies with costs related to translation services that are provided to the agency through a state contract. According to the Administration, the services would include enhanced same-day translation standards in future written language translation contracts. The Department currently contracts with various vendors for American Sign Language and foreign language interpreting and translation by means of in-person, video, telephone, or written methods.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Information Technology

1. TECHNOLOGY FOR EDUCATIONAL ACHIEVEMENT PROGRAM MODIFICATIONS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$13,198,800	- \$13,198,800	\$0
SEG	<u>- 7,698,800</u>	<u>7,698,800</u>	<u>0</u>
Total	\$5,500,000	-\$5,500,000	\$0

Governor: Create a biennial GPR appropriation to make payments to telecommunications providers under the telecommunications access for educational agencies (TEACH) program, which provides telecommunications access to school districts, private schools, cooperative educational service agencies, technical college districts, independent charter school authorizers, juvenile correctional facilities, private and tribal colleges, and public library boards at discounted rates. Provide \$5,527,400 GPR in 2025-26 and \$7,671,400 GPR in 2026-27. Reduce funding from

the state segregated universal service fund for the TEACH program by \$2,777,400 SEG in 2025-26 and \$4,921,400 SEG in 2026-27. The Administration indicates that SEG funding for the program would be reduced to offset recommended universal service fund appropriation increases under the Department of Public Instruction and University of Wisconsin System totaling \$7,698,800 over the 2025-27 biennium. [See "Public Instruction -- Administrative and Other Funding" and "University of Wisconsin System."]

The Department indicates that the reduction of SEG funding for the program would not impact service to participating educational agencies and libraries, and that projected expenditures for the program in the 2025-27 biennium would be adequately funded by the combination of GPR funding and remaining segregated universal service fund amounts. Under current law, base funding for the appropriation is \$12,283,300. The GPR appropriation would provide a net increase in funding of \$2,750,000 annually to support expansion of the program, which the Administration indicates would be used as follows: (a) \$500,000 to support an increased speed threshold for libraries; (b) \$1,250,000 to support increased speed thresholds for schools; and (c) \$1,000,000 for potential construction costs.

Specify that DOA may not charge an educational agency more than \$100 per month for each data line that has a transport speed of 100 megabits per second. Under current law, the maximum amount DOA may charge an educational agency for a data line is \$100 per month if the transport speed of the data line is 1.544 megabits per second. The Administration indicates the modification would increase the program's minimum broadband speed benchmark to align with modern standards.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. ENTERPRISE TECHNOLOGY SERVICES SUPPORT [LFB Paper 135]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$7,397,600	- \$7,397,600	\$0

Governor: Provide \$3,698,800 annually to provide the Division of Enterprise Technology an ongoing increase for supplies and services. According to the Department, in the 2025-27 biennium, funding would be used for annual technology contract renewals that continue to increase in costs, maintaining current technology for systems management, and ongoing expenditures associated with log data archival requirements to address audit findings of the Legislative Audit Bureau. The source of funding for the increase is assessments to state agencies for IT services.

Joint Finance/Legislature: Provision not included.

3. **DISTRICT ATTORNEY INFORMATION TECHNOLOGY PROGRAM** [LFB Paper 278]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
GPR	\$7,170,000	1.00	-\$1,922,500	- 1.00	\$5,247,500	0.00

Governor: Provide \$3,705,000 in 2025-26, \$3,465,000 in 2026-27, and 1.0 position annually to support the District Attorney Information Technology (DAIT) program, which provides IT hardware, software, and legal subscription services to the District Attorneys, Assistant District Attorneys, and other District Attorney office staff. Funding is intended to cover the cost of hardware, software, and legal subscription services and to upgrade the prosecutor technology for case tracking system. The total amount includes \$2,000,000 in 2025-26 and \$1,500,000 in 2026-27 in one-time funding to upgrade the prosecutor technology for case tracking system. The other resources provided are for ongoing supplies and services as well as salary and fringe benefits for the newly-created technical services specialist position to serve as the head of DAIT security operations and support cybersecurity for the District Attorneys.

Joint Finance/Legislature: Modify funding by -\$890,200 in 2025-26 and -\$1,032,300 in 2026-27 and -1.0 position annually to provide \$2,814,800 in 2025-26 and \$2,432,700 in 2026-27 to support the District Attorney Information Technology (DAIT) program. Funding includes: (a) \$2,000,000 GPR in 2025-26 and \$1,500,000 GPR in 2026-27 in one-time funding to upgrade the prosecutor technology for case tracking system; (b) \$659,400 GPR in 2025-26 and \$777,300 GPR in 2026-27 for supplies and services; and (c) \$155,400 annually for DAIT per capita costs attributable to 42.0 newly-created ADA positions.

4. **IT RESOURCES FOR SAFETY AND PROFESSIONAL SERVICES** [LFB Paper 136]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$1,387,900	-\$295,900	\$1,092,000

Governor: Provide \$695,400 in 2025-26 and \$692,500 in 2026-27 the Division of Enterprise Technology Services base budget to provide contractual IT services for the Department of Safety and Professional Services (DSPS). Under 2013 Act 20, IT functions for DSPS were transferred to DOA, which recovers costs by assessing DSPS for services provided. Bill funding includes one-time costs of \$149,400 in 2025-26 and \$146,500 in 2026-27 for maintaining IT equipment.

Joint Finance/Legislature: Modify funding for services to DSPS by -\$149,400 in 2025-26 and -\$146,500 in 2026-27 for net funding of \$546,000 annually, and specify that funding be provided on a one-time basis.

5. CYBERSECURITY INITIATIVES

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$946,900	5.00	- \$946,900	- 5.00	\$0	0.00

Governor: Create a sum sufficient GPR appropriation, not to exceed \$10,000,000 annually for cybersecurity emergency incident responses for state agencies and authorities. Require DOA to conduct cybersecurity emergency incident response for state agencies, including the Legislature and the Courts, as well as UW System, and authorities. According to the Administration, this amount would allow DOA flexibility to respond to incidents that impact the state's IT systems such as ransomware and malware attacks, or unauthorized access to sensitive or personally-identifiable data.

Create an annual GPR appropriation for cybersecurity activities and provide \$414,400 in 2025-26, \$532,500 in 2026-27, and 5.0 positions annually. Funding and positions would consist of: (a) \$344,200 in 2025-26 and \$442,800 in 2026-27 for 4.0 technical services specialists within the Division of Enterprise Technology's Bureau of Security; and (b) \$70,200 in 2025-26 and \$89,700 in 2026-27 for 1.0 risk management specialist - senior with DOA's Bureau of Risk Management to coordinate with two of the technical services specialists for a cybersecurity insurance program. Of the 4.0 technical services positions, two specialists would assist in developing IT security policy, auditing IT functions, and make recommendations to DOA to protect sensitive information and risk management strategies. The remaining two specialists would be responsible for planning a cybersecurity insurance program.

Create a nonstatutory provision to require DOA to prepare a cybersecurity insurance program for executive branch agencies by the 2027-29 biennium.

Under current law, DOA has broad authorities and responsibilities relating to IT services for executive branch agencies under state statute, excluding the UW System, which generally manages its own IT resources.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. ARTIFICIAL INTELLIGENCE APPROPRIATION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$442,800	2.00	- \$442,800	- 2.00	\$0	0.00

Governor: Create an annual GPR appropriation and provide \$193,200 in 2025-26, \$249,600 in 2026-27, and 2.0 positions annually to support the development and maintenance of artificial

intelligence (AI) tools and infrastructure for the benefit of state agencies, including the Legislature, the Courts, and the UW System. The positions funded by the appropriation would be classified as: (a) one information systems enterprise technical services administrator for \$96,600 in 2025-26 and \$124,800 in 2026-27; and (b) one management information chief for \$96,600 in 2025-26 and \$124,800 in 2026-27. According to the Administration, the positions would establish a strategy for the Department by conducting assessments, reviewing current practices on AI standards, and coordinate trainings on AI policies and practices. Additionally, the positions would be responsible for ensuring state AI policies do not conflict with federal law and regulations.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. OFFICES OF DATA AND INFORMATION PRIVACY

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$246,800	3.00	- \$246,800	- 3.00	\$0	0.00
PR	<u>75,900</u>	<u>1.00</u>	<u>- 75,900</u>	<u>- 1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$322,700	4.00	- \$322,700	- 4.00	\$0	0.00

Governor: Provide \$246,800 GPR and 3.0 GPR positions in 2026-27 to DOA's GPR general program operations appropriation to provide position authority for the Office of Information Privacy within the Division of Legal Services and the Office of Data within the Division of Enterprise Technology. The positions would be funded and distributed as follows: (a) \$95,300 for one attorney supervisor to serve as the Division of Legal Service's Enterprise Chief Privacy Officer and oversee the Office of Information Privacy; (b) \$59,800 for one program and policy analyst-advanced to work within the Office of Information Privacy to identify opportunities for training and policy development for state employees on personally-identifiable or sensitive information and provide technical assistance in developing privacy policies; and (c) \$91,700 for one management information chief that would oversee the Office of Data.

Provide \$75,900 PR and 1.0 PR position in 2026-27 to DOA's PR appropriation for materials and services to state agencies. The funding and position authority would be provided for one business automation specialist that would be responsible for analyzing DOA's information to create policies and procedures applicable to the Department.

Specify that, on January 1, 2027, the funding source of 3.0 FED positions would be changed to GPR and the funding source of 1.0 FED position would be changed to DOA's PR appropriation for materials and services to state agencies. Further, specify that the incumbent employees holding the positions on January 1, 2027, would retain their positions. Funding for each of the 4.0 positions would provide for six months of salaries, fringe benefits, and supplies and services.

According to the Administration, the Office of Data would develop and implement a new data framework for data use, security, and compliance. Additionally, the Office would streamline large-scale data sets that are currently organized under multiple data-sharing agreements among

various agencies, conduct assessment of data management practices among state agencies, and direct training opportunities. The Office of Information Privacy would develop a new enterprise privacy framework for state agencies that reflects the current landscape of artificial intelligence and cyber threats. Additionally, the Office would create privacy policies and provide training opportunities for the management of personally-identifiable information and other sensitive information.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Personnel Management

1. POSITIONS AND FUNDING TRANSFERS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,341,400	20.00	- \$1,341,400	- 20.00	\$0	0.00

Governor: Provide funding and position authority of \$1,341,400 and 20.0 positions in 2026-27 to the Division of Personnel Management's (DPM) general program operations appropriation to support an increased workload in human resources, payroll, and other administrative functions associated with an expansion of collective bargaining provisions for state government employees. The bill separately amends statutory provisions pertaining to collective bargaining for public employees.

According to the Administration, in August, 2024, federally-funded project positions were created within DOA's federal aid appropriation to support expanded administration and oversight of collective bargaining functions for public sector employees. These positions are funded by the American Rescue Plan Act of 2021 (ARPA) and expire on December 31, 2026. In addition, the 2024 fourth quarter (October to December) State and Local Fiscal Recovery Funds (SLFRF) compliance report indicates that \$9,622,500 in ARPA funds were obligated to support collective bargaining agreement administration and oversight, including "the administration, management, dispute resolution, and arbitration services pertaining to any collective bargaining agreements extended to general State of Wisconsin employees arising out of ongoing litigation, including both preparation and implementation."

Specify that, on January 1, 2027, the funding source of 20.0 FED positions (1.0 attorney-confidential position, 3.0 human resources program officer positions, 11.0 employment relations specialist positions, 1.0 paralegal position, 1.0 human resources assistant-advanced position, and 3.0 executive human resources specialist positions) would be changed to DPM's PR general

program operations appropriation. Further, specify that the incumbent employees holding the positions on January 1, 2027, would retain their positions.

Specify that, on January 1, 2027, 17.5 FED positions (15.0 attorney-confidential positions, 1.5 legal support staff-confidential positions, and 1.0 legal associate position) in DPM and the incumbent employees holding these positions would be transferred to the Employment Relations Commission's GPR general program operations appropriation. Specify that an employee transferred under this section would retain the employment rights and status equivalent to what they had in their DOA position immediately prior to the transfer, and that the employee would not be required to serve a probationary period. [See "Employment Relations Commission."]

The Administration indicates that the intent of these provisions is to provide a total of 37.5 permanent positions (17.5 GPR and 20.0 PR) to replace the project positions, and to provide for the continued employment of the incumbent employees.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. POSITIONS FOR HUMAN RESOURCES ADMINISTRATION

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$952,300	4.00	-\$952,300	- 4.00	\$0	0.00

Governor: Provide \$409,000 in 2025-26, \$333,600 in 2026-27, and 3.0 positions annually to DPM's general program operations appropriation (\$223,000 for salaries and fringe benefits, \$27,000 for supplies and services, and \$159,000 for one-time financing in 2025-26, and \$297,600 for salaries and fringe benefits and \$36,000 for supplies and services in 2026-27).

In addition, provide \$91,600 in 2025-26, \$118,100 in 2026-27, and 1.0 position annually to DOA's appropriation for legal services and relocation assistance (\$79,600 for salaries and fringe benefits, \$9,000 for supplies and services, and \$3,000 for one-time financing in 2025-26, and \$106,100 for salaries and fringe benefits and \$12,000 for supplies and services in 2026-27). Funding would be provided to address workload associated with an increase in human resources transactions. Of the one-time funding provided, \$150,000 would be used to contract with an external vendor to analyze the state's recruitment strategies and needs.

According to the Administration, the number of State of Wisconsin job postings has increased by approximately 21% since 2016, and the number of job applications received has increased by approximately 73% in the past three years. As a result, the number of new non-UW state executive branch hires has increased.

The positions would be classified and perform duties as follows:

- a. 2.0 executive human resources specialist-senior positions would work within DPM's

Bureau of Classification and Compensation to address program workload requiring central review to ensure that agencies meet enterprise goals and objectives.

b. 1.0 IS business automation specialist would work within DPM's Bureau of HR Information System Administration and Management to address workforce data tracking and processes to enhance data-driven decision making and target recruitment, retention, and employment management needs.

c. 1.0 attorney position would work within the Division of Legal Services and would support human resources compliance efforts.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. STATE EMPLOYEE VACATION HOURS

Governor: Modify the amounts of paid annual leave provided to executive branch employees other than limited-term employees (excluding UW System) based on accumulated continuous state service, as follows:

a. Reduce from five years to two years the initial service period for which employees covered by the federal Fair Labor Standards Act (FLSA) are provided 104 hours each year for a full year of service and FLSA-exempt employees are provided 120 hours each year for a full year of service.

b. Create a new service period three years in length, following the first two years, for which covered employees would be provided 120 hours each year and FLSA-exempt employees would be provided 136 hours each year.

c. Specify that, when the rate of annual leave changes during the second calendar year, the annual leave for that year would be prorated, consistent with current law provisions that apply to the fifth, tenth, fifteenth, twentieth, or twenty-fifth calendar year.

Specify that the modifications would first apply to an employee's anniversary of service that occurs on the effective date of the bill.

The bill would maintain the annual leave structure that exists for six years of service and beyond.

In relation to this provision, compensation reserves provided for the 2025-27 biennium for state employee salaries and fringe benefits assume an increase of \$359,300 GPR annually associated with modifications to non-UW executive branch employee vacation allowance by years of service. [See "Compensation Reserves."]

Under current law, covered employees receive 104 hours each year for the first five years and 144 hours each year for the next five years, while FLSA-exempt employees receive 120 hours each year for the first five years and 160 hours each year for the next five years. The bill would

reduce the first service period by three years, create a level of annual leave between the first two existing annual leave amounts (120 hours and 136 hours, respectively), and set the service period for the new category at three years. Thus, under the bill, annual leave would increase more gradually during the first five years of service than under current law.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. PAID SICK LEAVE FOR LIMITED-TERM EMPLOYEES AND TEMPORARY UW EMPLOYEES

Governor: Provide that limited-term employees in the executive branch, excluding UW System, accrue sick leave at the same rate as permanent and project state employees, subject to proration if the employee works less than full-time.

Require the Board of Regents of the UW System to submit to the administrator of DPM a plan for a program to provide paid sick leave to temporary UW employees, along with its recommendations for adjustments to compensation and employee benefits for UW employees for 2025-27. Specify that the plan must provide sick leave benefits at the same rate that such benefits are provided to permanent and project employees of the UW System. The plan would be subject to approval by JCOER.

In relation to this provision, compensation reserves provided for the 2025-27 biennium for state employee salaries and fringe benefits assume increases of \$2,101,400 GPR annually associated with limited-term employee and temporary UW employee sick leave. [See "Compensation Reserves."]

Under current law, limited-term employees are not eligible for tenure, vacation, paid holidays, sick leave, performance awards, or the right to compete in promotional processes. Sick leave for permanent and project employees is accrued at the rate of 0.0625 hour per hour in pay status, not to exceed five hours in a biweekly pay period. For a full-time employee working 2,080 hours per year, this equates to 130 hours of sick leave on an annual basis. Limited-term appointments are provisional appointments or appointments for less than 1,040 hours per year. An employee working 1,040 hours per year would earn 65 hours of sick leave on an annual basis.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. JUNETEENTH AND VETERANS DAY HOLIDAYS

Governor: Add June 19 (Juneteenth) and November 11 (Veterans Day) to the list of holidays on which state offices of executive branch agencies (excluding UW System) are closed, and increase the number of annual paid holidays for non-UW executive branch employees from nine to 11. Remove statutory language specifying that one of 4.5 paid personal holidays for state employees is provided in recognition of Veterans Day. Specify that state offices would be closed the following day if June 19 or November 11 fall on a Sunday. The provision would take effect on

the January 1 after publication of the bill.

Require the administrator of DPM to include June 19 and November 11 as paid holidays in the proposal for adjusting compensation and employee benefits for UW System employees for 2025-27, which is submitted to JCOER for review and approval. The first paid holidays under the provision would be June 19 and November 11, 2026.

In relation to this provision, compensation reserves provided for the 2025-27 biennium for state employee salaries and fringe benefits assume increases of \$2,321,800 GPR in 2025-26 and \$4,643,600 GPR in 2026-27 associated with the June 19 and November 11 holidays. [See "Compensation Reserves."]

Under current law, state offices of executive branch agencies are closed on Saturdays, Sundays, and the following nine holidays: (a) January 1; (b) the third Monday in January; (c) the last Monday in May; (d) July 4; (e) the first Monday in September; (f) the fourth Thursday in November; (g) December 24; (h) December 25; and (i) December 31. State offices are closed the following day if January 1, July 4, or December 25 fall on a Sunday. Also under current law, state employees receive a total of 4.5 paid personal holidays annually, one of which is provided in recognition of Veterans Day. Under the bill, state employees would continue to receive 4.5 paid personal holidays.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. STATE EMPLOYEE PAID FAMILY AND MEDICAL LEAVE

Governor: Require the administrator of DPM to develop and recommend to the Joint Committee on Employment Relations (JCOER) a program that provides eight weeks of paid family and medical leave per year to employees whose compensation is established under the state employee compensation plan (including state constitutional and elected officials, and justices and judges), as well as deputy and assistant district attorneys, assistant state public defenders, and assistant attorneys general. Specify that, if this paid family and medical leave program were approved by JCOER, the program would become effective on January 1, 2027.

Require the Board of Regents of the UW System to submit to the administrator of DPM a plan for a program to provide paid family and medical leave to UW employees, along with its recommendations for adjustments to compensation and employee benefits for UW employees for 2025-27. The plan would be subject to approval by JCOER and, if approved, would become effective January 1, 2027.

Specify that, with respect to paid family and medical leave for state employees, including UW employees: (a) family leave means leave from employment for any reason specified under s. 103.10(3)(b) of the statutes, which under the bill would include but would not be limited to the birth or placement of a child, or to care for the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling if the person receiving care has a serious health condition; (b) medical isolation means leave from employment when a health care professional, local health

officer, or the Department of Health Services (DHS) advises that an individual seclude themselves from others when the individual is awaiting the result of a diagnostic test for a communicable disease or when the individual is infected with a communicable disease; when a local health officer or DHS advises that the individual isolate or quarantine; or when the individual's employer advises that they not come to the workplace due to a concern that the individual may have been exposed to or infected with a communicable disease; (c) medical leave means leave from employment when an employee is in medical isolation or has a serious health condition that makes the employee unable to perform his or her employment duties or makes the employee unable to perform the duties of any suitable employment; and (d) serious health condition has the meaning provided under state family and medical leave law (a disabling physical or mental illness, injury, impairment, or condition involving inpatient care in a hospital, nursing home, or hospice, or outpatient care that requires continuing treatment or supervision by a health care provider).

In relation to this provision, compensation reserves for the 2025-27 biennium for state employee salaries and fringe benefits include an increase of \$7,390,000 GPR in 2026-27. [See "Compensation Reserves."]

Note that, with respect to the definitions pertaining to family leave and medical leave, the bill would also make several modifications to state family and medical leave law, including the reasons an employee may take leave. [See "Workforce Development -- Equal Rights and Employment Regulation."] Under current law, family leave can be taken for birth or placement of a child, or to care for the employee's child, spouse, domestic partner, or parent if the person receiving care has a serious health condition. Under the bill, leave to care for a family member with a serious health condition would be expanded to include a family member who is a grandparent, grandchild, or sibling. The bill would additionally allow family and medical leave to be taken by an employee for other specified reasons. The bill would amend the allowable reasons for taking family leave under state family and medical leave law to include: (a) leave arising from a need due to covered active duty or notification of an impending call or order to covered active duty of an employee's spouse, child, domestic partner, parent, grandparent, grandchild, or sibling, if that person is a member of a regular or reserve component of the U.S. armed forces; (b) leave taken to care for the employee's child, grandchild, or sibling due to an unforeseen or unexpected short-term gap in childcare for the child; (c) leave to care for the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling if the person receiving care is in medical isolation; and (e) leave to address issues of the employee or employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling related to being the victim of domestic abuse, sexual abuse, or stalking. The bill would also amend the allowable reasons for taking medical leave under state family and medical leave law to include cases where an employee is in medical isolation and unable to perform his or her employment duties.

Under current law, state employees may be eligible to take family and medical leave under either the Wisconsin Family and Medical Leave Act, the federal Family and Medical Leave Act (FMLA), or both. In general, state and federal FMLA leave is unpaid, though law permits the substitution of paid leave for unpaid leave in many cases. State employees other than limited-term employees are eligible for several types of paid leave, including annual leave, sabbatical leave, legal holidays, personal holidays, and sick leave. Paid leave balances, other than sabbatical leave and sick leave, do not carry over from year to year. Employees taking FMLA leave may substitute

any of these types of paid leave for unpaid leave.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. STATE GOVERNMENT APPRENTICESHIP PROGRAM

Governor: Specify that executive branch agencies (excluding UW System) may provide an apprenticeship program as defined in Chapter 106 of the statutes. Specify that, if an appointing authority provides an apprenticeship program, they must: (a) create a defined training plan for employees (hereafter described as "apprentices") to include on-the-job and off-the-job training designed for the apprentices to gain the necessary skills of the trade, craft, or business and for completion of the apprenticeship; and (b) for apprentices who participate in the program, provide off-the-job, specialized training courses necessary for the completion of the program during working hours and without loss of pay.

Specify that training costs of the apprenticeship program estimated to exceed \$1,000 (excluding compensation of the participants) must first be included in the budget, approved by the Legislature or the Joint Committee on Finance, and would be encumbered by the agency for training purposes.

Specify that the compensation plan may provide for rates of pay to reflect the appropriate beginning pay for apprentices. Specify that compensation increases must be provided for the attainment of additional qualifications during the apprenticeship.

Specify that apprentices would be on a probationary period for the duration of the apprenticeship and, at the discretion of the appointing authority, may be separated during this period without the right to appeal. Specify that, upon completion of the apprenticeship, the employee would gain permanent employment status.

Specify that apprentices under the program would earn paid personal holidays equivalent to those earned by probationary employees.

In relation to this provision, compensation reserves provided for the 2025-27 biennium for state employee salaries and fringe benefits assume increases of \$1,875,500 GPR in 2025-26 and \$1,959,500 GPR in 2026-27 associated with the state government apprenticeship program. The amounts in compensation reserves are based on 75.0 full-time equivalent apprentice positions of various classifications, plans, and grades.

Under current law, appointing authorities may: (a) provide off-the-job specialized training courses during working hours to designated employees; (b) provide specialized training to qualified persons through educational monthly stipends in lieu of pay (not to exceed the minimum pay of the position for which training is undertaken); (c) provide specialized training to designated employees through assignment to research projects, prescribed courses of study, institutes and short courses related to the performance of official duties, and pay the cost of required tuition and fees; (d) conduct on-the-job courses of instruction deemed necessary for the performance of

agency functions; and (e) conduct other training programs. Also, under current law, training costs of training programs estimated to exceed \$500 (excluding compensation of the participants) must first be included in the budget, approved by the Legislature or the Joint Committee on Finance, and would be encumbered by the agency for training purposes.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. COMPENSATORY TIME CASH-OUT PROHIBITION

Joint Finance: Effective January 1, 2026, prohibit any compensatory time from being paid in cash to state employees.

Senate/Legislature: Specify that, except as prohibited by federal law, compensatory time cannot be paid in cash to state employees.

[Act 15 Sections: 318 and 9401(2)]

Facilities

1. AIRCRAFT REPLACEMENT [LFB Paper 140]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding	Positions	Funding	Positions
PR	\$8,221,100	3.00	- \$8,221,100	- 3.00	\$0	0.00

Governor: Provide \$7,823,400 in 2025-26, \$397,700 in 2026-27 and 3.0 positions annually to DOA's transportation and records PR appropriation to purchase and replace a state-owned aircraft and increase expenditure authority to maintain the aircraft. The three positions in the bill would consist of two aircraft pilots and one mechanic. Funding would be provided as: (a) \$7,500,000 in 2025-26 for a new dual engine airplane to replace the existing 2001 Pilatus PC-12; (b) \$50,000 annually for the maintenance costs of the hangar; (c) \$259,400 in 2025-26 and \$333,700 in 2026-27 for salaries, fringe benefits, and supplies and services costs for the three employees; and (d) \$14,000 annually for certifications of the three employees. According to the Administration, the aircraft would be used by various state entities, including UW Health for the Organ and Tissue Donation program, Wisconsin School for the Deaf, Wisconsin School for the Blind and Visually Impaired, and UW Athletics.

Joint Finance/Legislature: Provision not included.

2. DIVISION OF FACILITIES DEVELOPMENT POSITIONS AND RESOURCES
[LFB Paper 141]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$4,059,700	12.00	-\$3,415,700	- 12.00	\$644,000	0.00

Governor: Provide \$1,245,200 in 2025-26 and \$1,620,400 in 2026-27 and 10.0 positions annually for the Division of Facilities Development to address increased workload related to capital projects and without having to utilize external contractors. The bill would provide: (a) \$665,000 in 2025-26 and \$866,700 in the 2026-27 for five capital project principal managers; (b) \$351,900 in 2025-26 and \$457,200 in 2026-27 for three senior construction representatives; (c) \$122,100 in 2025-26 and \$158,900 in 2026-27 for one enterprise capital projects supervisor; and (d) \$106,200 in 2025-26 and \$137,600 in 2026-27 for one enterprise contract officer.

Provide \$239,200 in 2025-26, \$310,900 in 2026-27, and 2.0 positions annually for quality assurance and quality control for the state building program. The bill would provide: (a) \$133,000 in 2025-26 and \$173,300 in 2026-27 for one capital project principal manager; and (b) \$106,200 in 2025-26 and \$137,600 in 2026-27 for one senior quality assurance program specialist.

Provide \$248,500 in 2025-26 and \$395,500 in 2026-27 to the Division of Facilities Development capital planning and building construction services appropriation to support increasing costs for the project management system used for the state building program.

Joint Finance/Legislature: Modify funding by -\$1,484,400 in 2025-26, -\$1,931,300 in 2026-27, and -12.0 positions annually for net funding of \$248,500 in 2025-26 and \$395,500 in 2026-27 to support increasing costs for the project management system used for the state building program.

3. INCREASE RESOURCES FOR CAPITOL POLICE [LFB Paper 142]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$3,029,700	8.00	-\$2,435,400	- 8.00	\$594,300	0.00

Governor: Provide \$1,538,200 in 2025-26, \$1,491,500 in 2026-27, and 8.0 positions annually to the facility operations and maintenance; police and protection functions appropriation to support the Division of Capitol Police. The bill would include \$1,260,200 in 2025-26 and \$1,175,200 in 2026-27 for the creation of the following positions: (a) six police officers; (b) one dispatcher; and (c) one police lieutenant. Additionally, the bill would include \$73,800 in 2025-26 and \$112,100 for fully funding the costs of the 2023-25 compensation plan pay progression for

current police officers in the Division of Capitol Police.

Of the total amount, \$83,800 annually for ongoing supplies and services would be provided to fund a portion of master lease costs for two projects: (a) visual display equipment used for bringing together video feeds from multiple law enforcement agencies at the Division of Capitol Police command post; and (b) new software systems and improvements to the dispatch area such as monitors, communications, and overall space design. The Department would use an additional \$120,400 annually in supplies and services for specialized security and protective equipment such as: (a) maintaining squad cars for field duties with mobile data computers; (b) squad cameras; and (c) medical supplies.

Joint Finance/Legislature: Modify funding by -\$1,260,200 in 2025-26, -\$1,175,200 in 2026-27, and -8.0 positions annually for net funding of \$278,000 in 2025-26 and \$316,300 in 2026-27 to fund pay increases required under the 2023-25 compensation plan, command post and dispatch equipment and improvements, and specialized security and protective equipment.

4. **BUILDING MAINTENANCE FOR STATE CRIME LAB AND AIR FLEET HANGAR [LFB Paper 143]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$1,081,100	- \$1,081,100	\$0

Governor: Provide \$1,081,100 in 2026-27 to DOA's facility operations and maintenance; police and protection functions appropriation for the Division of Facilities and Transportation Services to support the ongoing maintenance of the new Milwaukee State Crime Lab and Wisconsin Air Services Hangar. The source of funding is rental charges to state agencies occupying state-owned space. In 2022, the Building Commission approved the Department of Justice's request to acquire the new crime lab at the Milwaukee Regional Medical Center for a total of \$99,500,000. The Division anticipates the building will become operational in August, 2026, and the funding would cover ongoing operational expenses.

The bill would also provide maintenance costs for the new Wisconsin Air Services Hangar at the Dane County Regional Airport. Construction of the hangar was approved by the Building Commission in the 2023-25 Capital Budget for \$4,675,000 and was enumerated as part of the 2023-25 state building program in 2023 Act 19. Examples of operational maintenance costs would include structural inspections, roof and door maintenance, HVAC upkeep, utilities, and pest control. The Department estimates final completion of the project in the Spring of 2026.

Joint Finance/Legislature: Provision not included.

5. INCREASE SECURITY FUNDING FOR STATE MULTITENANT BUILDINGS
[LFB Paper 144]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$1,059,900	- \$1,059,900	\$0

Governor: Modify the Department's facility operations and maintenance; police and protection functions appropriation to include security services at multitenant state buildings or multitenant state facilities. Provide \$502,600 in 2025-26 and \$557,300 in 2026-27 from charges to state agencies for security services provided by DOA. Under current law, base funding for security services under the appropriation is \$7,758,500.

Repeal a PR appropriation for security services at multitenant state buildings or multitenant state facilities. Under current law, base funding is \$175,000.

Joint Finance/Legislature: Provision not included.

6. GEOGRAPHIC INFORMATION SYSTEM SOFTWARE [LFB
Paper 141]

PR	\$776,000

Governor/Legislature: Provide \$388,000 annually to the appropriation for capital planning and building construction services to acquire geographic information systems software to support project planning and management. Base funding for the appropriation is \$15,920,700.

Tribal Affairs and Division of Gaming

1. TRIBAL GAMING APPROPRIATIONS AND GENERAL FUND REVENUE [LFB
Paper 145]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tribal	\$41,200	\$27,057,500	\$27,098,700

Governor: Appropriate \$59,039,000 in 2025-26 and \$61,714,000 in 2026-27 in tribal gaming revenue paid to the state under the tribal gaming compacts. The appropriations include: (a) appropriations for the regulation of tribal gaming in DOA [\$2,111,200 in 2025-26 and \$2,110,500 in 2026-27]; (b) tribal gaming law enforcement in the Department of Justice (DOJ) [\$221,200 annually]; (c) a newly-created gaming enforcement appropriation in the Department of

Revenue (DOR) [\$493,400 in 2025-26 and \$631,100 in 2026-27]; and (d) allocations totaling \$56,706,600 in 2025-26 and \$59,382,300 in 2026-27 to various state agencies for other programs.

Tribal revenue paid to the state is based on provisions under the current state-tribal gaming compacts. Under the compacts, tribes are scheduled to make payments to the state based on a percentage of net revenue (gross revenue minus winnings). The percentages used to calculate state payments vary by tribe and, in some cases, may vary by year for the same tribe.

Under current law, Indian gaming receipts are credited to: (a) the DOA general program operations appropriation relating to Indian gaming regulation; (b) the DOJ Indian gaming law enforcement appropriation; and (c) a DOA appropriation for Indian gaming receipts in the amount necessary to make all the transfers specified to other programs. Indian gaming receipts not otherwise credited to, or expended from, these appropriations are deposited in the general fund.

The tribal gaming receipts appropriation condition under the bill is summarized in the following table. The bill estimates that \$25,900 in 2025-26 and \$15,300 in 2026-27 of tribal gaming revenue would be deposited to the general fund.

Tribal Gaming Revenue and Allocations -- Governor

	<u>2025-26</u>	<u>2026-27</u>
Estimated Tribal Payments	\$58,185,700	\$60,061,300
Regulatory Payments	350,000	350,000
Unobligated Funds Reversions	<u>699,900</u>	<u>1,629,400</u>
Total Revenue	\$59,235,600	\$62,040,700
Program Allocations to State Agencies	\$59,039,000	\$61,714,000
Program Reserves	<u>170,700</u>	<u>311,400</u>
Tribal Gaming Deposit to the General Fund	\$25,900	\$15,300

Under the bill, the Governor recommends the appropriation of tribal gaming revenue to 18 state agencies in 53 program areas, including the DOA regulation and DOJ enforcement appropriations (three of the 53 items listed are current law appropriations for which funding would not be provided, and a new proposed appropriation would be created for gaming regulation with DOR). Each of these program areas is listed and briefly described in the following table. Where there is a net fiscal change associated with any of these appropriations (other than standard budget adjustments), it is included under the budget summaries of the affected agency.

Of the 53 program allocations listed in the table, 27 are identical amounts to those provided in the 2023-25 biennium. Of the 26 allocations that changed, six were affected by standard budget adjustments only [identified in the table below as items #28, #30, #32, #33, #47, and #52]. The remaining 20 for which funding would be provided are:

- a. UW-Green Bay and Oneida Nation programming [item #1, increase by \$109,300 annually] for STEM-related camps;

- b. American Indian economic development, technical assistance [item #3, increase by \$79,500 annually and provide \$1,000,000 annually to administer a tourism marketing contract];
- c. General grants to tribes [item #4, provide \$24,310,000 in 2025-26 and \$28,150,000 in 2026-27] to award grants to each federally recognize tribe or band in the state for use as the tribe or band deems necessary;
- d. Grants to support certain tribal programs [item #5, increase by \$5,466,600 in 2025-26 and \$4,116,600 in 2026-27];
- e. Youth treatment wellness center [item #6, provide \$1,500,000 annually] to provide funding to American Indian tribes for a youth wellness center;
- f. Tribal elder food assistance [item #7, provide \$2,000,000 annually];
- g. Grant program for tribal college students [item #22, increase of \$96,400 annually] to the Higher Educational Aids Board for students in tribal colleges in the state;
- h. Northern Great Lakes Center operations funding [item #24, increase by \$1,300 annually];
- i. Collection preservation storage facility [item #25, increase by \$4,600 annually];
- j. Tribal law enforcement grant program [item #27, increase by \$1,305,000 annually] for the Department of Justice to award grants to tribes for tribal law enforcement operations;
- k. Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish [item #31, increase by \$92,500 annually];
- l. Maintenance funding for hatcheries operated by tribes [item #34, create an appropriation and provide \$1,000,000 annually];
- m. State snowmobile enforcement program [item #35, convert \$1,404,500 in 2025-26, \$1,438,000 in 2026-27, and 9.0 positions annually to SEG];
- n. Department of Public Instruction tribal language revitalization grants [item #38, increase of \$277,200 annually] for grants to school boards or cooperative educational service agencies to support instruction in one or more American Indian Languages in Head Start programs;
- o. Grants to replace certain race-based nicknames, logos, mascots, and team names associated with American Indians [item #39, provide \$200,000 annually];
- p. General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks [item #40, transfer \$200,000 annually to DOA for administration of a tourism marketing contract and convert remaining funding of \$8,767,100 annually to GPR];
- q. Elderly transportation grants [item #43, increase by \$43,600 in 2025-26 and \$91,500 in 2026-27];

r. Ashland full-scale aquaculture and demonstration facility debt service payments [item #45, reduce funding by \$295,500 annually for reestimated debt service costs];

s. General program operations for Indian gaming regulation [item #51, reduce funding by \$43,800 annually] to reallocate position authority; and

t. Gaming enforcement under DOR [item #53, create an appropriation and provide \$493,400 in 2025-26 and \$631,100 in 2026-27].

2025-27 Tribal Gaming Revenue Allocations -- Governor

	<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2025-26</u>	<u>2026-27</u>	
1	Administration	\$356,800	\$356,800	UW-Green Bay and Oneida Nation programs assistance grants.
2	Administration	563,200	563,200	County management assistance grant program.
3	Administration	1,159,000	1,159,000	American Indian economic development, technical assistance, and tourism promotion.
4	Administration	24,310,000	28,150,000	Grants to support tribal programs, tribal language and cultural revitalization.
5	Administration	6,010,800	4,660,800	Other tribal grants for Oneida Nation programs, transit services, intergovernmental training program, economic development and housing programs, cybersecurity initiatives, and home repairs.
6	Administration	1,500,000	1,500,000	Youth treatment wellness center.
7	Agriculture, Trade and Consumer Protection	2,000,000	2,000,000	Tribal elder food assistance.
8	Children and Families	1,867,500	1,867,500	Tribal family services grants.
9	Children and Families	507,000	507,000	Child welfare services for Menominee.
10	Children and Families	282,600	282,600	Subsidized guardianships for tribes.
11	Children and Families	717,500	717,500	Indian child high-cost out-of-home care placements.
12	Corrections	50,000	50,000	American Indian tribal community reintegration program.
13	Health Services	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
14	Health Services	22,500	22,500	American Indian diabetes and control.
15	Health Services	106,900	106,900	American Indian health projects.
16	Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
17	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally-qualified health centers (FQHC).
18	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
19	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
20	Health Services	445,500	445,500	Indian substance abuse prevention education.
21	Higher Education Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.
22	Higher Education Aids Board	578,200	578,200	Wisconsin grant program for tribal college students.
23	Higher Education Aids Board	405,000	405,000	Tribal college payments.

	<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2025-26</u>	<u>2026-27</u>	
24	Historical Society	\$253,500	\$253,600	Northern Great Lakes Center operations funding.
25	Historical Society	361,000	361,000	Collection preservation storage facility.
26	Justice	490,000	490,000	County law enforcement grant program.
27	Justice	2,000,000	2,000,000	Tribal law enforcement grant program.
28	Justice	134,500	134,500	County-tribal law enforcement programs: state operations.
29	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
30	Kickapoo Valley Reserve Board	68,700	68,700	Law enforcement services at the Kickapoo Valley Reserve.
31	Natural Resources	307,300	307,300	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
32	Natural Resources	75,600	75,600	Reintroduction of whooping cranes.
33	Natural Resources	111,100	111,100	Management of an elk reintroduction program.
34	Natural Resources	1,000,000	1,000,000	Maintenance funding for hatcheries operated by tribes.
35	Natural Resources	0	0	State snowmobile enforcement program, safety training and fatality reporting.
36	Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
37	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
38	Public Instruction	500,000	500,000	Tribal language revitalization grants.
39	Public Instruction	200,000	200,000	Grants to replace certain race-based nicknames, logos, mascots, and team names associated with American Indians.
40	Tourism	0	0	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
41	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
42	Tourism	24,900	24,900	State aid for the arts.
43	Transportation	479,200	527,100	Elderly transportation grants.
44	University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
45	University of Wisconsin System	0	0	Ashland full-scale aquaculture and demonstration facility debt service payments.
46	University of Wisconsin System	488,700	488,700	UW-Madison physician and health care provider loan assistance.
47	Veterans Affairs	126,700	126,700	American Indian services veterans benefits coordinator position.
48	Veterans Affairs	61,200	61,200	Grants to assist American Indians in obtaining federal and state veterans benefits and to reimburse veterans for the cost of tuition at tribal colleges.
49	Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
50	Workforce Development	<u>314,900</u>	<u>314,900</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
	Subtotal (Non-Regulatory Items)	\$56,213,200	\$58,751,200	

	<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2025-26</u>	<u>2026-27</u>	
51	Administration	\$2,111,200	\$2,110,500	General program operations for Indian gaming regulation under the compacts.
52	Justice	221,200	221,200	Investigative services for Indian gaming law enforcement.
53	Revenue	<u>493,400</u>	<u>631,100</u>	Gaming regulation and enforcement operations.
	Subtotal (Regulation/ Enforcement)	\$2,825,800	\$2,962,800	
	Total Allocations	\$59,039,000	\$61,714,000	

Joint Finance/Legislature: Reestimate net tribal gaming revenue available for deposit to the general fund at \$12,176,500 in 2025-26 and \$14,922,200 in 2026-27 as shown in the table below.

2025-27 Tribal Gaming General Fund Revenue -- Act 15

	<u>2025-26</u>	<u>2026-27</u>
Estimated Tribal Payments	\$58,185,700	\$60,061,300
Regulatory Payments	350,000	350,000
Unobligated Funds Reversions	<u>699,900</u>	<u>1,629,400</u>
Total Revenue	\$59,235,600	\$62,040,700
Program Allocations to State Agencies	\$45,059,100	\$45,118,500
Program Reserves	<u>2,000,000</u>	<u>2,000,000</u>
Tribal Gaming General Fund Revenue	\$12,176,500	\$14,922,200

The following items were removed from budget consideration pursuant to Joint Finance Motion #4: (a) increase in funding for tribal law enforcement assistance by \$1,305,000 annually; (b) conversion of \$1,404,500 in 2025-26 and \$1,438,000 in 2026-27 from tribal gaming revenue to the conservation fund for the state snowmobile enforcement appropriation; (c) \$200,000 annually for grants to replace certain race-based nicknames, logos, mascots, and team names associated with American Indians; (d) transfer of \$200,000 annually to DOA for administration of a tourism marketing, contract, as well as an increase in funding for the program of \$800,000 annually; (e) increase of \$79,500 annually for American Indian economic development and technical assistance; and (f) conversion of \$8,967,100 annually from tribal gaming revenue to GPR for general tourism marketing.

In addition, several changes were made to allocations recommended by the Governor, as follows (item numbers correspond to the list in 2025-27 Tribal Gaming Revenue Allocations -- Act 15 table below): (a) reduce funding for UW-Green Bay and Oneida Nation programs assistance grants by \$109,300 annually (item #1); (b) reduce funding for grants to support tribal programs, tribal language and cultural revitalization by \$13,310,000 in 2025-26 and \$17,150,000 in 2026-27 (item #4); (c) reduce funding for other tribal grants for Oneida nation programs by \$5,406,600 in 2025-26 and \$4,056,600 in 2026-27 (item #5); (d) reduce funding for youth treatment wellness center by \$1,500,000 PR annually (item #6); (e) Create an annual PR appropriation for grants to counties where the headquarters of a tribe is located and provide \$2,000,000 annually to the Committee's PR supplemental appropriation for potential release on a one-time basis (item #7); (f)

reduce funding for tribal elder food assistance by \$500,000 annually (item #8); (g) increase funding for Indian child high-cost out-of-home care placements by \$1,000,000 annually (item #12); (h) reduce funding for Wisconsin grants for tribal college students by \$72,300 in 2025-26 and \$45,800 in 2026-27 (item #23); (i) reduce funding for Northern Great Lakes Center operation funding by \$1,300 annually (item #25); (j) reduce funding for collection preservation storage facility by \$4,600 annually (item #26); (k) reduce funding for management of state fishery resources in off-reservation areas by \$92,500 annually (item #32); (l) remove funding of \$1,000,000 annually for grants to tribes or bands in the state for maintenance and repairs of fish hatcheries operated by tribes or bands (item #35); (m) reduce funding for tribal language revitalization grants by \$277,200 annually (item #39); (n) reduce elderly transportation grants by \$43,600 in 2025-26 and \$91,500 in 2026-27 (item #44); (o) increase funding for DOA general program operations for Indian gaming regulation by \$43,800 annually (item #52); and (p) remove funding of \$493,400 in 2025-26 and \$631,100 in 2026-27 for DOR gaming regulation and enforcement operations (item #54).

2025-27 Tribal Gaming Revenue Allocations -- Act 15

	<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2025-26</u>	<u>2026-27</u>	
1	Administration	\$247,500	\$247,500	UW-Green Bay and Oneida Nation programs assistance grants.
2	Administration	563,200	563,200	County management assistance grant program.
3	Administration	79,500	79,500	American Indian economic development and technical assistance.
4	Administration	11,000,000	11,000,000	Tribal grants.
5	Administration	604,200	604,200	Other tribal grants for Oneida Nation programs.
6	Administration	0	0	Youth treatment wellness center.
7	Administration	0	0	Grants to counties where the headquarters of a tribe is located.*
8	Agriculture, Trade and Consumer Protection	1,500,000	1,500,000	Tribal elder food assistance.
9	Children and Families	1,867,500	1,867,500	Tribal family services grants.
10	Children and Families	507,000	507,000	Child welfare services for Menominee.
11	Children and Families	282,600	282,600	Subsidized guardianships for tribes.
12	Children and Families	1,717,500	1,717,500	Indian child high-cost out-of-home care placements.
13	Corrections	50,000	50,000	American Indian tribal community reintegration program.
14	Health Services	500,000	500,000	Elderly nutrition; home-delivered and congregate meals.
15	Health Services	22,500	22,500	American Indian diabetes and control.
16	Health Services	106,900	106,900	American Indian health projects.
17	Health Services	250,000	250,000	Reimbursements for high-cost mental health placements by tribal courts.
18	Health Services	961,700	961,700	Medical assistance matching funds for tribal outreach positions and federally-qualified health centers (FQHC).
19	Health Services	712,800	712,800	Health services: tribal medical relief block grants.
20	Health Services	242,000	242,000	Indian aids for social and mental hygiene services.
21	Health Services	445,500	445,500	Indian substance abuse prevention education.
22	Higher Education Aids Board	779,700	779,700	Indian student assistance grant program for American Indian undergraduate or graduate students.

	<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
		<u>2025-26</u>	<u>2026-27</u>	
23	Higher Education Aids Board	\$505,900	\$532,400	Wisconsin grant program for tribal college students.
24	Higher Education Aids Board	405,000	405,000	Tribal college payments.
25	Historical Society	252,200	252,300	Northern Great Lakes Center operations funding.
26	Historical Society	356,400	356,400	Collection preservation storage facility.
27	Justice	490,000	490,000	County law enforcement grant program.
28	Justice	695,000	695,000	Tribal law enforcement grant program.
29	Justice	134,500	134,500	County-tribal law enforcement programs: state operations.
30	Justice	631,200	631,200	County-tribal law enforcement programs: local assistance.
31	Kickapoo Valley Reserve Board	68,700	68,700	Law enforcement services at the Kickapoo Valley Reserve.
32	Natural Resources	214,800	214,800	Management of state fishery resources in off-reservation areas where tribes have treaty-based rights to fish.
33	Natural Resources	75,600	75,600	Reintroduction of whooping cranes.
34	Natural Resources	111,100	111,100	Management of an elk reintroduction program.
35	Natural Resources	0	0	Maintenance funding for hatcheries operated by tribes.
36	Natural Resources	1,404,500	1,438,000	State snowmobile enforcement program, safety training and fatality reporting.
37	Natural Resources	84,500	84,500	Payment to the Lac du Flambeau Band relating to certain fishing and sports licenses.
38	Natural Resources	3,000,000	3,000,000	Transfer to the fish and wildlife account of the conservation fund.
39	Public Instruction	222,800	222,800	Tribal language revitalization grants.
40	Public Instruction	0	0	Grants to replace certain race-based nicknames, logos, mascots, and team names associated with American Indians.
41	Tourism	8,967,100	8,967,100	General tourism marketing, including grants to nonprofit tourism promotion organizations and specific earmarks.
42	Tourism	160,000	160,000	Grants to local organizations and governments to operate regional tourist information centers.
43	Tourism	24,900	24,900	State aid for the arts.
44	Transportation	435,600	435,600	Elderly transportation grants.
45	University of Wisconsin System	417,500	417,500	Ashland full-scale aquaculture demonstration facility operational costs.
46	University of Wisconsin System	0	0	Ashland full-scale aquaculture and demonstration facility debt service payments.
47	University of Wisconsin System	488,700	488,700	UW-Madison physician and health care provider loan assistance.
48	Veterans Affairs	126,700	126,700	American Indian services veterans benefits coordinator position.
49	Veterans Affairs	61,200	61,200	Grants to assist American Indians in obtaining federal and state veterans benefits and to reimburse veterans for the cost of tuition at tribal colleges.
50	Wisconsin Technical College System Board	594,000	594,000	Grants for work-based learning programs.
51	Workforce Development	<u>314,900</u>	<u>314,900</u>	Vocational rehabilitation services for Native American individuals and American Indian tribes or bands.
	Subtotal (Non-Regulatory Items)	\$42,682,900	\$42,743,000	

<u>Agency</u>	<u>Program Revenue</u>		<u>Purpose</u>
	<u>2025-26</u>	<u>2026-27</u>	
52 Administration	\$2,155,000	\$2,154,300	General program operations for Indian gaming regulation under the compacts.
53 Justice	221,200	221,200	Investigative services for Indian gaming law enforcement.
54 Revenue	<u>0</u>	<u>0</u>	Gaming regulation and enforcement operations.
Subtotal (Regulation/ Enforcement)	\$2,376,200	\$2,375,500	
Total Allocations	\$45,059,100	\$45,118,500	

*While funds are not provided to DOA, \$2 million annually is reserved in the Committee's supplemental PR appropriation for county grants.

2. GRANTS FOR TRIBAL PROGRAMS, TRIBAL LANGUAGE AND CULTURAL REVITALIZATION [LFB Paper 146]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$52,460,000	- \$30,460,000	\$22,000,000

Governor: Amend the annual PR appropriation titled "Tribal grants" to include references to two newly-created grant programs and provide \$24,310,000 in 2025-26 and \$28,150,000 in 2026-27, funded by tribal gaming revenues. Any unencumbered balance on June 30 of each year would revert to the tribal gaming receipts appropriation. The appropriation has no base funding.

Create a program to provide grants to support tribal programs, and require DOA to award grants of equal amounts to each of the 11 federally-recognized tribes and bands in the state for use as the tribe or band deems necessary to support programs to meet the needs of members. The total appropriation amount would be \$18,810,000 in 2025-26 and \$22,650,000 in 2026-27. Specify that grant funds may not be used to pay gaming-related expenses.

Create a program to provide grants to promote tribal language and cultural revitalization, and require DOA to additionally award grants of equal amounts to each of the 11 federally-recognized tribes and bands in the state for this purpose. The total appropriation amount would be \$5,500,000 annually. Specify that grant funds may not be used to pay gaming-related expenses.

Joint Finance/Legislature: Provision not included. Instead, provide \$11,000,000 annually on a one-time basis and specify that equal amounts are provided to each of the nine federally-recognized tribes that received a grant under the tribal grants appropriation in the 2023-25 biennium.

Veto by Governor [C-6]: Remove language specifying that grants be provided only to tribes that received grants under the appropriation in the 2023-25 biennium and language specifying that funding is only provided in the 2025-27 biennium.

[Act 15 Section: 9101(2)]

[Act 15 Vetoed Section: 9101(2)]

3. TRIBAL GRANTS FOR CERTAIN PROGRAMS [LFB Paper 146]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$9,583,200	- \$9,463,200	\$120,000

Governor: Provide \$5,466,600 in 2025-26 and \$4,116,600 in 2026-27 to the annual PR appropriation titled "Tribal grants; other", funded by tribal gaming revenues, for certain tribal programs. The unencumbered balance on June 30 of each year would revert to the tribal gaming receipts appropriation.

Require DOA to award grants from the appropriation, in amounts not to exceed each specified allocation, as follows: (a) \$266,600 annually to the Menominee Indian Tribe of Wisconsin for transit services; (b) \$60,000 annually to the Oneida Nation of Wisconsin for an intergovernmental training program, which would be available to all tribal governments, to improve consultations and communications between tribes and the state; (c) \$3,890,000 in 2025-26 and \$2,540,000 in 2026-27 to the Wisconsin Indigenous Housing and Economic Development Corporation for tribal economic development and housing programs; (d) \$250,000 annually to any tribe or band in the state for cybersecurity strategic planning initiatives; and (e) \$1,000,000 annually to any tribe or band in the state for home repairs including both weatherization costs and measures to improve health outcomes.

Under current law, DOA must award grants from the appropriation totaling up to \$544,200 annually to the Oneida Nation of Wisconsin for the Healing to Wellness Court program (\$259,100), to support coordination with the National Estuarine Research Center Reserve System (\$110,100), and for collaboration with the Audubon Society for Great Lakes Restoration projects (\$175,000). Base funding for the appropriation is \$544,200.

Joint Finance/Legislature: Modify funding by -\$5,406,600 in 2025-26 and -\$4,056,600 in 2026-27 to provide \$60,000 annually to the Oneida Nation for an intergovernmental training program and specify that the funding be provided on a one-time basis.

[Act 15 Section: 10b]

4. TRIBAL YOUTH WELLNESS CENTER [LFB Paper 147]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$3,000,000	- \$3,000,000	\$0

Governor: Provide \$1,500,000 annually on a one-time basis, funded by tribal gaming revenues, to build a youth substance abuse and mental health treatment center led by the Great Lakes Inter-Tribal Council. Under 2019 Act 9, one-time funding of \$640,000 was provided to create architectural plans for the center. Under 2021 Act 58, \$350,000 annually was provided on

a one-time basis to provide funding for a youth wellness center, and the limitation that funds may only be used to create architectural plans was removed. No funds were appropriated for this purpose during the 2023-25 biennium.

Joint Finance/Legislature: Provision not included.

5. NATOW CONTRACT TRANSFER AND INCREASE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$2,159,000	- \$2,159,000	\$0

Governor: Provide \$1,000,000 annually to DOA's appropriation for American Indian economic development; technical assistance to administer a marketing contract with the Great Lakes Inter-Tribal Council for Native American Tourism of Wisconsin (NATOW). Specify that the grant provided from the appropriation to the Great Lakes Inter-Tribal Council would fund both: (a) technical assistance for economic development; and (b) tourism promotion activities under the NATOW program. Rename the appropriation to include tourism promotion. In addition, provide \$79,500 annually to increase funding for technical assistance.

Specify that the contract between the Department of Tourism and the Council that is primarily related to promotion of tourism featuring American Indian heritage and culture, as determined by the Secretary of DOA, would be transferred to DOA. Require DOA to carry out any obligations under the contract until it is modified or rescinded by DOA, to the extent allowed under the contract. Specify that, as a condition of receiving funding for tourism promotion, the Great Lakes Inter-Tribal Council must include in its annual report to DOA information relating to the tourism promotion program.

The contract is currently funded \$200,000 annually from the Department of Tourism's tourism marketing; gaming revenue appropriation. Under the bill, funding for the contract would increase by \$800,000 annually. Funding for the contract from this appropriation has not increased since the 2009-11 biennium. According to DOA, the increase would allow NATOW to increase staff and marketing efforts as they determine necessary.

The bill would also repeal the tourism marketing appropriation funded from tribal gaming PR and replace it with GPR funds (less \$200,000 associated with the transfer of the NATOW contract). [See "Tourism."] The marketing contract would be administered by DOA's Division of Intergovernmental Relations. The contract outlines services provided by NATOW, such as promotion of tribal tourism and management of tribal tourism assistance grants.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. DIRECTOR OF NATIVE AMERICAN AFFAIRS AND TRIBAL LIAISON

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$388,800	2.00	- \$388,800	- 2.00	\$0	0.00

Governor: Provide \$170,000 in 2025-26 and \$218,800 in 2026-27, and 2.0 positions annually (1.0 unclassified and 1.0 classified) to DOA's general program operations appropriation. Provide statutory authority for an unclassified position, appointed by the Secretary of DOA, to serve as the Director of Native American Affairs, responsible for managing relations between the state and tribes. The unclassified position would be placed in executive salary group 3 (an annual salary range of \$84,282 to \$139,069 under the 2023-25 compensation plan). The classified position would serve as the Department's tribal liaison.

Agency tribal liaisons would also be created in the following agencies: Agriculture, Trade, and Consumer Protection; Corrections; Justice; Natural Resources; Public Service Commission; Tourism; and Workforce Development. The Administration indicates that the Director of Native American Affairs would coordinate with the agency tribal liaisons. In total, the above agencies would be provided funding and position authority of \$342,800 GPR and \$66,500 PR, and \$67,300 SEG in 2025-26, \$445,900 GPR and \$85,400 PR, and \$88,100 SEG in 2026-27, and 5.0 GPR positions, 1.0 PR position, and 1.0 SEG position annually for tribal liaisons.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. ONEIDA NATION AND UW-GREEN BAY PROGRAMMING [LFB Paper 148]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$218,600	- \$218,600	\$0

Governor: Provide \$109,300 annually, funded by tribal gaming revenues, to the University of Wisconsin-Green Bay for educational programs developed in partnership with the Oneida Nation. Funding of \$109,300 annually was provided on a one-time basis during the 2023-25 biennium to support STEM-related (science, technology, engineering and mathematics) camps for up to 288 students in grades three through 11 and provide access to UW-Green Bay's college credit program for high school students. The bill would fund the program on an ongoing basis. The appropriation has base funding of \$247,500 for programming at UW-Green Bay that is jointly developed with the Oneida Nation.

Joint Finance/Legislature: Provision not included.

8. TRIBAL TREATMENT ALTERNATIVES AND DIVERSION PROGRAM [LFB Paper 149]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$142,500	- \$142,500	\$0

Governor: Create an annual GPR appropriation for grants to tribes for alternatives to prosecution and incarceration programs (known as treatment alternatives and diversion, or TAD) and provide \$142,500 in 2026-27. Under the appropriation, DOA would award grants to tribes in the state, with the assistance of the Department of Justice (DOJ). Specify that grant recipients must meet current requirements under the alternatives to prosecution and incarceration program. Under the bill, DOA would provide grants to any tribe in the state on a competitive basis, regardless of whether the tribe received a grant previously under DOJ's treatment alternatives and diversion program. Also under the bill, changes would be made to the TAD program and the program would be transferred from DOJ to the Circuit Courts and Supreme Court. [See also "Justice," "Circuit Courts," and "Supreme Court."]

Joint Finance/Legislature: Provision not included.

9. INCREASE IN BINGO AND RAFFLE FEES AND MODERNIZATION PROJECT [LFB Paper 150]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR-REV	\$780,800	- \$100,000	\$680,800
PR	175,000	0	175,000

Governor: Provide one-time funding of \$150,000 and ongoing supplies and services funding of \$25,000 in 2026-27 to the Division of Gaming's bingo and raffle general program operations appropriation to create an upgraded license system for processing bingo and raffle licenses. Additionally, starting in 2025-26, increase bingo and raffle license fees to cover costs for the license modernization project and support the Office of Charitable Gaming as a whole. Under the bill, each fee would be increased by 100% as follows: a \$10 annual bingo license, a \$20 license fee for each bingo occasion, and a \$50 annual raffle license. The Department anticipates the increase in fees will increase revenues by \$390,400 annually.

Modify occupation taxes imposed on bingo gross receipts. Under current law, 1% of the first \$30,000 in gross receipts are taxed and 2% of gross receipts exceed \$30,000 are taxed. The bill would repeal the current 1% tax and a 2% tax would be imposed on all bingo gross receipts.

The Office of Charitable Gaming regulates bingo and raffle games. Under current law, bingo and raffle licenses may be granted to a local religious, charitable, service, fraternal, or veterans' organization, and to an organization to which contributions are tax-deductible. Bingo fees include: (a) \$5 per year for the member responsible for handling receipts; (b) \$10 per bingo session; and

(c) a 1% or 2% tax on gross receipts, depending on the value of receipts. Suppliers of bingo equipment are also required to pay an annual licensing fee of \$25 and a gross sales fee. The annual raffle license fee is \$25 per organization. In calendar year 2023, DOA issued 308 bingo licenses and 12,299 raffle licenses.

During the COVID-19 pandemic in 2020-21, the cancellation of raffle and bingo events led to declines in both revenue streams. The 2023-24 closing balances for the bingo program operations account and raffle programs operations account were -\$297,400 and -\$158,700, respectively.

Joint Finance/Legislature: Modify the provision to remove modifications to the current 1% occupational tax for gross bingo receipts specified under the bill.

[Act 15 Sections: 345 thru 347]

10. COUNTY AID GRANTS

Joint Finance/Legislature: Create an annual PR appropriation funded by tribal gaming revenue and provide \$2,000,000 PR annually on a one-time basis to the JFC supplemental appropriation to provide equal amounts to each county in which the headquarters of a federally-recognized tribe is located.

Veto by Governor [C-5]: Remove language specifying that grants be awarded in equal amounts.

[Act 15 Sections: 9, 86, and 88]

[Act 15 Vetoed Section: 9]

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$65,987,800	\$124,879,100	\$84,311,100	\$84,311,100	\$84,311,100	\$18,323,300	27.8%
FED	25,471,600	24,309,800	34,038,400	34,038,400	34,038,400	8,566,800	33.6
PR	66,150,200	73,596,900	70,909,200	70,909,200	70,909,200	4,759,000	7.2
SEG	<u>77,462,600</u>	<u>92,108,700</u>	<u>88,468,500</u>	<u>88,468,500</u>	<u>88,468,500</u>	<u>11,005,900</u>	14.2
TOTAL	\$235,072,200	\$314,894,500	\$277,727,200	\$277,727,200	\$277,727,200	\$42,655,000	18.1%
BR		\$25,000,000	\$0	\$0	\$0		

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	201.40	219.40	202.40	202.40	202.40	1.00
FED	96.77	83.77	82.77	82.77	82.77	- 14.00
PR	218.62	225.62	220.62	220.62	220.62	2.00
SEG	<u>130.50</u>	<u>131.50</u>	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>0.00</u>
TOTAL	647.29	660.29	636.29	636.29	636.29	- 11.00

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
Funding Positions	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,286,000	- 2.00	-\$294,200	0.00	\$991,800	- 2.00
FED	- 1,025,200	- 13.00	- 135,400	0.00	- 1,160,600	- 13.00
PR	1,080,800	0.00	- 263,800	0.00	817,000	0.00
SEG	<u>969,800</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>969,800</u>	<u>0.00</u>
Total	\$2,311,400	- 15.00	-\$693,400	0.00	\$1,618,000	- 15.00

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	-\$220,600	-\$101,500	-\$197,900	\$0	-\$520,000
Removal of Noncontinuing Elements	0	0	0	0	0
Full Funding of Cont. Pos. Salary/Fringe	878,800	-323,900	695,800	480,000	1,730,700
Reclassification/Pay Progression	3,400	0	41,900	42,900	88,200
Full Funding of Lease/Directed Moves	<u>-19,000</u>	<u>-21,300</u>	<u>-5,100</u>	<u>-43,000</u>	<u>-88,400</u>
Total	\$642,600	-\$446,700	\$534,700	\$479,900	\$1,210,500
2026-27					
Turnover Reduction	-\$220,600	-\$101,500	-\$197,900	\$0	-\$520,000
Removal of Noncontinuing Elements	0	-131,800	0	0	-131,800
Full Funding of Cont. Pos. Salary/Fringe	878,800	-323,900	695,800	480,000	1,730,700
Reclassification/Pay Progression	4,000	0	53,300	50,900	108,200
Full Funding of Lease/Directed Moves	<u>-18,800</u>	<u>-21,300</u>	<u>-5,100</u>	<u>-41,000</u>	<u>-86,200</u>
Total	\$643,400	-\$578,500	\$546,100	\$489,900	\$1,100,900
Biennial Totals	\$1,286,000	-\$1,025,200	\$1,080,800	\$969,800	\$2,311,400

In addition, reduce authorized positions by 10.00 in 2025-26 (-2.0 GPR and -8.0 FED) and by 15.00 in 2026-27 (-2.0 GPR and -13.0 FED) under the removal of noncontinuing elements standard budget adjustment.

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$147,100 GPR, -\$131,900 PR, and -\$67,700 FED annually. Total funding for standard budget adjustments is shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	-\$367,700	-\$169,200	-\$329,800	\$0	-\$866,700
Removal of Noncontinuing Elements	0	0	0	0	0
Full Funding of Cont. Pos. Salary/Fringe	878,800	- 323,900	695,800	480,000	1,730,700
Reclassification/Pay Progression	3,400	0	41,900	42,900	88,200
Full Funding of Lease/Directed Moves	<u>-19,000</u>	<u>-21,300</u>	<u>-5,100</u>	<u>-43,000</u>	<u>-88,400</u>
Total	\$495,500	-\$514,400	\$402,800	\$479,900	\$863,800
2026-27					
Turnover Reduction	-\$367,700	-\$169,200	-\$329,800	\$0	-\$866,700
Removal of Noncontinuing Elements	0	- 131,800	0	0	- 131,800
Full Funding of Cont. Pos. Salary/Fringe	878,800	- 323,900	695,800	480,000	1,730,700
Reclassification/Pay Progression	4,000	0	53,300	50,900	108,200
Full Funding of Lease/Directed Moves	<u>-18,800</u>	<u>-21,300</u>	<u>-5,100</u>	<u>-41,000</u>	<u>-86,200</u>
Total	\$496,300	-\$646,200	\$414,200	\$489,900	\$754,200
Biennial Totals	\$991,800	- \$1,160,600	\$817,000	\$969,800	\$1,618,000

2. SUPPLIES AND SERVICES FUNDING INCREASE [LFB Paper 155]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$451,600	- \$351,600	\$100,000
PR	100,000	0	100,000
SEG	<u>440,000</u>	<u>0</u>	<u>440,000</u>
Total	\$991,600	- \$351,600	\$640,000

Governor: Provide \$225,800 GPR, \$50,000 PR, and \$220,000 SEG annually to provide support for program revenue service appropriations within the Department and other state operations described in the following paragraphs. The following table shows annual increases by fund source provided under the Governor's bill.

DATCP has several program revenue appropriations funded by other programs throughout the Department. DATCP programs charge other programs for their services, with the charges reflected as expenditures to the programs receiving services and as program revenues to a given program's PR appropriation. DATCP reports that staff costs and other costs, such as travel expenses and costs to perform environmental testing, for many of its PR service appropriations have increased, and providing additional GPR, PR, and SEG funding for programs that utilize other departmental services is necessary for the Department to support charges across divisions. Beyond program revenue needs, DATCP has identified additional supplies and services needs for certain appropriations, as described below.

Soil and Water Administration. DATCP reports that new financial assistance programs, such as the nitrogen optimization pilot program and the cover crop rebate program, have increased the responsibilities of the Bureau of Land and Water Resources. In addition, increased funding for producer-led watershed protection grants and changes made to the farmland preservation program have increased administrative needs for DATCP's land and water programs.

Management Services. DATCP reports that private information technology (IT) company services costs have increased in recent years and required a greater percentage of the Management Services Division's state operations appropriation. DATCP reports that these IT services are integral to maintaining the Department's IT resources, cybersecurity capabilities, and agricultural program operations.

Animal Health. DATCP reports that certain costs related to animal disease outbreaks will no longer be federally funded. The U.S. Department of Agriculture by 2024 had notified DATCP that costs such as rental equipment for depopulation, disposal materials or equipment, and certain cleaning processes are examples of expenses that states should expect to be responsible for in the case of an outbreak.

Agrichemical Management Program. DATCP reports that costs to perform regulatory functions, such as laboratory testing, within the agrichemical management program have increased in recent years, with environmental testing being the primary reason for this increase. In addition, DATCP reports necessary travel to administer and monitor agrichemical management programs has increased.

Weight and Measures. The DATCP weights and measures inspection appropriation is funded by fees on regulated instruments and businesses, certain fertilizer and animal feed tonnage fees, and payments by municipalities that contract for DATCP inspection services. DATCP reports that the cost of performing weights and measures inspection, including associated travel costs, has increased in recent years.

DATCP Supplies and Services Increases -- Governor

<u>Appropriation</u>	<u>GPR</u>	<u>PR</u>	<u>SEG</u>
General program operations; food inspection	\$90,800		
Weights and measures inspection		\$50,000	
General program operations; animal health services	50,000		
Animal health inspection, testing, livestock premises registration, and enforcement			\$10,000
Agrichemical management			125,000
Soil and water administration			85,000
Management services	<u>85,000</u>		
Annual Fund Source Total	\$225,800	\$50,000	\$220,000
Biennial Total	\$451,600	\$100,000	\$440,000

Joint Finance/Legislature: Modify provision to include \$50,000 GPR, \$50,000 PR, and \$220,000 SEG annually to support program revenue service appropriations within the Department and other state operations, as shown in the following table. Specify that funding includes: (a) \$50,000 GPR for animal health services; (b) \$125,000 agrichemical management (ACM) SEG for the agrichemical management program; (c) \$85,000 SEG from the nonpoint account of the environmental fund for soil and water administration; (d) \$10,000 ACM SEG for animal health inspection, testing, livestock premises registration, and enforcement; and (e) \$50,000 PR for weights and measures inspection. Remove the provision to increase funding for food inspection general operations (\$90,800 GPR) and for management services (\$85,000 GPR).

DATCP Supplies and Services Increases -- Act 15

<u>Appropriation</u>	<u>GPR</u>	<u>PR</u>	<u>SEG</u>
Weights and measures inspection		\$50,000	
General program operations; animal health services	\$50,000		
Animal health inspection, testing, administration of the livestock premises registration program, and enforcement			\$10,000
Agrichemical management			125,000
Soil and water administration			<u>85,000</u>
Annual Fund Source Total	\$50,000	\$50,000	\$220,000
Biennial Total	\$100,000	\$100,000	\$440,000

3. COMPUTER SYSTEM EQUIPMENT, STAFF, AND SERVICES [LFB Paper 156]

PR	\$200,000

Governor/Legislature: Provide \$100,000 each year for additional expenditures for information technology services throughout the Department. DATCP information technology services are funded from assessments charged to appropriations of other DATCP programs. Total budgeted amounts for computer system equipment, staff, and services are \$4.1 million annually under Act 15.

4. BUREAU OF LABORATORY SERVICES [LFB Paper 155]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$441,200	- \$147,200	\$294,000
SEG	<u>159,000</u>	<u>- 53,000</u>	<u>106,000</u>
Total	\$600,200	- \$200,200	\$400,000

Governor: Provide funding increases for the program revenue and segregated appropriations that support DATCP's Bureau of Laboratory Services (BLS). Funding would include \$150,000 PR annually for general laboratory services, \$70,600 PR annually for food, lodging, and recreational facilities fees, and \$79,500 ACM SEG annually for agrichemical management general program operations.

BLS tests samples of dairy, meat, animal feed, fertilizer, pesticides, and groundwater to identify contamination, measure compliance with state standards, and ensure health and safety for Wisconsin consumers. The Bureau charges DATCP programs for its services, with the charges reflected as expenditures to those programs and as program revenues to the laboratory's biennial operations appropriation. 2023 Act 19 provided \$100,000 each year in general laboratory cost increases, with \$52,000 ACM SEG and \$48,000 food regulation PR supporting those costs; additional amounts from the agrichemical management fund and food, lodging, and recreational facilities fees supported laboratory equipment acquisition. BLS operations would be budgeted at \$4.6 million each year under the bill.

Joint Finance/Legislature: Modify provision to provide one-time funding of \$100,000 PR annually for general laboratory services, \$47,000 PR annually for food, lodging, and recreational facilities fees, and \$53,000 ACM SEG annually to support the Bureau of Laboratory Services' Laboratory Information Management System.

5. GRANT MANAGER POSITIONS

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$342,700	2.00	- \$342,700	- 2.00	\$0	0.00

Governor: Provide \$146,900 in 2025-26 and \$195,800 in 2026-27 and 2.0 grant manager positions for DATCP's agricultural development programs. The Division of Agricultural Development currently administers programs that involve grant administration, such as the Wisconsin Initiative for Agricultural Exports. Under the bill, the Division would acquire additional new grant programs and likely increases in grant administration. There is currently 1.0 grant specialist position in the Division of Agricultural Development.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. INFORMATION TECHNOLOGY SECURITY AND SUPPORT POSITION [LFB Paper 156]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$209,300	1.00	- \$209,300	- 1.00	\$0	0.00

Governor: Provide \$89,700 in 2025-26 and \$119,600 in 2026-27 and 1.0 position within DATCP's Division of Management Services for cybersecurity efforts at the Department.

Joint Finance/Legislature: Provision not included.

7. DEBT SERVICE REESTIMATES [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$54,200	\$100	\$54,300
SEG	<u>- 1,393,300</u>	<u>- 108,800</u>	<u>- 1,502,100</u>
Total	- \$1,339,100	- \$108,700	- \$1,447,800

Governor: Provide the following adjustments to debt service appropriations to reflect estimated principal and interest payments on previously-issued general obligation bonds: (a) \$42,000 GPR in 2025-26 and \$12,200 GPR in 2026-27 for bonds issued for landowner cost-sharing and enrollment incentive payments under the Conservation Reserve Enhancement Program (CREP), a state-federal land and water conservation program; and (b) -\$676,500 SEG in 2025-26 and -\$716,800 SEG in 2026-27 from the nonpoint account of the environmental fund for bonds issued to support cost-sharing grants to landowners for structural best management practices installed under the soil and water resource management (SWRM) program.

Under the bill, debt service is budgeted as follows: (a) \$869,800 GPR in 2025-26 and \$840,000 GPR in 2026-27 for CREP; and (b) \$4,715,200 nonpoint SEG in 2025-26 and \$4,674,900 nonpoint SEG in 2026-27 for SWRM grants. Additional debt service payments for the Wisconsin Veterinary Diagnostic Laboratory are budgeted at \$300 each year under the bill, but are not

reestimated from the adjusted base.

Joint Finance/Legislature: Reestimate an additional \$1,100 GPR in 2025-26 and -\$1,000 GPR in 2026-27 for CREP debt service, and \$1,600 SEG in 2025-26 and -\$110,400 SEG in 2026-27 for SWRM debt service. Debt service is budgeted as follows: (a) \$870,900 GPR in 2025-26 and \$839,000 GPR in 2026-27 for CREP; and (b) \$4,716,800 nonpoint SEG in 2025-26 and \$4,564,500 nonpoint SEG in 2026-27.

8. TRIBAL LIAISON POSITION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$157,700	1.00	-\$157,700	- 1.00	\$0	0.00

Governor: Provide \$67,600 in 2025-26 and \$90,100 in 2026-27 and 1.0 position to create an agency tribal liaison position. The agency tribal liaison would be responsible for working with Native American tribes and bands on behalf of the agency, as well as coordinating with the Director of Native American Affairs in the Department of Administration (DOA). [See "Administration -- Tribal Affairs and Division of Gaming."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. FARM-TO-SCHOOL PROGRAM ADMINISTRATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$33,600	-\$33,600	\$0

Governor: Provide \$16,800 annually to support administration of the Farm-to-School program within DATCP's agricultural development program. The Farm-to-School program is a program funded by the U.S. Department of Agriculture (USDA) and administered in Wisconsin by the Department of Public Instruction and DATCP. The program intends to improve access to local foods in schools through such activities as local procurement of food and agricultural education efforts. Base funding for DATCP Farm-to-School program administration is \$92,300 annually. DATCP is provided 1.0 GPR position to administer the program and contends that additional funding is needed to fully support the position.

Joint Finance/Legislature: Provision not included.

10. POSITION REALIGNMENT

Governor/Legislature: Transfer the following positions and associated salary and fringe benefit costs shown in the table between appropriations to align the funding sources of the positions with their current duties within the Department.

	Funding	Positions
GPR	\$60,600	0.00
FED	- 408,600	- 2.00
PR	<u>348,000</u>	<u>2.00</u>
Total	\$0	0.00

DATCP Position Realignment

<u>Division/Appropriation</u>	<u>Fund</u>	<u>Annual Funding</u>	<u>Positions 2025-27</u>
Food and Recreational Safety			
Food inspection general operations	GPR	-\$67,000	-1.00
Food, lodging and recreation regulation	PR	-23,700	-0.25
Trade and Consumer Protection			
Weights and measures inspection	PR	112,900	1.00
Grain inspection and certification	PR	-112,900	-1.00
Animal Health			
General program operations	GPR	11,300	0.15
Veterinary Examining Board	PR	67,000	1.00
Agricultural Development			
International Agribusiness Center	GPR	86,000	0.85
Farm and rural services	FED	-23,600	-0.25
International Agribusiness Center	FED	-22,500	-0.25
Agricultural Resource Management			
Plant industry services	FED	-107,000	-1.00
Agricultural impact statements	PR	-60,000	-0.50
Plant industry services	PR	60,000	0.50
Seed testing and labeling	PR	107,000	1.00
Management Services			
Agricultural statistics	GPR	-31,200	-0.40
Management Services Division Operations	GPR	31,200	0.40
Indirect cost reimbursement	FED	-51,200	-0.50
Computer system, staff and services	PR	<u>23,700</u>	<u>0.25</u>
Total		\$0	0.00

The transfers would affect funds by source annually as follows: (a) \$30,300 GPR; (b) \$174,000 PR and 2.0 positions; and (c) -\$204,300 FED and -2.0 positions.

Further, transfer the following amounts between budgeted program areas within the corresponding Division's FED general operations appropriation: (a) in the Division of Trade and Consumer Protection, \$260,800 annually with 2.0 positions from business trade regulation to weights and measures regulatory activities; and (b) in the Division of Management Services, \$19,400 annually from agricultural statistics to general laboratory services.

11. DELETE VACANT POSITION

	Funding	Position
GPR	- \$123,200	- 1.00

Joint Finance/Legislature: Delete 1.0 communications specialist position vacant for more than 12 months, and associated funding for salaries and fringe benefits of \$61,600 GPR annually, from DATCP's general operations appropriation for management services.

Agricultural Assistance

1. FOOD SECURITY GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$30,000,000	- \$30,000,000	\$0
FED	<u>0</u>	<u>10,000,000</u>	<u>10,000,000</u>
Total	\$30,000,000	- \$20,000,000	\$10,000,000
FED-REV	\$0	\$10,000,000	\$10,000,000

Governor: Provide \$30,000,000 in 2025-26 in a new, continuing appropriation for grants to eligible nonprofit food assistance organizations to support the purchase of food products made or grown in Wisconsin. Eligible organizations would include food banks, food pantries, and other nonprofit organizations that provide food assistance. Funding for the Food Security Initiative has previously been provided by: (a) \$25 million in federal relief funds allocated by the Governor under the Coronavirus Aid, Relief, and Economic Security (CARES) Act; and (b) \$45 million allocated from the State Fiscal Recovery Fund (SFRF) under the federal American Recovery Plan Act (ARPA).

Joint Finance/Legislature: Modify provision to authorize \$5,000,000 FED annually for food security grants in the 2025-27 biennium on a one-time basis. Transfer a revenue balance of \$5,000,000 FED annually associated with American Rescue Plan Act State Fiscal Recovery Fund interest earnings from DOA's federal aid appropriation to DATCP's agricultural development services federal funds appropriation.

[Act 15 Sections: 18, 87, and 9102(1)]

2. TRIBAL FOOD SECURITY PROGRAM [LFB Paper 160]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$4,000,000	- \$1,000,000	\$3,000,000

Governor: Provide \$2,000,000 tribal gaming PR annually for grants to nonprofit food assistance organizations that purchase and distribute food to tribal elders and to entities supporting the growth and operation of participating food producers. 2023 Act 19 provided \$1,500,000 tribal gaming PR annually on a one-time basis to start the program. DATCP reports that funding has supported grants to Feeding America Eastern Wisconsin and Hunger Task Force, Inc. DATCP requires a minimum of 90% of grant funding to be spent on food acquisition, and funds must support tribal members and serve multiple tribal nations in Wisconsin.

Joint Finance/Legislature: Modify provision to authorize \$1,500,000 tribal gaming PR annually for grants to nonprofit food assistance organizations to continue the tribal elder community food box program. Specify that funding is provided on a one-time basis.

3. DAIRY AGRICULTURE RESILIENCE INVESTMENT NOW GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,500,000	- \$1,500,000	\$0

Governor: Create an annual appropriation and provide base funding of \$1,500,000 in 2026-27 to support the dairy agriculture resilience investment now grant pilot program. Provide that DATCP may award grants to dairy producers with fewer than 1,000 milking cows. Specify that grants should support projects that improve the efficiency and resiliency of small dairy producers. Authorize DATCP to promulgate rules to administer the program.

The 2022 U.S. Census of Agriculture reports that 5,999 of 6,216 milking herds (96.5%) in Wisconsin had fewer than 1,000 cows. As of February 1, 2025, the Wisconsin Agricultural Statistics Service reports Wisconsin had approximately 5,300 total dairy herds.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. DAIRY PROCESSOR GRANTS [LFB Paper 161]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,200,000	- \$400,000	\$800,000

Governor: Provide an additional \$600,000 annually for grants to dairy processors to fund projects intended to grow processing plants, contribute to processor innovation, or improve production and profitability of processing plants. Dairy processor grants have \$200,000 in base funding, and DATCP may award grants up to \$50,000 for projects lasting up to two years. Recipients must provide a match equal to at least 20% of a grant. 2023 Act 19 provided an additional \$300,000 annually on a one-time basis in the 2023-25 biennium. The bill would provide

a total of \$800,000 each year in ongoing funding for dairy processor grants.

Joint Finance/Legislature: Modify provision to authorize an additional \$400,000 GPR each year for grants to dairy processors. Specify that funding is provided on a one-time basis in the 2025-27 biennium. Total funding for dairy processor grants in the 2025-27 biennium is \$600,000 GPR each year.

5. MEAT PROCESSOR GRANTS [LFB Paper 162]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,600,000	- \$600,000	\$1,000,000

Governor: Provide an additional \$800,000 annually for grants to facilities that slaughter animals for human consumption, or that process meat or meat products, excluding rendering plants, to promote the growth of the meat industry in Wisconsin. The meat processor grant program has base funding of \$200,000 each year, and DATCP may award grants up to \$50,000 to projects lasting up to two years. Recipients must provide an equal (dollar-for-dollar) match. Total funding for the program would be \$1 million annually in the 2025-27 biennium under the bill. 2023 Act 19 provided an additional \$1.6 million in one-time funding for meat processor grants in 2023-24.

Joint Finance/Legislature: Modify provision to authorize an additional \$500,000 GPR each year of the 2025-27 biennium for grants to facilities that slaughter animals for human consumption, or that process meat or meat products, excluding rendering plants. Specify that funding is provided on a one-time basis. Total funding for meat processor grants is \$700,000 GPR each year in the 2025-27 biennium.

6. MEAT TALENT DEVELOPMENT GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$810,000	- \$810,000	\$0

Governor: Provide \$810,000 in 2026-27 for tuition reimbursement grants for individuals pursuing meat processing programming at any higher education institution in Wisconsin. Tuition reimbursement grants would be disbursed to educational institutions to cover up to 80% of the first \$9,375 in tuition costs, or \$7,500 per grant. In addition, the bill would authorize grants to support curriculum development for meat processing programs. The bill provides \$250,000 in one-time funding and \$560,000 in ongoing funding beginning in 2026-27. One-time funding would support curriculum development and ongoing funding would provide continued support for tuition reimbursement.

The program would provide ongoing state funding for the Meat Talent Development program, which was begun in 2022 with federal ARPA funding. The Governor has allocated up to

\$5 million for the program. Funding through 2024 has supported: (a) training in establishing operational plans for hazardous food processing; (b) curriculum development for meat processing education in technical colleges, high schools, and middle schools; (c) training in humane handling and food safety; (d) introductory courses for high school and post-secondary students considering careers in meat processing; (e) classroom equipment investment; and (f) tuition reimbursement for certain courses.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. WISCONSIN INITIATIVE FOR AGRICULTURAL EXPORTS [LFB Paper 163]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Position	Funding	Position	Funding	Position
GPR	\$2,171,300	1.00	-\$2,171,300	- 1.00	\$0	0.00

Governor: Eliminate the \$1,000,000-per-year statutory spending cap and provide \$1,000,000 each year in additional one-time funding to support agricultural export promotion through the Wisconsin Initiative for Agricultural Exports (WIAE). Further, provide \$73,400 in 2025-26 and \$97,900 in 2026-27 and 1.0 permanent position to DATCP's International Agribusiness Center for program administration.

2021 Wisconsin Act 92 established the WIAE and requires DATCP, in collaboration with the Wisconsin Economic Development Corporation (WEDC), to seek to increase Wisconsin agricultural exports to 25% more than their December 31, 2021, amount by June 30, 2026, for the following: (a) milk and dairy products; (b) meat, poultry, and fish products; and (c) crops and crop products. Of the amounts appropriated for the program, \$2,500,000 (50%) must be expended for milk and dairy products, \$1,250,000 (25%) must be expended for meat, poultry, and fish products, and \$1,250,000 (25%) must be expended for crops and crop products. Act 92 specifies DATCP may not expend more than \$1,000,000 per year under the program. 2023 Act 19 provided \$1,000,000 GPR annually in ongoing funding for the program.

The bill would eliminate the \$1,000,000-per-year cap on program expenditures and allocate additional funds to WIAE surpassing the \$1,000,000 per year established by 2021 Act 92. The proposal would result in total funding for the biennium of \$4,171,300, including \$2,073,400 in 2025-26 and \$2,097,900 in 2026-27. Of these amounts, \$1,000,000 each year would be provided in the 2025-27 biennium only.

Joint Finance/Legislature: Provision not included.

8. LOCAL FOOD PURCHASE ASSISTANCE PROGRAM POSITION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
GPR	\$768,400	1.00	- \$768,400	- 1.00	\$0	0.00

Governor: Provide \$366,800 in 2025-26 and \$401,600 in 2026-27 and 1.0 two-year project position to provide support to the Local Food Purchase Assistance program (LFPA). Additional funding would be used to employ a limited-term employee (LTE) and to contract with a local food procurement entity for working with food producers.

LFPA began in 2022 with funding from the USDA. At the inception of the program, DATCP was permitted to use federal grant funding for administrative functions related to the program. According to the notice of funding opportunity for the next round of LFPA funding available in 2025, administrative functions will no longer be an allowable expense under the grant. State funding would be used to provide administrative support to the federally-funded program to ensure its continuation. (In March of 2025, following the introduction of SB 45/AB 50, USDA cancelled federal funding for the Local Food Purchase Assistance program.)

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. BUY LOCAL, BUY WISCONSIN GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$600,000	- \$600,000	\$0

Governor: Provide an additional \$300,000 each year for Buy Local, Buy Wisconsin grants. Grants may be provided for projects that create, expand, diversify, or promote: (a) local food marketing systems and market outlets; (b) local food and cultural tourism routes; or (c) production, processing, marketing, and distribution of Wisconsin food products for sale to local purchasers. Projects have included food processing and distribution improvements, creating and expanding farmers' markets, agritourism projects, and marketing and awareness campaigns. The program has base funding of \$200,000 each year.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. VALUE-ADDED AGRICULTURE GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$800,000	- \$800,000	\$0

Governor: Provide \$400,000 each year for the value-added agriculture program. Allow DATCP to provide education, technical assistance, and grants related to the promotion and implementation of agricultural practices that produce value-added agricultural products.

Specify that activities include: (a) providing assistance related to organic farming practices, including business and market development assistance; (b) collaborating with organic producers and industry participants; and (c) providing grants to organic producers and industry participants for education or technical assistance related to organic farming, creating organic farming plans, assisting farmers in the transition to organic farming, or educating and training farmers on best practices related to grazing; and (d) general market promotion of value-added agricultural products. (A technical correction to the bill would be necessary to clarify the funding source of grazing-related grants).

Define a value-added agricultural product as a product that: (a) has undergone a change in physical state; (b) is produced in a manner that enhances its value; (c) is physically segregated in a manner that enhances its value; (d) is a source of farm-based or ranch-based renewable energy; or (e) is aggregated and marketed as a locally produced farm product. Authorize the Department to promulgate rules to administer the value-added agriculture program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. FARM-TO-FORK PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$400,000	- \$400,000	\$0

Governor: Provide \$200,000 in each year of the 2025-27 biennium for the farm-to-fork grant program. Define a farm-to-fork program as one that: (a) connects entities that have cafeterias, other than school districts, to nearby farms to provide locally-produced fresh fruit, vegetables, dairy products, and other nutritious, locally-produced foods; (b) promotes the development of healthy eating habits in the general public; (c) provides nutritional and agricultural education; and (d) improves farmers' incomes and direct access to markets.

Allow DATCP to award grants to businesses, universities, hospitals, and other entities to create and expand farm-to-fork programs. Specify that grants may support projects that include: (a) creating, expanding, diversifying, or promoting production, processing, marketing, and distribution of food produced in Wisconsin for sale to entities in Wisconsin other than schools; (b)

construction or improvement of facilities, including purchases of equipment, intended to support consumption of food produced in Wisconsin in entities other than schools; (c) training for food service personnel, farmers, and distributors; and (d) nutritional and agricultural education.

Require DATCP to consult with interested persons to establish grant priorities each year and specify that DATCP give preference to proposals that are innovative or provide models other entities may adopt. Require DATCP to promote agricultural development and farm profitability in awarding farm-to-fork grants by supporting the development and adoption of practices and agribusiness opportunities that involve the production of value-added agricultural products, as defined in a separate provision. Require a report at least once a year to the DATCP Secretary and appropriate standing committees of the Legislature on the need and opportunity for farm-to-fork programs. Authorize DATCP to promulgate rules to administer the farm-to-fork program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. SOMETHING SPECIAL FROM WISCONSIN

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$400,000	- \$400,000	\$0

Governor: Provide an increase in expenditure authority for the Something Special from Wisconsin program of \$200,000 annually to support program marketing efforts. Under current law, DATCP offers a marketing program for participants that sell products whose value is at least 50% attributable to Wisconsin ingredients, production, or processing activities. Participants that certify their Wisconsin-made status may affix the Something Special from Wisconsin logo on their products.

The program is PR-funded and receives revenue from fees collected from program participants for use of the Something Special from Wisconsin trademark. Fees are established in Chapter ATPC 161 of the administrative code, and the bill would not change fee revenues. The program has base funding of \$57,500 annually. The Something Special from Wisconsin appropriation collected revenue of \$30,700 in 2023-24 and has a balance of \$65,400 as of June 30, 2024. The Administration indicates the provision should have provided GPR on a one-time basis for the Something Special program; a subsequent erratum clarified this intent.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. FARMER MENTAL HEALTH ASSISTANCE [LFB Paper 164]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$400,000	- \$200,000	\$200,000

Governor: Provide \$200,000 annually as ongoing funding for farmer mental health assistance programming. DATCP has been provided \$100,000 each year since 2019-20 in one-time funding for farmer mental health assistance to support: (a) a 24-hour helpline for providing immediate support; (b) tele-counseling sessions that can be administered online by a licensed mental health professional; and (c) counseling vouchers that farmers and their family members can redeem for free in-person care at participating mental health providers in their area. In addition to counseling services, funding supported: (a) free virtual courses for agricultural service providers such as lenders and agribusiness firms in understanding and managing the stresses of farming; (b) online farmer and farm couple support groups for bringing farmers together to discuss their shared challenges; (c) a podcast on farm-related challenges; and (d) one LTE to support program administration.

Joint Finance/Legislature: Modify provision to authorize \$100,000 each year in the 2025-27 biennium to support farmer mental health assistance programming. Specify that funding is provided on a one-time basis.

14. REGIONAL FARMER SUPPORT

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$350,900	2.00	- \$350,900	- 2.00	\$0	0.00

Governor: Provide \$150,400 in 2025-26 and \$200,500 in 2026-27 with 2.0 positions in the Division of Agricultural Development's general program operations appropriation to expand access to Wisconsin Farm Center services in the northwest and northeast regions of the state. The Farm Center currently operates out of the Department's Madison office, and maintains a hotline that farmers may call for information, referrals, and support responding to crises. Farm Center services include technical assistance related to production, processing and marketing, as well as financial consultations, farm succession planning, mental health support and referrals, minority and veteran outreach, and mediation and arbitration. As of February 1, 2025, DATCP has assigned 6.15 positions (all funds) to the Farm Center.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. AGRICULTURAL ECONOMIST

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
GPR	\$171,300	1.00	- \$171,300	- 1.00	\$0	0.00

Governor: Provide \$73,400 in 2025-26 and \$97,900 in 2026-27 with 1.0 position for an agricultural economist. The position would be funded from Division of Management Services general program operations. Currently, DATCP does not employ an agricultural economist.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. FOOD WASTE REDUCTION GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$200,000	- \$200,000	\$0

Governor: Create an annual appropriation and provide \$100,000 annually for food waste reduction grants. Require the Department to provide grants for projects that seek to reduce or compost food waste, or to redirect food supplies to hunger relief organizations. Require DATCP give preference to proposals serving census tracts with household income below the state median (estimated to be \$75,670 in 2023, according to the U.S. Census Bureau) and lacking a grocery store. Require the Department to promulgate rules to administer the program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Environment

1. COUNTY CONSERVATION STAFF AND SUPPORT [LFB Paper 170]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,749,000	- \$617,500	\$5,131,500
SEG	<u>7,026,500</u>	<u>- 134,300</u>	<u>6,892,200</u>
Total	\$12,775,500	- \$751,800	\$12,023,700

Governor: Provide additional ongoing funding of \$3,372,100 nonpoint SEG and \$2,759,000 GPR in 2025-26 and \$3,654,400 nonpoint SEG and \$2,990,000 GPR in 2026-27 for county conservation staff and support grants. Base funding for staffing grants is \$3,027,200 GPR and \$5,936,900 nonpoint SEG annually. County conservation staffing grants would be budgeted \$15.1 million in 2025-26, including \$5.8 million GPR and \$9.3 million nonpoint SEG, and \$15.6 million in 2026-27, including \$6.0 million GPR and \$9.6 million nonpoint SEG.

County conservation staff are responsible for implementing state nonpoint source standards and other programs at the local level. By statute, it is the state's goal to provide annual funding for an average of three staff members per county, including 100% funding for the first position, 70% funding for the second position, and 50% funding for a third or subsequent position. Each of the last three biennial budget acts have provided additional one-time funding for these purposes to support additional grants beyond the base amounts. In 2025, funding is expected to support all first positions and 80% of county requests for 70% funding of second positions. The provision is intended to appropriate sufficient funding to fulfill the state statutory goal of 50% for third positions.

Joint Finance/Legislature: Modify provision to authorize an additional \$2,494,300 GPR and \$3,131,100 nonpoint SEG in 2025-26 and \$2,637,200 GPR and \$3,761,100 nonpoint SEG in 2026-27 for county conservation staffing grants on a one-time basis. Further, direct DNR to transfer \$3,195,200 SEG in 2025-26 and \$3,825,200 SEG in 2026-27 from the environmental management account of the environmental fund to the nonpoint account under s. 25.46(2m) of the statutes to support county conservation grants in the 2025-27 biennium.

[Act 15 Section: 9132(3)]

2. SOIL AND WATER RESOURCE MANAGEMENT BONDING [LFB Paper 171]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$10,000,000	- \$10,000,000	\$0
GPR	\$0	\$7,000,000	\$7,000,000

Governor: Provide \$10 million in bonding authority for cost-sharing grants in the soil and water resource management (SWRM) program. SWRM cost-sharing grants funded by bond revenues support landowner installation of structural best management practices at agricultural sites, such as those intended to reduce soil erosion from agricultural lands and to provide for manure storage and containment. DATCP has been authorized \$7 million in new bonding authority in each biennium beginning in 2007-09, with the exception of the 2023-25 biennium. 2023 Act 19 instead provided \$7,000,000 GPR for grants in the 2023-25 biennium. The Department typically provides \$3.5 million per year for grants to landowners. Principal and interest payments on the bonds are supported by the nonpoint account of the segregated environmental fund.

Joint Finance/Legislature: Modify provision to authorize \$7,000,000 GPR in 2025-26 in an existing continuing appropriation to support cost-sharing grants to landowners for installation

of structural practices.

3. NITROGEN OPTIMIZATION PILOT PROGRAM AND COVER CROP INSURANCE REBATES [LFB Paper 172]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$4,800,000	- \$1,200,000	\$3,600,000

Governor: Provide ongoing funding of \$1,600,000 nonpoint SEG annually to support the commercial nitrogen optimization pilot program and \$800,000 nonpoint SEG annually to support the cover crop insurance rebate program. 2021 Wisconsin Act 223 established a commercial nitrogen optimization pilot program and a cover crop insurance rebate program administered by DATCP to implement strategies that optimize the application of commercial nitrogen and to encourage broader use of cover crops. The act did not appropriate funding, but the Joint Committee on Finance approved supplemental funding of \$2,400,000 nonpoint SEG in 2022-23 for DATCP to begin implementing the programs.

2023 Act 19 provided \$1,000,000 nonpoint SEG annually on a one-time basis for the nitrogen optimization pilot program and \$800,000 nonpoint SEG annually on a one-time basis for cover crop rebates. DATCP awarded \$1,583,300 to 20 nitrogen optimization projects in 2023 and \$1,000,000 to 18 projects in 2024. In addition, DATCP provided \$684,600 in rebates in 2023 and \$800,000 in rebates in 2024.

Currently, the commercial nitrogen optimization pilot program is funded by an annual appropriation supported by the nonpoint account of the environmental fund. The bill would create a new biennial appropriation for the program, funded by the nonpoint account. The bill would also remove the word "pilot" from the program title, renaming the program to the commercial nitrogen optimization program.

Joint Finance/Legislature: Modify provision to authorize \$1,000,000 nonpoint SEG annually for the nitrogen optimization pilot program. Total funding for the nitrogen optimization pilot program is \$1,000,000 nonpoint SEG annually and total funding for the cover crop rebate program is \$800,000 nonpoint SEG annually. Specify that all funding is provided on a one-time basis in the 2025-27 biennium. Act 15 maintains the existing appropriation source for the two programs.

4. PRODUCER-LED WATERSHED PROTECTION GRANTS [LFB Paper 172]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,000,000	- \$500,000	\$500,000

Governor: Provide an additional \$500,000 SEG from the nonpoint account of the environmental fund annually for producer-led watershed protection grants, and increase the statutory cap on annual awards for the program from \$1,000,000 to \$1,250,000. Base funding for the program is \$750,000 nonpoint SEG annually. Under 2023 Act 19, an additional \$250,000 nonpoint SEG each year was appropriated on a one-time basis during the 2023-25 biennium to provide a total of \$1,000,000 in each year of the biennium. DATCP awarded \$1,000,000 to 47 producer-led watershed groups in 2024 and 49 groups in 2025.

Joint Finance/Legislature: Modify provision to authorize \$250,000 nonpoint SEG annually for producer-led watershed protection grants. Specify that funding is provided on a one-time basis in the 2025-27 biennium.

5. SANDHILL CRANE CROP DAMAGE REBATE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,750,000	- \$3,750,000	\$0

Governor: Establish a sandhill crane damage rebate program. Provide \$1,875,000 each year in a new, continuing appropriation to distribute rebates to producers impacted by crop damage from sandhill cranes for the purchase of seed coating.

Rebates would be available for up to 50% of the cost of purchasing seed coating that is applied as a nonlethal corn seed treatment to discourage sandhill cranes from consuming the seed, up to \$6,250 per applicant per planting season. A person would apply to DATCP from March 1 to June 15 each year for reimbursement for seed coating purchased on or after November 1 of the previous year. Applicants would be reimbursed no later than September 15 each year, with each farm eligible to receive one reimbursement payment annually. Eligible applicants would include individuals that plant corn on land that is operated as part of a farm, under common ownership, primarily devoted to agricultural use, and that produced at least \$6,000 in revenue during the taxable year prior to the year in which the person applies for rebates.

The following applicants would be prioritized and eligible for rebates under the bill: (a) applicants that received a federal depredation permit for sandhill cranes in the previous year; (b) applicants that received rebate reimbursement under the program in the past three years; (c) applicants that can provide documentation of seed coating purchase in the past three years; and (d) applicants planting corn on land vulnerable to sandhill crane depredation, as determined by DATCP, the Department of Natural Resources, and other consulted conservation organizations. After fulfilling requests from prioritized eligible groups, DATCP would provide rebates to other eligible applicants that are likely to experience or have experienced crop damage from sandhill cranes and that purchase seed coating. DATCP would make payments to these applicants in order in which applications are received.

The bill would create a continuing appropriation from the state general fund for payments by DATCP, which would allow the amounts that have been made available to be expended at any

time until the funds are exhausted or the appropriation is repealed. Funds not used in one or more fiscal years would remain in the appropriation for paying future years' rebates.

DATCP would be required to report annually to the Legislature an assessment of the impact of the program, as well as the amount paid and the number of rebates issued. DATCP would be authorized to promulgate rules to administer the program, including establishing eligibility prioritization, identifying applicable conservation organizations, and determining whether eligible applicants have experienced or are likely to experience crop damage from sandhill cranes. Further, the bill would allow the Department to promulgate emergency rules while final rules are being drafted, without the finding of an emergency. Emergency rules would remain in effect for up to two years. The provision is identical to the portions of 2025 Assembly Bill 117/Senate Bill 112, relating to sandhill crane hunting, that would authorize a crane crop damage assistance program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. TRANSITION-TO-GRASS PILOT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,000,000	- \$1,000,000	\$0

Governor: Create the transition-to-grass pilot program and provide \$500,000 nonpoint SEG annually to support the program. The transition-to-grass pilot program would provide technical support and grants to farmers and agribusinesses who are implementing livestock grass-based managed grazing systems or are operating within the grass-fed livestock business. The provision would adopt terms substantially similar to 2025 Assembly Bill 118/Senate Bill 113, which would authorize grants for forage-based grazing.

Require DATCP to award grants to farmers to support: (a) the establishment of perennial forages for rotational livestock grazing in a grass-based managed grazing system; (b) the establishment of harvestable continuous cover in marginal areas to provide feed for livestock in a grass-based managed grazing system; (c) the provision of incentive payments during the first three years of a farmer's transition to a grass-based managed grazing system; (d) funding for infrastructure needs such as fencing, watering, or other livestock management equipment; and (e) the employment of a certified grazing specialist to assist a farmer in developing a grazing plan for the transition to a grass-based managed grazing system.

Specify that grants may not be awarded to support existing grass-based managed grazing systems. Specify that the maximum grant award for the program is \$40,000 per awardee, and that 75% of the award must be provided to the awardee in the first year, and 12.5% of the award must be awarded in each of the second and third years following the date of the award.

The bill defines "managed grazing" as a grazing system alternative to continuous grazing, in which pastured fields are divided into smaller sections, livestock density is controlled, and

animals are rotated through sections at a specified frequency intended to improve various environmental factors. The bill also defines "marginal area" as land that is not currently cultivated due to economic or physical barriers.

The bill provides that DATCP administration must provide the following to farmers and agribusinesses through the transition-to-grass program: (a) grass-fed livestock research, market development initiatives, and other market opportunities to assist in understanding the economic implications of grass-based managed grazing; (b) best practices for meeting consumer demand for grass-fed products; and (c) assistance in improving farm and agribusiness strategies for grass-based managed grazing systems and grass-fed livestock practices. Further, the bill requires DATCP to support Wisconsin's grass-fed livestock supply chain.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. PURCHASE OF AGRICULTURAL CONSERVATION EASEMENTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$155,900	- \$155,900	\$0
BR	\$15,000,000	- \$15,000,000	\$0

Governor: Authorize \$15,000,000 in general-fund-supported bonding for the Purchase of Agricultural Conservation Easements (PACE) program, and require DATCP to receive applications at least once annually for the purchase of easements. In addition, the bill would create two new appropriations: (a) a GPR sum-sufficient appropriation for debt service on PACE bonding authority; and (b) a working lands SEG annual appropriation for debt service on PACE bonding authority. Debt service is estimated in 2026-27 to be \$155,900 from the new GPR appropriation. Working lands SEG is not budgeted for PACE debt service in the 2025-27 biennium.

The PACE program, created under 2009 Wisconsin Act 28, allowed DATCP to purchase the rights to future non-agricultural development from willing landowners. Easements generally prohibited the land from being made unavailable or unsuitable for agricultural use. The program was effectively discontinued when its primary funding was repealed under 2011 Wisconsin Act 32, the 2011-13 biennial budget act. Purchases closed on 17 easements during the program's operation, with DATCP payments totaling \$4,704,300 over 5,124 acres, averaging \$276,700 per easement and \$918 per acre. The program exists under s. 93.73 of the statutes, but easements could only be funded by donations or the working lands fund, which receives minimal annual revenues. The requirement to solicit applications annually was removed under 2011 Act 32.

Further, 2011 Act 32 created a statutory requirement for the Department of Natural Resources to provide DATCP funds from the Warren Knowles-Gaylord Nelson stewardship program for purchasing agricultural easements that were approved in 2010. The bill would remove the stewardship funding provision, and DATCP would be required to resume on annual application

solicitation for the program.

Under current law, DATCP may pay up to 50% of the fair market value of an easement, as determined by appraisal, with remaining amounts paid by cooperating entities. Cooperating entities may include: (a) counties, towns, villages or cities; or (b) nonprofit conservation organizations such as land trusts, which are organized for the purpose of acquiring and managing conservation easements. In addition to paying a portion of fair market value, DATCP is authorized to pay reasonable transaction costs associated with an easement purchase. DATCP administered the program from 2009 through 2011 under the advice of a PACE Council, which is authorized under the statutes and can be appointed by the DATCP Secretary.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. AGRICULTURAL ENTERPRISE AREA ACREAGE CAP

Governor: Increase the maximum designated acreage for agricultural enterprise areas (AEAs) under the state's farmland preservation program to 3,000,000 acres. AEAs are intended to be areas targeted for agricultural preservation and development, namely for preserving, expanding and developing farms and other agribusiness. Individuals with acres located within an AEA also are eligible for farmland preservation tax credits of \$10 to \$12.50 per acre, dependent on other program participation factors.

Under current law, DATCP is authorized to designate up to 2,000,000 acres as part of an AEA. As of January 1, 2025, the state has 51 AEAs located in 31 counties and covering 1,649,800 acres, or 82% of the total statutory cap. In 2023-24, claimants received \$21.3 million in farmland preservation tax credits. The provision is not expected to have a direct fiscal effect in the 2025-27 biennium.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. FARMLAND PRESERVATION PLANNING GRANTS

Governor: Expand the working lands fund SEG appropriation for farmland preservation planning grants to counties to also support activities associated with implementing county farmland preservation plans. Implementation activities are intended to include those that facilitate designation of agricultural enterprise areas and increase use of farmland preservation agreements. Specify that grants be provided on a reimbursement basis and that DATCP detail eligible costs through a contract with the grant recipient.

As of June 30, 2024, the working lands fund had a balance of \$147,400. The SEG appropriation affected by the provision has never been authorized funding. The provisions would not make a similar modification to the GPR farmland preservation planning grant appropriation that has base funding of \$210,000 annually; an amendment would be required to accomplish such

a measure.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. BIODIGESTER PLANNING GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$500,000	- \$500,000	\$0

Governor: Provide \$250,000 environmental management SEG annually for grants to support planning for installation of regional biodigesters. Require the Department to promulgate rules to administer the grant program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. BIODIGESTER OPERATOR CERTIFICATION GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$100,000	- \$100,000	\$0

Governor: Provide \$50,000 annually for grants to individuals pursuing biodigester operator certifications. Require the Department to promulgate rules to administer the grant program. The Administration reports that programming and certification provided by the American Biogas Council, which in recent years has conducted courses for participants at UW-Oshkosh, would be a potential option for programming.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. BUREAU OF LAND AND WATER RESOURCES FINANCIAL SPECIALIST POSITION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
SEG	\$144,100	1.00	- \$144,100	- 1.00	\$0	0.00

Governor: Provide \$61,800 nonpoint SEG in 2025-26 and \$82,300 nonpoint SEG in 2026-27 and 1.0 financial specialist position to support DATCP's Bureau of Land and Water Resources.

The position would be provided in the Department's appropriation for soil and water management administration, which has an adjusted base funding level of \$2,657,900 annually with 20.55 positions. DATCP reports that the Bureau's workload has increased due to the introduction of new programs, such as the cover crop rebate program and the nitrogen optimization pilot program first funded in 2022-23. In addition, DATCP reports that increased funding for the producer-led watershed protection grant program and changes made to the farmland preservation program have created additional administrative responsibilities.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Regulatory Programs

1. MEAT INSPECTION POSITIONS [LFB Paper 180]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$272,000	2.00	- \$136,000	- 1.00	\$136,000	1.00
FED	<u>272,000</u>	<u>2.00</u>	<u>- 136,000</u>	<u>- 1.00</u>	<u>136,000</u>	<u>1.00</u>
Total	\$544,000	4.00	- \$272,000	- 2.00	\$272,000	2.00

Governor: Provide \$116,600 GPR and \$116,600 FED in 2025-26 and \$155,400 GPR and \$155,400 FED in 2026-27 with 2.0 GPR and 2.0 FED positions to extend expiring meat and safety inspector-entry project positions. Under 2021 Wisconsin Act 58, the biennial budget act, DATCP was authorized 2.0 GPR and 2.0 FED project positions that expire on June 30, 2025. The provision would make the positions permanent.

Timely and comprehensive inspections ensure the safety of Wisconsin meat products and increase consumer confidence. Inspection staff are expected to ensure adequate service levels and response times at state-inspected facilities and allow the Department sufficient capacity to support additional inspection and licensing duties associated with new facilities entering the industry. DATCP tracks inspection staff activities for operational and federal compliance purposes. DATCP reports that completion rates of assigned inspection duties declined from over 95% in 2019 and 2020, to less than 92% as of June, 2023. DATCP reports that vacancies in meat inspector project positions have correlated with reductions in the number of completed inspection tasks.

Joint Finance/Legislature: Modify provision to authorize \$58,300 GPR and \$58,300 FED in 2025-26 and \$77,700 GPR and \$77,700 FED in 2026-27 with 1.0 GPR and 1.0 FED position for meat safety inspection. Specify that the positions are project positions authorized for two years.

[Act 15 Section: 9102(2)]

2. MEAT INSPECTION PROGRAM FUNDING [LFB Paper 181]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,681,300	- \$1,223,800	\$2,457,500

Governor: Provide \$1,928,700 in 2025-26 and \$1,752,600 in 2026-27 for DATCP's meat safety program. The meat safety program conducts inspections of livestock and poultry slaughtering and processing establishments not otherwise inspected by the USDA. State inspection programs by law must enforce standards that are "at least equal to" federal food safety standards. Inspections are performed at 233 Wisconsin-licensed meat establishments and 70 custom meat establishments.

The USDA Food Safety and Inspection Service (FSIS) provides funding on a matching basis to states, and generally requires an equal match from state sources for each federal dollar received. In 2024-25, DATCP's meat inspection appropriation is authorized \$5,827,800 GPR, \$541,400 of which is one-time funding provided by 2023 Act 19 to satisfy federal match requirements and provide sufficient program funding in the 2023-25 biennium. The bill would add \$541,400 annually to the agency base, and provide \$1,387,300 in 2025-26 and \$1,211,200 in 2026-27 as one-time funding. The Administration reports that in recent years, USDA has not fulfilled the 50% match required by the cooperative agreement. One-time funding in the 2025-27 biennium is intended to provide continued support to the program in the case of a federal funding shortfall. Under the bill, the GPR appropriation supporting the meat inspection program would have total funding of \$7,436,900 in 2025-26 and \$7,299,600 in 2026-27.

Joint Finance/Legislature: Modify provision to authorize \$1,594,700 in 2025-26 and \$862,800 in 2026-27 to support DATCP's meat inspection program. Specify that all funding is provided on a one-time basis in the 2025-27 biennium. Total GPR funding for the meat inspection program is \$6,981,400 in 2025-26 and \$6,268,900 in 2026-27.

3. DIVISION OF ANIMAL HEALTH POSITIONS [LFB Paper 182]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,191,200	7.00	- \$676,400	- 4.00	\$514,800	3.00

Governor: Provide \$510,500 in 2025-26 and \$680,700 in 2026-27 and 7.0 positions within DATCP's Division of Animal Health general program operations appropriation. Base funding in the appropriation is \$3,234,700 annually with 24.90 positions. The additional staff would be responsible for planning measures to ensure a secure food supply and responding to livestock disease outbreaks.

Joint Finance/Legislature: Modify provision to provide \$220,600 in 2025-26 and

\$294,200 in 2026-27 and 3.0 positions within DATCP's Division of Animal Health general program operations appropriation. Positions include 2.0 agricultural program specialists and 1.0 veterinarian specialist within the Bureau of Animal Disease Control.

4. VETERINARY EXAMINING BOARD APPROPRIATION AND POSITIONS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$175,500	1.00	- \$175,500	- 1.00	\$0	0.00

Governor: Make the following changes to the existing PR appropriation for the Veterinary Examining Board (VEB):

Veterinary Professional Regulation. Provide an additional \$75,200 in 2025-26 and \$100,300 in 2026-27 with 1.0 position to support the VEB. The VEB is responsible for the credentialing, regulation, and disposition of complaints related to veterinarians and veterinary technicians in Wisconsin.

Dog Licenses and Rabies Control. Amend the VEB appropriation to include activities currently funded by the dog licenses, rabies control, and related services PR appropriation. The bill would transfer \$128,700 and 0.75 position from the dog licenses, rabies control, and related services appropriation to the VEB appropriation.

The dog licenses, rabies control, and related services appropriation carried an unsupported overdraft from 2019 through 2022. In 2021-22, DATCP transferred \$450,000 from the VEB appropriation to the dog licenses, rabies control, and related services appropriation, as required by 2021 Act 58, to offset the June 30, 2021, appropriation overdraft. In 2023-24, the dog licenses appropriation collected \$504,200 in revenue and expended \$540,400, leaving the appropriation with a closing balance of \$100 as of June 30, 2024. The VEB appropriation had a closing balance of \$1.3 million as of June 30, 2024.

Under the bill, the VEB appropriation would provide funding for: (a) providing dog license tags and forms; (b) performing other dog regulation activities; (c) administering the rabies control program and outreach; and (d) performing activities related to humane officers.

Under a separate item, 1.0 additional position is transferred to the VEB from another appropriation. [See "Agriculture, Trade and Consumer Protection -- Departmentwide" for more information.]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. MARIJUANA REGULATION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$521,800	3.00	- \$521,800	- 3.00	\$0	0.00

Governor: Create a program within the Division of Agricultural Resource Management to regulate the cultivation, processing, and testing of marijuana and tetrahydrocannabinols (THC) in Wisconsin. For these purposes, amend a program revenue continuing appropriation currently authorized for the regulation of industrial hemp to also expend all fees associated with administration of the marijuana program. Estimate the appropriation at \$232,200 in 2025-26 and \$289,600 in 2026-27 with 3.0 positions for administration of the program. Agency regulatory functions, taxation, changes to controlled substances laws, and other items related to marijuana legalization are discussed in greater detail under "Marijuana-Related Provisions."

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. VEHICLE OWNER CONSUMER PROTECTIONS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$424,300	2.00	- \$424,300	- 2.00	\$0	0.00

Governor: Provide \$245,000 in 2025-26 and \$179,300 in 2026-27 with 2.0 positions for oversight of electric vehicle charging stations. In 2025-26, \$110,000 would be provided on a one-time basis to purchase equipment for regular testing of charging stations.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. BROADBAND CONSUMER PROTECTIONS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$179,400	1.00	- \$179,400	- 1.00	\$0	0.00

Governor: Provide a number of requirements for broadband service providers related to access for low-income subscribers, discrimination, advertising standards, adequacy of service, and interruption of service. Additionally, provide \$76,900 in 2025-26 and \$102,500 in 2026-27 with

1.0 position from telemarketer regulation fees to assist with administration and enforcement of the provisions.

Discrimination. Prohibit a broadband service provider from denying access to broadband service based on the race or income of residents in a service area. Specify that it is a defense for claims of discrimination based on income if at least 30% households that have access to broadband in a provider's territory are low-income. The bill does not define "low-income," but would authorize DATCP to promulgate rules to implement non-discrimination requirements, and to define low-income households and align Department rules with rules set by the Federal Communications Commission (FCC). Allow the Department of Justice (DOJ) to represent DATCP in enforcement of the provisions and recover reasonable attorney fees if a court finds such discrimination. Further, allow an individual to bring suit against a provider for violation of this section, and recover reasonable attorney fees if a court finds such discrimination.

Interruption of Service. Require broadband service providers to repair outages of broadband service within 72 hours, except if such interruption is related to an emergency or system-wide outage. Require a provider to credit a customer for one day of service if a service interruption caused by the provider exceeds four hours in a given day. For service interruptions not caused by the provider, require a provider to credit a customer for each hour of interruption, if such interruption exceeds four hours in a day. Require providers to notify customers prior to entering into an agreement to provide service of their rights to refunds in the event of service interruption. Require providers to give notice of at least seven days for any scheduled maintenance that causes a slowdown or interruption of service. Require providers to give notice at least 10 days prior to disconnecting service, except if disconnected at the request of a customer.

Adequacy of Service. Authorize the Department to establish, by administrative rule, minimum standards for broadband service. Require providers to disclose to potential customers any factors that cause service speed to vary, including the number of users and devices connected. Require providers to give notice of at least 10 days before any factor determining originally disclosed service speeds changes. Allow a customer to terminate service and receive a full refund if service does not meet standards established by the Department by rule within one month of notification of deficiency to the provider by the customer, beginning with contracts created, renewed, or modified after the effective date of the bill.

Advertising and Rates. Require providers to offer service consistent with advertisements and representations to customers. Require providers to disclose factors that may influence service speed when advertising service speeds. Require providers to notify subscribers at least 30 days prior to increasing service rates.

Rules and Penalties. Authorize the Department to promulgate rules to administer this provision, including to align state programs with FCC rules. Impose a penalty of not more than \$1,000 per violation and not more than \$10,000 per occurrence for violations of this provision. Specify a failure to notify in writing more than one subscriber of a rate increase constitutes a violation. Allow DATCP or district attorneys to bring action to enforce this provision, and authorize the Department of Justice to act on behalf of DATCP in enforcing this section.

Internet Service Provider Registration. Require all internet service providers to register with

the Public Service Commission before providing internet service in Wisconsin.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. SEVERE WEATHER EVENT PRICING CONSUMER PROTECTIONS

Governor: Regulate residential building contractors, tree trimmers, and restoration and mitigation service providers that are providing consumer goods or performing repair services within a region impacted by a severe thunderstorm. Define consumer goods or services as goods or services used for personal, family, or household purposes. Define a severe thunderstorm as an event in which one or more of the following occurs: (a) hail that is one inch or greater in diameter; (b) wind gusts in excess of 50 knots (57.54 miles per hour); or (c) a tornado.

In the case of a severe thunderstorm, the bill would prohibit residential building contractors, tree trimmers, and mitigation service providers from: (a) charging unreasonably excessive prices for labor in comparison to the market price charged for comparable services typically provided in the impacted region; and (b) charging insurance companies higher rates for consumer goods or services than what the service provider would typically charge a member of the public for the good or service. Authorize DATCP to promulgate rules to set formulas or standards that will determine whether the price for labor is unreasonable or excessive. Impose a penalty of \$1,000 per violation, and authorize DATCP or DOJ to bring a court action seeking the forfeiture or seeking an injunction to prohibit the violating party from providing additional excessively priced goods or services.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. LANDLORD-TENANT PROTECTIONS

Governor: Modify provisions that require landlords, before entering into a rental agreement or accepting earnest money or a security deposit, to disclose to prospective tenants any building or housing code violation that represents a threat to the prospective tenant's health or safety, affects the dwelling unit and common spaces proposed to be rented, and that has not been corrected. Current law requires that: (a) such violations be a significant threat to the prospective tenant's health or safety; and (b) the landlord has actual knowledge of the violation. The bill would repeal the requirement that the landlord have actual knowledge of the violation and would repeal the condition that a violation be "significant" threat.

Repeal prohibitions on local units of government from enacting ordinances that: (a) limit the types of information a landlord may obtain to consider a tenant; (b) prohibit a landlord from showing or renting a premises to a new tenant during the tenancy of an existing tenant; (c) impose requirements on security deposits, earnest money, or inspections that are more stringent than current law; (d) limit a tenant's responsibility for damage, waste, or neglect related to the premises; (e) require a landlord to disclose any information to tenants beyond current federal or state requirements; (f) require a landlord to report information to the municipality beyond anything

otherwise required of all real property owners; (g) impose certain requirements or fees related to inspection of a rental premises; and (h) impose fees for occupancy or transfer of tenancy. Further, repeal the current prohibition on local units of government from imposing moratoria on eviction of commercial or residential tenants.

In addition, the bill would change the requirements for inspections of rental properties and would remove existing limitations on inspection fees charged by municipalities and counties. Specify that landlords must provide notice to tenants if a municipal inspector is to do an inspection. Provide that rental property inspection fees charged by a municipality or county are not subject to deductions from the municipal tax levy.

Repeal restrictions on municipal ordinances regarding rent abatement, such that rent abatement authorized by ordinance would not be limited to covering conditions that materially affect the health or safety of the tenant, or that substantially affect the use and occupancy of the premises.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. TRUTH IN LABELING MILK AND DAIRY PRODUCTS

Governor: Prohibit any producer from labeling a product as "milk" or "dairy" unless the product is derived from one of the following: (a) milk, low-fat milk, skim milk, or nonfat dry milk; (b) a product described under the Code of Federal Regulations as milk, acidified milk, cultured milk, concentrated milk, sweetened condensed milk, nonfat dry milk, nonfat dry milk fortified with vitamins A and D, evaporated milk, or dry whole milk; or (c) hooved or camelid mammal's milk. Hooved or camelid mammals are defined under s. 97.20 of the statutes to be water buffalo, yaks, camels, llamas, alpacas, horses, donkeys, and other camelid, bovine or equine species. Authorize DATCP to promulgate rules to administer the requirements.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. MANOOMIN (WILD RICE) TRUTH IN LABELING

Governor: Prohibit any producer from labeling wild rice as "traditionally harvested" unless the wild rice has been harvested using traditional methods as defined by American Indian tribes or bands. Authorize DATCP to promulgate rules creating a definition for traditional wild rice harvesting methods. Require DATCP to obtain advice and recommendations from the Great Lakes Inter-Tribal Council Inc. before promulgating the rule with a definition. The Administration indicates the provision incorrectly referenced the Great Lakes Inter-Tribal Council Inc. An erratum was submitted in April of 2025 to instead reference the Great Lakes Indian Fish and Wildlife Commission.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

APPROPRIATION OBLIGATION BONDS

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over <u>Base Year Doubled</u>	
						Amount	Percent
GPR	\$673,881,800	\$583,551,800	\$583,551,800	\$583,551,800	\$583,551,800	- \$90,330,000	- 13.4%

FTE Position Summary
There are no full time positions associated with appropriation obligation bonds.

Budget Change Items

1. **APPROPRIATION OBLIGATION BOND DEBT SERVICE REESTIMATE -- PENSION BONDS [LFB Paper 106]**

GPR	- \$57,951,700
GPR-Lapse	<u>19,913,200</u>
Net GPR	- \$38,038,500

Governor/Legislature: Reduce funding by \$57,951,700 GPR in 2026-27 to reflect the required debt service appropriation level associated with the appropriation obligation bonds issued to pay the state's Wisconsin Retirement System unfunded prior service liability as well as the accumulated sick leave conversion credit program liability. Under the legal agreements governing the appropriation bonds, the annual debt service appropriation for repayment of the bonds in the second year of each biennium must equal the maximum possible payment that could be made in that second year or the following year. The maximum payment in 2027-28 is less than in 2026-27, so the appropriation for 2026-27 can be set equal to the estimated payment amount for that year.

Any moneys not needed to pay the actual amount of debt service lapse (revert) to the general fund and are shown as a GPR-Lapse. In 2024-25, it was estimated that \$10,910,600 would lapse to the general fund. DOA anticipates lapses of \$954,000 in 2025-26 and 2026-27. The net effect of these adjustments would be a decrease in net expenditures of \$38,038,500, as shown in Table 1 below.

TABLE 1**Pension Bonds**

	Base Year <u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	Change to Base <u>Year Doubled</u>
GPR	\$216,734,200	\$216,734,200	\$158,782,500	-\$57,951,700
GPR-Lapse	<u>-10,910,600</u>	<u>-954,000</u>	<u>-954,000</u>	<u>19,913,200</u>
Net GPR	\$205,823,600	\$215,780,200	\$157,828,500	-\$38,038,500

2. APPROPRIATION OBLIGATION BOND DEBT SERVICE REESTIMATE -- TOBACCO BONDS [LFB Paper 106]

GPR	- \$32,378,300
GPR-Lapse	- 12,373,600
Net GPR	- \$44,751,900

Governor/Legislature: Reduce funding by \$13,491,400 GPR in 2025-26 and \$18,886,900 GPR in 2026-27 to reflect the required debt service appropriation level associated with the appropriation obligation bonds issued in 2009 to finance the outstanding bonds of the Badger Tobacco Asset Securitization Corporation, under which the state regained the rights to its tobacco settlement payments. Under the legal agreements governing the appropriation bonds, the annual debt service appropriation for the repayment of the bonds in the second year of each biennium must equal the maximum possible payment that could be made in that year or the following year. The maximum payment in 2027-28 exceeds the payment in 2026-27, so to conform with the bond agreement, the appropriation for 2026-27 is set equal to the amount needed for 2027-28, and the excess funding in 2026-27 will lapse.

In 2024-25, it was estimated that \$14,049,600 would lapse to the general fund. DOA anticipates a lapse of \$40,472,800 in 2026-27. The net effect of these adjustments would be a decrease in net expenditures of \$44,751,900, as shown in Table 2 below.

TABLE 2**Tobacco Bonds**

	Base Year <u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	Change to Base <u>Year Doubled</u>
GPR	\$120,206,700	\$106,715,300	\$101,319,800	-\$32,378,300
GPR-Lapse	<u>-14,049,600</u>	<u>0</u>	<u>-40,472,800</u>	<u>-12,373,600</u>
Net GPR	\$106,157,100	\$106,715,300	\$60,847,000	-\$44,751,900

BOARD FOR PEOPLE WITH DEVELOPMENTAL DISABILITIES

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$264,200	\$228,400	\$228,400	\$228,400	\$228,400	- \$35,800	- 13.6%
FED	<u>3,135,800</u>	<u>3,453,500</u>	<u>3,453,500</u>	<u>3,453,500</u>	<u>3,453,500</u>	<u>317,700</u>	10.1
TOTAL	\$3,400,000	\$3,681,900	\$3,681,900	\$3,681,900	\$3,681,900	\$281,900	8.3%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
FED	8.60	7.00	7.00	7.00	7.00	- 1.60

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Legislature: Adjust funding for standard budget adjustments as shown in the following table.

	Funding	Positions
GPR	- \$35,800	0.00
FED	<u>317,700</u>	<u>- 1.60</u>
Total	\$281,900	- 1.60

	<u>GPR</u>	<u>FED</u>	<u>Total</u>
2025-26			
Full Funding of Cont. Pos. Salary/Fringe	\$0	\$183,600	\$183,600
Full Funding of Lease/Directed Moves	<u>-17,900</u>	<u>19,800</u>	<u>1,900</u>
Total	-\$17,900	\$203,400	\$185,500
2026-27			
Removal of Noncontinuing Elements	\$0	-\$89,100	-\$89,100
Full Funding of Cont. Pos. Salary/Fringe	0	183,600	183,600
Full Funding of Lease/Directed Moves	<u>-17,900</u>	<u>19,800</u>	<u>1,900</u>
Total	-\$17,900	\$114,300	\$96,400
Biennial Totals	-\$35,800	\$317,700	\$281,900

In addition, reduce authorized positions by 1.6 FED in 2026-27 under the removal of noncontinuing elements standard budget adjustment.

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$3,228,200	\$4,075,400	\$3,231,200	\$3,231,200	\$3,231,200	\$3,000	0.1%
FED	105,400	105,400	105,400	105,400	105,400	0	0.0
SEG	<u>146,400</u>	<u>626,400</u>	<u>826,400</u>	<u>826,400</u>	<u>626,400</u>	<u>480,000</u>	327.9
TOTAL	\$3,480,000	\$4,807,200	\$4,163,000	\$4,163,000	\$3,963,000	\$483,000	13.9%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	8.70	9.70	7.70	7.70	8.70	0.00
SEG	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL	9.70	10.70	8.70	8.70	9.70	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Legislature: Provide \$117,700 (\$97,700 GPR and \$20,000 SEG from the forestry account of the conservation fund) annually in the 2025-27 biennium for adjustments to the base budget for full funding of continuing position salaries and fringe benefits.

GPR	\$195,400
SEG	<u>40,000</u>
Total	\$235,400

2. FINANCIAL AND LAND ASSET MANAGEMENT [LFB Paper 185]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Veto (Chg. to Leg.)	Net Change
GPR	\$480,000	- \$480,000	\$0	\$0
SEG	<u>440,000</u>	<u>200,000</u>	<u>- 200,000</u>	<u>440,000</u>
Total	\$920,000	- \$280,000	- \$200,000	\$440,000

Governor: Provide \$460,000 (\$240,000 GPR and \$220,000 forestry SEG) annually in the 2025-27 biennium to fund the following: (a) a portfolio management platform and consulting services related to management of trust fund financial assets (\$240,000 GPR annually); (b) land appraisal, deferred maintenance of roads, supplies, and contracts with third-party foresters, for managing agency land holdings and forests (\$170,000 forestry SEG annually); and (c) planting trees on unproductive timber land (\$50,000 forestry SEG annually).

The Board of Commissioners of Public Lands (BCPL) manages the Common School Fund, Normal School Fund, University Fund, and the Agricultural College Fund and distributes the interest earnings of the trust funds to each fund's beneficiary. For instance, BCPL distributes interest income from the Common School Fund to public school libraries. BCPL also manages school trust lands, from which it generates revenues through land and timber sales.

In 2015, BCPL was provided statutory authority that allowed the Board to diversify the types of financial instruments in which it can invest, such as equities, real estate, and infrastructure. BCPL indicates that this diversifying of assets has increased the complexity of managing the portfolio. In addition to allocating GPR funding for procuring a new platform to manage investments, BCPL would utilize GPR funding for private investment analysts and advisors for portfolio review and asset selection or allocation.

According to BCPL, timber sales have increased and average approximately \$1,000,000 per year. Forestry SEG funding would support timber marketing, the administration of timber sales, forest road improvements, and appraisals of parcels offered for sale in BCPL's continuing consolidation of land holdings (land banking). Additionally, BCPL reports that after timber harvesting, some lands need to be replanted to become productive again. Forestry SEG funding would support replanting of certain lands BCPL manages.

Joint Finance/Legislature: Modify provision to include \$100,000 forestry SEG each year for a new portfolio management system, due diligence and asset allocation analyses, and investment accounting services. The change replaces funding of \$240,000 GPR each year for the same purposes.

Include funding of \$170,000 forestry SEG each year for the following land asset management costs: (a) \$75,000 each year for road maintenance, and specify that \$65,000 each year of the funding is provided on a one-time basis; (b) \$30,000 each year for land appraisals; (c) \$20,000 each year for timber and boundary marking; (d) \$20,000 each year for paint and supplies; (e) \$15,000 each year for building maintenance and signage; and (f) \$10,000 each year for land surveys. Additionally, include \$50,000 forestry SEG each year for tree planting costs.

Veto by Governor [E-20]: Delete \$100,000 forestry SEG each year from BCPL's appropriation for forest land and timber management for a new portfolio management system, due diligence and asset allocation analyses, and investment accounting services.

[Act 15 Vetoed Section: 17 (as it relates to s. 20.507(1)(q))]

3. ACCOUNTANT POSITION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$130,200	1.00	- \$130,200	- 1.00	\$0	0.00

Governor: Provide \$55,900 in 2025-26 and \$74,300 in 2026-27 in funding for salary and fringe benefits and 1.0 position annually to hire an accountant. BCPL manages approximately \$1.5 billion in trust funds and currently has one accountant position. The Administration indicates that preferred accounting practices necessitate a second accountant so that each is performing separate tasks related to their volume of transactions.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. AIDS IN LIEU OF PROPERTY TAXES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,000	- \$5,000	\$0

Governor: Convert the annual GPR appropriation for aids in lieu of property tax payments for BCPL-owned land to a sum sufficient GPR appropriation. Further, provide \$5,000 in 2026-27 in additional funding for aids in lieu of property tax payments.

Under s. 24.62(3) of the statutes, BCPL is required to pay aids in lieu of property taxes on all lands acquired or exchanged by the Board after July 14, 2015, provided the lands were taxable or subject to aids in lieu of property taxes at the time of acquisition. BCPL pays an amount equal to the property taxes levied, or the state or federal payments in lieu of taxes made, in the year prior to purchase or exchange.

The Administration indicates that BCPL's aids in lieu of property tax obligations have increased over time as BCPL has acquired additional lands through purchase or exchange under its land-banking authority, by which the Board is consolidating land holdings. Due to aids payments being made from a sum certain appropriation under current law, the appropriation requires periodic adjustments as BCPL acquires new land. If BCPL were to owe more aids than were budgeted, then any additional obligations for aids in lieu of property taxes would be funded through the general program operations appropriation, which could limit BCPL real estate or other activities. In 2023-24, \$30,000 was appropriated to BCPL for aids in lieu of property tax payments and approximately \$24,800 was expended for these purposes. In 2024-25, \$35,000 was appropriated to BCPL for aids in lieu of property tax payments. The bill budgets aids in lieu of property tax payments at \$35,000 in 2025-26 and \$40,000 in 2026-27.

Joint Finance/Legislature: Provision not included. (Base funding of \$35,000 each year is retained in the annual appropriation.)

5. LIMITED-TERM EMPLOYEE COSTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$36,600	- \$36,600	\$0

Governor: Provide \$18,300 annually in the 2025-27 biennium in additional funding for salary and fringe costs for limited-term employees (LTEs). BCPL utilizes LTEs to perform information technology (IT) work, as well as research and projects related to trust assets at the agency. BCPL reports that the costs associated with IT LTEs have been higher than the amounts allocated to the agency for these purposes in the 2023-25 biennium.

Joint Finance/Legislature: Provision not included.

6. DELETE VACANT POSITION

	Jt. Finance/Leg. (Chg. to Base) Funding Positions		Veto (Chg. to Leg.) Funding Positions		Net Change Funding Positions	
GPR	- \$192,400	- 1.00	\$0	1.00	- \$192,400	0.00

Joint Finance/Legislature: Delete 1.0 vacant Deputy Commissioner of Public Lands position, and decrease BCPL's permanent position salary allotment by \$72,200 each year and decrease its fringe benefits allotment by \$24,000 each year. Repeal the statutory provision that the BCPL Executive Secretary appoint a Deputy Commissioner. The position has been vacant since August, 2021.

Veto by Governor [E-23]: Restore statutory references to the appointment and responsibilities of the Deputy Commissioner and retain the position. The decreases to BCPL's permanent position salary and fringe benefits allotments related to the Deputy Commissioner position are retained.

[Act 15 Vetoed Section: 119]

7. MOVING VIOLATIONS FINES AND FORFEITURES -- MILWAUKEE COUNTY

SEG-REV	- \$4,400,000

Joint Finance/Legislature Specify that Milwaukee County may retain 100% of fine and forfeiture revenues from violations of state traffic laws. For counties other than Milwaukee County, retain current law provisions that require 50% of fine and forfeiture revenues from

violations of state traffic laws to be deposited to the Common School Fund, while the remaining 50% of these revenues are retained by the county. The additional amounts retained by Milwaukee County would be used to fund additional District Attorney positions. Estimate decreased revenues to the Common School Fund of -\$2,200,000 SEG-REV annually. [See "District Attorneys."]

[Act 15 Sections: 204 thru 206]

BOARD ON AGING AND LONG-TERM CARE

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$3,934,600	\$4,809,700	\$4,398,100	\$4,398,100	\$4,398,100	\$463,500	11.8%
PR	<u>4,554,400</u>	<u>5,387,500</u>	<u>5,144,900</u>	<u>5,144,900</u>	<u>5,144,900</u>	<u>590,500</u>	13.0
TOTAL	\$8,489,000	\$10,197,200	\$9,543,000	\$9,543,000	\$9,543,000	\$1,054,000	12.4%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	21.13	24.28	21.13	21.13	21.13	0.00
PR	<u>25.37</u>	<u>26.22</u>	<u>24.37</u>	<u>24.37</u>	<u>24.37</u>	<u>- 1.00</u>
TOTAL	46.50	50.50	45.50	45.50	45.50	- 1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Legislature: Adjust funding for standard budget adjustments as shown in the following table.

	Funding	Position
GPR	\$463,500	0.00
PR	<u>590,500</u>	<u>- 1.00</u>
Total	\$1,054,000	- 1.00

	<u>GPR</u>	<u>PR</u>	<u>Total</u>
2025-26			
Removal of Noncontinuing Elements	\$0	- \$76,300	- \$76,300
Full Funding of Cont. Pos. Salary/Fringe	219,900	377,200	597,100
Reclassification/Pay Progression	3,400	0	3,400
Full Funding of Lease/Directed Moves	<u>6,600</u>	<u>6,600</u>	<u>13,200</u>
Total	\$229,900	\$307,500	\$537,400
2026-27			
Removal of Noncontinuing Elements	\$0	- \$101,800	- \$101,800
Full Funding of Cont. Pos. Salary/Fringe	219,900	377,200	597,100
Reclassification/Pay Progression	6,600	0	6,600
Full Funding of Lease/Directed Moves	<u>7,100</u>	<u>7,600</u>	<u>14,700</u>
Total	\$233,600	\$283,000	\$516,600
Biennial Totals	\$463,500	\$590,500	\$1,054,000

In addition, reduce authorized positions by 1.0 PR project position beginning in 2025-26 under the removal of noncontinuing elements standard budget adjustment.

2. OMBUDSMAN AND ADMINISTRATIVE STAFF

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$411,600	3.15	- \$411,600	- 3.15	\$0	0.00
PR	<u>242,600</u>	<u>1.85</u>	<u>- 242,600</u>	<u>- 1.85</u>	<u>0</u>	<u>0.00</u>
Total	\$654,200	5.00	- \$654,200	- 5.00	\$0	0.00

Governor: Provide \$289,100 (\$181,900 GPR and \$107,200 PR) in 2025-26 and \$365,100 (\$229,700 GPR and \$135,400 PR) in 2026- 27 to fund 5.0 positions (3.15 GPR and 1.85 PR positions), beginning in 2025-26.

Three of the positions would be assigned to the ombudsman program to reduce caseloads for the current ombudsman staff. The remaining two positions would perform administrative functions and would include one executive assistant and one communications specialist.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

BONDING AUTHORIZATION

1. GENERAL OBLIGATION BONDING AUTHORITY SUMMARY SCHEDULE

Governor/Legislature: Include a summary schedule showing general obligation bonding authority in the bill as indicated in the following table. In addition, include a summary schedule showing debt service.

<u>Agency and Purpose</u>	<u>Governor</u>	<u>Jt. Finance/Leg.</u>
Administration		
Housing state agencies	\$54,128,900	\$54,128,900
Energy conservation projects	67,056,000	25,000,000
Agriculture, Trade and Consumer Protection		
Agricultural conservation easements	15,000,000	0
Soil and water	10,000,000	0
Building Commission		
Other public purposes (all agency projects)	839,188,000	39,188,000
Courthouse complex--Milwaukee County	25,000,000	0
Corrections		
Correctional facilities	455,441,000	85,014,000
Juvenile correctional facilities	155,868,000	124,749,000
Health Services		
Mental health and secure treatment facilities	187,162,000	153,317,000
Medical College of Wisconsin		
Eye Institute	0	10,000,000
Military Affairs		
Armories and military facilities	14,272,700	14,272,700
Natural Resources		
Contaminated sediment removal	9,000,000	0
Dam safety projects	15,000,000	0
Knowles-Nelson Stewardship	830,000,000	0
Nonpoint source	10,000,000	0
Urban nonpoint source cost-sharing	11,000,000	0
Recreational development	140,192,000	12,523,000
SEG revenue supported facilities	37,983,200	37,983,200
State Fair Park		
Board facilities	17,989,000	17,989,000
Self-amortizing facilities	3,350,000	2,500,000

<u>Agency and Purpose</u>	<u>Governor</u>	<u>Jt. Finance/Leg.</u>
Transportation		
Freight rail	\$5,000,000	\$0
Design-build program increase	92,500,000	92,500,000
Harbor assistance	15,000,000	0
Menominee River dredging	15,000,000	0
Southeast Wisconsin mega-projects	185,171,300	185,171,300
University of Wisconsin System		
Academic facilities	1,133,928,000	947,573,000
Self-amortizing facilities	551,299,400	278,186,400
Veterans Affairs		
Veterans facilities	72,831,300	48,485,300
Self-amortizing facilities	112,029,000	82,029,000
Wisconsin Historical Society		
Historic Sites	<u>8,824,000</u>	<u>0</u>
TOTAL General Obligation Bonds*	\$5,089,213,800	\$2,210,609,800

*Excludes \$1,600,000,000 of economic refunding bonds that would be authorized.

[Act 15 Section: 16]

2. REVENUE OBLIGATION BONDING AUTHORITY SUMMARY SCHEDULE

Governor/Legislature: Include a summary schedule showing revenue obligation bonding authority in the bill as indicated in the following table.

<u>Agency and Purpose</u>	<u>Governor</u>	<u>Jt. Finance/Leg.</u>
Environmental Improvement Program		
Clean water and safe drinking water	\$725,900,000	\$732,250,100
Transportation		
Transportation facilities and major highway projects	254,035,100	214,035,200
State highway rehabilitation	<u>65,000,000</u>	<u>0</u>
TOTAL Revenue Obligation Bonds	\$1,044,935,100	\$946,285,300
GRAND TOTAL General and Revenue Obligation Bonds	\$6,134,148,900	\$3,156,895,100

[Act 15 Section: 16]

BUDGET MANAGEMENT

Budget Change Items

1. REQUIRED GENERAL FUND STRUCTURAL BALANCE [LFB Paper 195]

Joint Finance/Legislature: Suspend the statutory provision requiring a structural balance in 2026-27 so that it would not apply to any legislation enacted in the 2025-26 legislative session.

[Act 15 Section: 9128(2)]

2. DATE OF PUBLICATION

Joint Finance/Legislature: Require the Legislative Reference Bureau to publish the budget act immediately upon the Governor's signature.

[Act 15 Section: 9128(1)]

3. NON-SUBSTANTIVE WORDING CHANGES

Senate/Legislature: In a number of places in the bill, make non-substantive changes to the wording as follows: (a) use the word "cannot" rather than "may not"; (b) use the phrase "up to" rather than "not to exceed"; (c) split a sentence into two shorter sentences; (d) change the order of phrases in a sentence; (e) when increasing a dollar amount referenced in the statutes, specify the increase in a separate sentence or phrase rather than replacing the old dollar amount; (f) for dates, change the order, placement, or way a date is described without altering the effect of the provision; (g) where position authorizations are being made, state the position change without using a decimal point in the number of positions; and (h) correct cross references, inconsistent effective dates, the numbering of a nonstatutory provision, and an inadvertent duplication of a transfer.

Veto by Governor [B-4, C-9 and C-10]: The Governor modified section 327m relating to statutory daily rates at state juvenile facilities and deleted sections 9108(1) relating to an electrician position at the correctional institution at Prairie du Chien and 9108(2) relating to education and vocational training utilizing virtual reality technologies at the Department of Corrections. See the Department of Corrections for more information about these provisions.

[Act 15 Sections: 10b, 46, 94, 98, 101, 109, 113, 126 thru 130, 132, 133, 142, 143, 149, 157 thru 160, 275, 282 thru 284, 289, 323, 324, 327m, 338 thru 340, 342 thru 347, 9102(2), 9110(1), 9137(1), 9138(1), 9144(6), (7), (8), 9232(2), and 9444(1) thru (4)]

[Act 15 Vetoed Sections: 327m, and 9108(1)&(2)]

BUILDING COMMISSION

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over <u>Base Year Doubled</u>	
						Amount	Percent
GPR	\$88,566,000	\$135,951,000	\$136,433,800	\$136,433,800	\$136,433,800	\$47,867,800	54.0%
PR	2,625,600	2,947,100	1,166,000	1,166,000	1,166,000	- 1,459,600	- 55.6
SEG	<u>2,048,400</u>	<u>2,048,400</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>	<u>3,951,600</u>	192.9
TOTAL	\$93,240,000	\$140,946,500	\$143,599,800	\$143,599,800	\$143,599,800	\$50,359,800	54.0%

FTE Position Summary
There are no full time positions authorized for the Building Commission.

Budget Change Items

1. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$47,385,000	- \$31,517,200	\$15,867,800
PR	<u>321,500</u>	<u>- 1,781,100</u>	<u>- 1,459,600</u>
Total	\$47,706,500	- \$33,298,300	\$14,408,200

Governor: Provide \$18,253,400 GPR in 2025-26 and \$29,131,600 GPR in 2026-27 to reflect a reestimate of GPR debt service costs on state general obligation bonds and short-term debt. Base funding is \$44,283,000 GPR annually. Modify PR funding for debt service by -\$93,900 PR in 2025-26 and \$415,400 PR in 2026-27. Base funding is \$1,312,800 PR annually.

Joint Finance/Legislature: Reestimate debt service by -\$15,063,300 GPR and -\$889,500 PR in 2025-26 and -\$16,453,900 GPR and -\$891,600 PR in 2026-27.

2. GENERAL OBLIGATION BOND REFUNDING AUTHORITY

Governor/Legislature: Increase the amount of state public debt that may be contracted to refund unpaid indebtedness for tax-supported or self-amortizing facilities by \$1.6 billion, from \$11.235 billion to \$12.835 billion. Under current law, the Building Commission is authorized to contract public debt up to \$11.235 billion to refund outstanding debt. Debt incurred under this authorization is repaid from existing debt service appropriations in proportional amounts to the purposes for which the debt was refinanced. No bonds may be issued unless the true interest costs to the state can be reduced.

[Act 15 Section: 106]

3. GRANTS FOR LOCAL PROJECTS [LFB Paper 111]

Governor: Establish a local projects program, administered by the Department of Administration (DOA), to assist nonstate organizations and cities, villages, towns, counties, and tribal governments to carry out construction projects having a statewide public purpose. Specify that the determination of statewide public purpose would be made by the Building Commission, with the exception of initial grant recipients identified under the bill. Create two continuing appropriations under DOA for awarding grants to: (a) nonstate organizations; and (b) cities, villages, towns, counties, and tribal governments. Provide \$125.0 million GPR and \$40.1 million SEG to the two appropriations under DOA, respectively, for the purpose of awarding grants. [More information about funding, appropriation creation, and grant recipients for this program is described under "Administration -- General Agency Provisions."]

Under 2023 Act 19, a grant program (2023-25 program) was established under the Building Commission, and \$50 million of segregated revenue (cash) was provided, to assist non-state organization to carry out construction projects having a statewide public purpose. Act 19 required that the Building Commission determine that the organization carrying out the project has secured additional funding for the project from non-state revenue sources in an amount that is equal to at least 50% of the construction project. The Act specified that the Building Commission could not make a grant under this purpose for construction of a project unless DOA had reviewed and approved plans for the project, although DOA could not supervise any services or work or let any contracts for the project. Under the 2023-25 program, if the Building Commission made a grant for this purpose, the state would retain an ownership interest in a space constructed with these grants equal to the amount of the state's grant if, for any reason, the expanded space is not used for one or more of the public purposes determined by the Building Commission.

The Department of Administration started accepting applications for the 2023-25 program in November, 2023, with applications due by January 31, 2024. DOA reviewed the applications and recommended 50 recipients for grants for consideration of the Building Commission at its October, 2024, meeting. The Building Commission approved the list of recipients and the release of the \$50 million for the grants. Therefore, no money remains for the purpose.

In comparison to the 2023-25 program, the bill would specify that DOA, rather than the Building Commission, would establish and operate the grant program. The bill would specify that

cities, villages, towns, counties, and tribal governments, in addition to nonstate organizations, would be eligible for the grant program. The Building Commission would retain the responsibility for determining that projects have a statewide public purpose, with the exception of initial grant recipients identified under the bill, in which a statement of public purpose has already been determined. The Building Commission would also retain responsibility for determining the organization carrying out the project has secured additional funding for the project from non-state revenue sources in an amount that is equal to at least 50% of the construction project. The bill establishes a broad statement of public purpose related to facilities that provide public services to help citizens of the state.

Joint Finance/Legislature: Provision not included under Building Commission. See "Building Program."

4. BUILDING TRUST FUND TRANSFER [LFB Paper 202]

Joint Finance/Legislature: Provide \$32,000,000 in 2025-26 under the Building Commission for transfer to the building trust fund for advanced planning in the 2025-27 biennium. Reestimate the opening balance by \$32,000,000 to reflect the lapse of \$32,000,000 GPR from the Committee's program supplements appropriation in 2024-25.

GPR	\$32,000,000
Opening Balance	\$32,000,000

5. BONDING SERVICES [LFB Paper 106]

Joint Finance/Legislature: Provide \$1,975,800 annually as a reestimate of funding under the current SEG sum sufficient appropriation used for bonding services. Base funding is \$1,024,200 annually.

SEG	\$3,951,600

BUILDING PROGRAM

1. 2025-27 ENUMERATED PROJECTS [LFB Paper 200]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
All Funds	\$3,932,210,900	- \$1,453,931,000	\$2,478,279,900

Governor: Provide \$3,932,310,900 from all funding sources of 2025-27 building program financing authority for: (a) specific enumerated projects (\$2,706,736,000); and (b) all agency projects (\$1,225,574,900).

Specify that funding for enumerated and all agency projects be drawn from the following sources: (a) \$3,740,235,600 from new general obligation bonding authority; (b) \$5,000,000 from general obligation bonding authority that is currently authorized; (c) \$9,500,000 from new revenue bonding authority; (d) \$80,461,800 from agency operating funds; (e) \$20,200,000 from segregated revenue that is currently authorized; (f) \$38,184,300 from federal funds; and (g) \$38,729,200 from gifts, grants, and other receipts. The Governor's recommended funding sources for the 2025-27 building program by agency are shown in Table 1.

Joint Finance/Legislature: Provide \$2,478,279,900 from all funding sources of 2025-27 building program financing authority for: (a) specific enumerated projects (\$1,768,261,000); and (b) all agency projects (\$710,018,900).

Specify that funding for enumerated and all agency projects be drawn from the following sources: (a) \$1,831,688,600 from new general obligation bonding authority; (b) \$15,015,000 from general obligation bonding authority that is currently authorized; (c) \$9,500,000 from new revenue bonding authority; (d) \$63,663,800 from agency operating funds; (e) \$326,500,000 from new segregated revenue; (f) \$20,200,000 from segregated revenue that is currently authorized; (g) \$38,184,300 from federal funds; and (h) \$173,528,200 from gifts, grants, and other receipts.

The enacted funding sources for the 2025-27 building program by agency are shown in Table 2. The major agency projects enumerated as part of the 2025-27 state building program are listed in Table 3. Tables 4 and 5 list the projects included by the Governor and/or Legislature in the UW System's minor facilities renewal projects program and the instructional space projects program. Table 6 shows total funding from all funding sources for the 2025-27 building program, funds allocated for project planning, and modifications to prior building programs. Descriptions of projects allocated planning funds and modifications to prior building program projects are included in separate items of this summary.

[Act 15 Sections: 9104(1) and 9104(13) thru 9104(15)]

TABLE 1

Governor's Recommended Funding Sources for the 2025-27 Building Program

	New General Obligation Bonds			Revenue	Existing	Agency	Existing	Gifts,		
	<u>GPR</u>	<u>PR</u>	<u>SEG</u>	<u>Bonds</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Operating</u> <u>Funds</u>	<u>Segregated</u> <u>Revenue</u>	<u>Grants,</u> <u>and Other</u>	<u>Federal</u>	<u>Total</u>
Administration	\$39,188,000	\$6,106,000	-	-	-	-	\$1,200,000	-	-	\$46,494,000
Building Commission	25,000,000	-	-	-	-	-	-	-	-	25,000,000
Corrections	602,876,000	-	-	-	-	-	6,000,000	-	-	608,876,000
Health Services	187,162,000	-	-	-	-	-	8,000,000	-	-	195,162,000
Military Affairs	14,272,700	-	-	-	-	-	-	-	\$17,521,300	31,794,000
Natural Resources	135,135,000	-	\$22,543,000	-	-	-	-	-	-	157,678,000
State Fair Park	17,989,000	-	-	-	-	-	-	-	-	17,989,000
University of Wisconsin System	1,133,928,000	348,590,000	-	-	-	\$26,524,000	5,000,000	\$37,500,000	-	1,551,542,000
Veterans Affairs	38,331,000	23,151,000	-	-	-	-	-	-	1,895,000	63,377,000
Wisconsin Historical Society	<u>8,824,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,824,000</u>
Subtotal	\$2,202,705,700	\$377,847,000	\$22,543,000	-	-	\$26,524,000	\$20,200,000	\$37,500,000	\$19,416,300	\$2,706,736,000
All Agency										
Facility Maintenance and Repair	\$509,000,000	\$94,704,900	\$8,254,500	\$8,725,000	-	\$34,141,300	-	\$729,200	\$15,935,300	\$671,490,200
Utilities Repair and Renovation	236,000,000	99,041,300	4,185,700	-	\$758,400	10,226,300	-	500,000	2,832,700	353,544,400
Health, Safety, and Environmental Protection	39,000,000	12,428,000	-	775,000	-	-	-	-	-	52,203,000
Preventive Maintenance Program	3,500,000	461,500	-	-	-	-	-	-	-	3,961,500
Programmatic Remodeling and Renovation	11,000,000	3,258,000	3,000,000	-	4,241,600	7,570,200	-	-	-	29,069,800
Capital Equipment Acquisition	1,500,000	-	-	-	-	-	-	-	-	1,500,000
Land and Property Acquisition	-	44,750,000	-	-	-	-	-	-	-	44,750,000
Energy Conservation	<u>-</u>	<u>67,056,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,056,000</u>
Subtotal	\$800,000,000	\$321,699,700	\$15,440,200	\$9,500,000	\$5,000,000	\$53,937,800	-	\$1,229,200	\$18,768,000	\$1,225,574,900
 TOTAL	 \$3,002,705,700	 \$699,546,700	 \$37,983,200	 \$9,500,000	 \$5,000,000	 \$80,461,800	 \$20,200,000	 \$38,729,200	 \$38,184,300	 \$3,932,310,900

TABLE 2

Joint Committee on Finance/Legislature Recommended Funding Sources for the 2025-27 Building Program

	New General Obligation Bonds			Revenue Bonds	Existing General Obligation Bonds	Agency Operating Funds	Segregated Revenue	Existing Segregated Revenue	Gifts, Grants, and Other	Federal	Total
	<u>GPR</u>	<u>PR</u>	<u>SEG</u>								
Administration	\$39,188,000	\$6,106,000	-	-	-	-	-	\$1,200,000	-	-	\$46,494,000
Building Commission	-	-	-	-	-	-	-	-	\$50,000,000	-	50,000,000
Corrections	201,330,000	-	-	-	-	-	-	6,000,000	-	-	207,330,000
Health Services	153,317,000	-	-	-	-	-	-	8,000,000	-	-	161,317,000
Medical College of Wisconsin	10,000,000	-	-	-	-	-	-	-	31,599,000	-	41,599,000
Military Affairs	14,272,700	-	-	-	-	-	-	-	-	\$17,521,300	31,794,000
Natural Resources	12,523,000	-	\$22,543,000	-	-	-	-	-	-	-	35,066,000
State Fair Park	17,989,000	-	-	-	-	-	-	-	-	-	17,989,000
University of Wisconsin System	947,573,000	74,627,000	-	-	\$10,015,000	\$9,726,000	-	5,000,000	90,700,000	-	1,137,641,000
Veterans Affairs	13,985,000	23,151,000	-	-	-	-	-	-	-	1,895,000	39,031,000
Subtotal	\$1,410,177,700	\$103,884,000	\$22,543,000	-	\$10,015,000	\$9,726,000	-	\$20,200,000	\$172,299,000	\$19,416,300	\$1,768,261,000
All Agency											
Facility Maintenance and Repair	-	\$94,704,900	\$8,254,500	\$8,725,000	-	\$34,141,300	\$225,000,000	-	\$729,200	\$15,935,300	\$387,490,200
Utilities Repair and Renovation	-	99,041,300	4,185,700	-	\$758,400	10,226,300	75,000,000	-	500,000	2,832,700	192,544,400
Health, Safety, and Envir. Protection	-	12,428,000	-	775,000	-	-	20,000,000	-	-	-	33,203,000
Preventive Maintenance Program	-	461,500	-	-	-	-	-	-	-	-	461,500
Programmatic Remodeling & Renov.	-	3,258,000	3,000,000	-	4,241,600	7,570,200	5,000,000	-	-	-	23,069,800
Capital Equipment Acquisition	-	-	-	-	-	-	1,500,000	-	-	-	1,500,000
Land and Property Acquisition	-	44,750,000	-	-	-	-	-	-	-	-	44,750,000
Energy Conservation	-	25,000,000	-	-	-	2,000,000	-	-	-	-	27,000,000
Subtotal	-	\$279,643,700	\$15,440,200	\$9,500,000	\$5,000,000	\$53,937,800	\$326,500,000	-	\$1,229,200	\$18,768,000	\$710,018,900
TOTAL	\$1,410,177,700	\$383,527,700	\$37,983,200	\$9,500,000	\$15,015,000	\$63,663,800	\$326,500,000	\$20,200,000	\$173,528,200	\$38,184,300	\$2,478,279,900

TABLE 3

**State Agency 2025-27 Enumerated Major Projects
Total Project Authority (All Funding Sources)**

	<u>Governor</u>	<u>Jt. Finance/Leg.</u>
Department of Administration		
State Capitol - Fiber and Cable Upgrades	\$30,994,000	\$30,994,000
State Capitol - Elevator Modernization	9,394,000	9,394,000
Tommy G. Thompson Center - Elevator Modernization	<u>6,106,000</u>	<u>6,106,000</u>
Total	\$46,494,000	\$46,494,000
Building Commission (Non-State Projects)		
Milwaukee County - Courthouse Complex	\$25,000,000	-
Non-State Local Project Grants	<u>-</u>	<u>\$50,000,000</u>
Total	\$25,000,000	\$50,000,000
Department of Corrections		
Statewide - DOC Realignment	\$325,000,000	*
Type 1 Juvenile Facility - Dane County	130,749,000	\$130,749,000
Grow Academy - New 16 Bed Facility	31,119,000	*
Prairie Du Chien Correctional Institution - Central Heating Plant Replacement	26,654,000	26,654,000
Statewide - Minor Facilities Renewal Program - Heating Distribution Systems Replacement	29,790,000	29,790,000
Statewide - Minor Facilities Renewal Program - Roofing Replacements	45,427,000	-
Milwaukee Secure Detention Facility - Elevator Replacement	11,081,000	11,081,000
Kettle Moraine Correctional Institution - Emergency Generator Replacement	<u>9,056,000</u>	<u>9,056,000</u>
Total	\$608,876,000	\$207,330,000
Department of Health Services		
Central Wisconsin Center - Food Service Building Renovation	\$44,663,000	\$44,663,000
Mendota Mental Health Institute - Utility Improvements Phase II	55,454,000	55,454,000
Winnebago Mental Health Institute - Utility and Service Tunnel Improvements	61,200,000	61,200,000
Statewide - Minor Facilities Renewal Program - Repairs and Renovations	<u>33,845,000</u>	<u>-</u>
Total	\$195,162,000	\$161,317,000
Medical College of Wisconsin		
Eye Institute	-	\$41,599,000
Department of Military Affairs		
Madison - Readiness Center Remodel	\$4,369,000	\$4,369,000
West Bend AASF - Fire Suppression System Replacement	5,825,000	5,825,000
Whitewater - Field Maintenance Shop Expansion	5,776,000	5,776,000
Milwaukee - Readiness Center Remodel - Phase V	9,327,000	9,327,000
Camp Douglas - Camp Williams Generator Replacement	<u>6,497,000</u>	<u>6,497,000</u>
Total	\$31,794,000	\$31,794,000
Department of Natural Resources		
Northern Highland American Legion State Forest - Vault Toilet Building Replacements	\$4,254,000	*
Statewide - Bridge Repair and Replacement Program	30,459,000	-
Statewide - Minor Facilities Renewal Program - Toilet/Shower Building Replacements	18,498,000	*
Northern Highland American Legion State Forest - Boat Access Improvements	8,438,000	*
Devil's Lake State Park - Conservation Warden Office Renovation	3,151,000	\$3,151,000
Governor Tommy G. Thompson State Fish Hatchery - Pond Liner Replacement Phase II	10,311,000	-
Mead Wildlife Area - River Dike System Upgrade	6,021,000	6,021,000
Spring Green Ranger Station - Fire Response Ranger Station Replacement	6,176,000	6,176,000

	<u>Governor</u>	<u>Jt. Finance/Leg.</u>
Department of Natural Resources (continued)		
Statewide - Forest Fire Command Center Replacement	\$4,725,000	\$4,725,000
Statewide - Minor Facilities Renewal Program - Road and Parking Lot Improvements	45,201,000	*
Badger State Trail - Trail Repairs	6,502,000	6,502,000
Statewide - Public Entrance and Visitor Station Replacements	5,451,000	*
Wausaukee Ranger Station - Peshtigo and Wausaukee Ranger Stations Consolidation	6,134,000	6,134,000
Richard Bong State Recreation Area - Conservation Warden Office and Storage Expansion	<u>2,357,000</u>	<u>2,357,000</u>
Total	\$157,678,000	\$35,066,000
State Fair Park		
West Side Restrooms Reconstruction	\$4,906,000	\$4,906,000
North Parking Lots Infrastructure and Repaving	<u>13,083,000</u>	<u>13,083,000</u>
Total	\$17,989,000	\$17,989,000
UW System		
Systemwide - Instructional Space Projects Program	\$49,174,000	\$49,174,000
Systemwide - Minor Facilities Renewal Program - Group I	120,255,000	112,857,000
Systemwide - Minor Facilities Renewal Program - Group II	109,590,000	131,758,000
La Crosse - Prairie Springs Science Center Completion	194,466,000	194,466,000
Milwaukee - Health Sciences Renovation	189,325,000	189,325,000
Madison - Humanities Relocation and Demolition	292,581,000	*
Stevens Point - Sentry Hall Addition and Renovation	98,098,000	98,098,000
Parkside - Wyllie Hall Renovation Completion (Levels L1/L2/L3)	35,342,000	-
Madison - New Residence Halls	293,411,000	-
Stout - Recreation Complex Addition and Renovation	31,728,000	31,728,000
Madison - Dejope Residence Hall Dinning Addition and Renovation	*	10,668,000
Madison - Chadbourne Residence Hall Dinning Addition and Renovation	*	18,795,000
Madison - Science Hall Renovation	-	163,200,000
Oshkosh - Polk Learning Commons Addition and Renovation	<u>137,572,000</u>	<u>137,572,000</u>
Total	\$1,551,542,000	\$1,137,641,000
Department of Veterans Affairs		
Statewide - New VHRP Facility - Chippewa Valley	\$14,320,000	-
Statewide - New VHRP Facility - Green Bay	10,026,000	-
Wisconsin Veterans Home at King - Plumbing Repairs and Lead Abatement	7,010,000	\$7,010,000
Wisconsin Veterans Home at King - Boiler and Deaerator Feed Replacement	24,042,000	24,042,000
Wisconsin Veterans Home at Chippewa Falls - Technology Improvements	4,565,000	4,565,000
Northern Wisconsin Veterans Memorial Cemetery - Phase V Expansion	<u>3,414,000</u>	<u>3,414,000</u>
Total	\$63,377,000	\$39,031,000
Wisconsin Historical Society		
Pendarvis - Utility and Preservation Plan Improvements	\$8,824,000	-
All Agency Program		
Facility Maintenance and Repair	\$671,490,200	\$387,490,200
Utilities Repair and Renovation	353,544,400	192,544,400
Health, Safety, and Environmental Protection	52,203,000	33,203,000
Preventive Maintenance	3,961,500	461,500
Programmatic Remodeling and Renovation	29,069,800	23,069,800
Capital Equipment Acquisition	1,500,000	1,500,000
Land and Property Acquisition	44,750,000	44,750,000
Energy Conservation	<u>69,056,000</u>	<u>27,000,000</u>
Total	\$1,225,574,900	\$710,018,900
Grand Total	\$3,932,310,900	\$2,478,279,900

*Planning funds allocated for these projects.

TABLE 4

2025-27 University of Wisconsin System, Minor Facilities Renewal Program

<u>Campus</u>	<u>Project Description</u>
Group 1	UW System Projects Costing Between \$3.0 Million and \$7.4 Million
UW - Eau Claire	Vicki Lord Larson Elevator & Accessibility Renovation
UW - Madison	Vilas Communication Hall Roof Replacement
UW - Green Bay	Multi-Building Roof Replacements
UW - Stout	Multi-Academic Building Roof Replacements
UW - Parkside	Heating & Chilling Plant Curtain Wall Repairs and Replacement
UW - Whitewater	Anderson Library Exterior Door & Window Replacements
UW - La Crosse	Multi-Residence Hall Fire Sprinkler System Retrofits
UW - Madison	Waters Residence Hall Exterior Envelope Renovation
UW - Whitewater	Benson Hall Renovation
UW - River Falls	Mann Valley Laboratory Farms Roadway & Utilities Replacement
UW - Milwaukee	Core Campus Building Automation System Renovation & Repairs
UW - Madison	Multi-Building Direct Digital Controls Renovation
UW - Platteville	Russell Hall HVAC System Energy Improvement Project
UW - Green Bay	Kress Event Center Air Handling Unit Replacements
UW - Milwaukee	Maryland Avenue Bridge Repairs & Restoration
UW - Green Bay	Instructional Services Roof/Plaza Deck Waterproofing & Replacement
UW - Stevens Point	Trainer Natural Resources Greenhouse Renovation
UW - Green Bay	Environmental Science & Laboratory Sciences Exterior Envelope Repairs*
Group 2	UW System Projects Costing Between \$7.4 Million and \$15.0 Million
UW - Madison	Multi-Building Fire Alarm & Smoke Detection System Replacements, Phases XII/XIII
UW - Whitewater	Williams Center Roof Replacement & Flood Mitigation
UW - Madison	Multi-Building Elevator Replacements & Modernizations, Phase II
UW - Stevens Point	Multi-Activity Center & Quandt Gymnasium Areas Roof Replacements
UW - Milwaukee	Lapham Hall Exterior Envelope Repairs & Roof Replacement
UW - La Crosse	Heating Plant Boiler Burner Replacements
UW - Parkside	Campus-Wide Exterior Electrical Infrastructure & Lighting Renovation
UW - River Falls	Multi-Building Exterior Envelope Maintenance & Repairs
UW - Whitewater	Center of the Arts Music Classroom, Laboratory, & Studio Renovations
UW - Stout	Johnson Fieldhouse Renovation**
UW - Platteville	Karrmann Student Access Center**
UW - Superior	NCAA Standards Compliance for Baseball & Softball Fields**
UW - Stout	Vocational Rehabilitation Repairs & Renovation*

*Project not included by Joint Finance/Legislature.

**Project added by Joint Finance/Legislature.

TABLE 5

2025-27 University of Wisconsin System, Instructional Space Projects Program

<u>Campus</u>	<u>Project Description</u>
UW - Green Bay	Athletic Training & Cadaver Laboratory Renovations
UW - Stevens Point	Science Building Occupational Therapy Renovation
UW - Parkside	Greenquist Hall Science Laboratory Renovations
UW - Milwaukee	Physics Instructional Laboratory Relocations
UW - Green Bay	Studio Arts C-Wing Laboratory Renovations
UW - Milwaukee	Lapham Hall Active Learning Classroom Renovation
UW - Madison	Van Vleck Lecture Hall Renovations
UW - La Crosse	Mitchell Hall & Morris Hall Laboratory Renovations
UW - River Falls	North Hall Active Learning Classroom Renovation
UW - Oshkosh	Titan TV Remote Infrastructure Modernization

TABLE 6

Total Project Authority (All Funding Sources)

	<u>Governor</u>	<u>Jt. Finance/Leg.</u>
2025-27 Enumerated Major Projects	\$3,932,310,900	\$2,478,279,900

Planning Funds

Department of Administration

State Laboratory of Hygiene - Building Addition	\$1,000,000	-

Department of Corrections

Statewide - DOC Realignment	Enumerate	\$15,000,000
Grow Academy - New 16 Bed Facility	Enumerate	1,500,000
Statewide - Type 1 Juvenile Facility - NE WI - Planning and Design	\$6,540,000	-
Fox Lake Correctional Institution - Toilet/Shower Room Reconstruction	800,000	800,000
Jackson Correctional Institution - Reverse Osmosis Water Treatment System	300,000	300,000
Racine Correctional Institution - Infirmary Medical Unit Remodel	300,000	300,000
Statewide - Residential Parenting Program Development	<u>1,000,000</u>	<u>-</u>
Total	\$8,940,000	\$17,900,000

Department of Health Services

Sand Ridge Secure Treatment Center - Health Service Unit Expansion	\$800,000	\$800,000
Wisconsin Resource Center - North Building Wet Cell Renovation	<u>-</u>	<u>800,000</u>
Total	\$800,000	\$1,600,000

Department of Military Affairs

Chippewa Falls - New Readiness Center	\$1,700,000	\$1,700,000
Wausau - New Readiness Center - Planning and Design	1,995,000	1,995,000
Wisconsin Rapids - New Readiness Center - Planning and Design	<u>1,149,000</u>	<u>1,149,000</u>
Total	\$4,844,000	\$4,844,000

	<u>Governor</u>	<u>Jt. Finance/Leg.</u>
Department of Natural Resources		
Northern Highland American Legion State Forest - Vault Toilet Building Replacements	Enumerate	\$276,000
Statewide - Minor Facilities Renewal Program - Toilet/Shower Building Replacements	Enumerate	1,147,000
Northern Highland American Legion State Forest - Boat Access Improvements	Enumerate	493,000
Statewide - Minor Facilities Renewal Program - Road and Parking Lot Improvements	Enumerate	2,635,000
Statewide - Public Entrance and Visitor Station Replacements	Enumerate	606,000
Devil's Lake State Park - Interpretive Center Replacement	\$650,000	-
Willow River State Park - Interpretive Center Replacement	<u>250,000</u>	<u>250,000</u>
Total	\$900,000	\$5,407,000
State Fair Park		
Swine, Sheep, and Goat Barn Redevelopment	\$4,000,000	\$4,000,000
Wisconsin Historical Society		
Madison Headquarters - Building Restoration - Planning and Design	\$1,979,000	-
Madison Headquarters - Facade, Envelope, and Safety Improvements	350,000	-
Madison Headquarters - Mechanical System Improvements	<u>300,000</u>	<u>-</u>
Total	\$2,629,000	-
UW System		
Milwaukee - Sandburg Hall East Tower Restroom Renovations	\$800,000	\$800,000
Madison - Dejope Residence Hall Dining Addition and Renovation	600,000	Enumerate
Stout - Hansen, Keith, Milnes, and Chinnock Residence Halls Additions and Renovations	2,000,000	-
Madison - Chadbourne Residence Hall Dining Addition and Renovation	800,000	Enumerate
Systemwide - Central Plants and Utility Distribution Repairs, Renovations, and Replacements - Planning and Design (includes \$6,222,000 PR cash)	16,943,000	16,943,000
Milwaukee - Engineering and Neuroscience - Planning and Design	6,900,000	6,900,000
Platteville - Ottensman Hall Addition and Renovation - Planning and Design	-	6,727,000
Madison - Humanities Relocation and Demolition	Enumerate	5,000,000
Madison - West Campus Research Building and Parking Ramp - Planning and Design (all PR cash)	<u>19,653,000</u>	<u>19,653,000</u>
Total	\$47,696,000	\$56,023,000
Department of Veterans Affairs		
Wisconsin Veterans Museum - Upgrade and Expansion	<u>\$6,200,000</u>	<u>-</u>
Total Planning Funds	\$77,009,000	\$89,774,000
Modifications to Prior Building Programs		
Department of Corrections		
Wisconsin Secure Program Facility - New Health Service Unit and Restrictive Housing Unit Renovation	\$16,225,000	\$16,225,000
Department of Natural Resources		
Potawatomi State Park - Accessible Look-Out Platform	\$5,557,000	-
Department of Veterans Affairs		
Wisconsin Veterans Home at King - Food Service and Laundry Facilities	<u>\$101,393,000</u>	<u>\$101,393,000</u>
Total Modifications to Prior Projects	\$123,175,000	\$117,618,000
GRAND TOTAL	\$4,132,494,900	\$2,685,671,900

2. **BONDING AUTHORIZATIONS FOR 2025-27 BUILDING PROGRAM** [LFB Paper 200]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$3,740,235,600	- \$1,908,547,000	\$1,831,688,600

Governor: Provide \$3,740,235,600 of new general obligation bonding authority for 2025-27 building program projects, as shown in the following table.

Joint Finance/Legislature: Provide \$1,831,688,600 of new general obligation bonding authority for 2025-27 building program projects, as shown in the following table.

2025-27 Building Program Bonding Authorizations

	<u>Governor</u>	<u>Jt Finance/Leg.</u>
Administration		
Housing State Departments and Agencies	\$54,128,900	\$54,128,900
Energy Conservation Projects	67,056,000	25,000,000
Building Commission		
Other Public Purposes	839,188,000	39,188,000
Courthouse Complex - Milwaukee County	25,000,000	-
Corrections		
Correctional Facilities	447,008,000	76,581,000
Juvenile Correctional Facilities	155,868,000	124,749,000
Health Services		
Mental Health and Secure Treatment Facilities	187,162,000	153,317,000
Medical College of Wisconsin	-	10,000,000
Military Affairs		
Armories and Military Facilities	14,272,700	14,272,700
Natural Resources		
Recreational Development	135,135,000	12,523,000
SEG Revenue Supported Facilities	37,983,200	37,983,200
State Fair Park		
Board Facilities	17,989,000	17,989,000
Self-Amortizing Facilities	3,350,000	2,500,000
University of Wisconsin System		
Academic Facilities	1,133,928,000	947,573,000
Self-Amortizing Facilities	551,299,400	278,186,400

	<u>Governor</u>	<u>Jt Finance/Leg.</u>
Veterans Affairs		
Veterans Facilities	\$38,331,000	\$13,985,000
Self-Amortizing Facilities	23,712,400	23,712,400
Wisconsin Historical Society		
Historic Sites	<u>8,824,000</u>	<u>-</u>
GRAND TOTAL	\$3,740,235,600	\$1,831,688,600

[Act 15 Sections: 16, 96 thru 99, 102 thru 105, and 107 thru 114]

3. **MODIFICATIONS TO PRIOR BUILDING PROGRAMS** [LFB Paper 200]

Governor: Modify prior building programs as follows:

a. **2017-19 Building Program**

Under projects financed by GPR-supported borrowing, increase the amount by \$34,500,300 for the "Wisconsin Veterans Home at King - central services kitchen upgrade" under the Department of Veterans Affairs, from \$987,300 to \$35,487,600. For that same project, for PR-supported bonding, increase the amount by \$58,316,600 from \$7,588,800 to \$65,905,400. The total project enumeration would increase by \$92,816,900 from \$8,576,100 to \$101,393,000.

b. **2021-23 Building Program**

Under projects financed by GPR-supported borrowing, increase the amount by \$8,433,000 for the "Wisconsin Secure Program Facility - new health services unit - Boscobel" under the Department of Corrections, from \$7,792,000 to \$16,225,000, with a corresponding increase in the total project enumeration.

c. **2023-25 Building Program**

Under Department of Natural Resources, create a new subdivision for projects financed by GPR-supported borrowing and provide \$5,057,000 for the " Potawatomi State Park - observation tower - Door County." Reduce the funding for the Potawatomi State Park observation tower project financed by segregated revenue from \$500,000 to \$0 to reflect the reclassification of the funding under the newly-created subdivision for projects financed by existing segregated revenue. The total project enumeration would be \$5,557,000.

Joint Finance/Legislature: Include provision, but without funding for the Potawatomi State Park observation tower in Door County.

[Act 15 Sections: 9104(4) and 9104(5)]

4. BONDING AUTHORIZATIONS FOR PREVIOUS BUILDING PROGRAMS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$106,306,900	- \$5,057,800	\$101,249,900

Governor: Provide \$106,306,900 of new general obligation bonding authority for projects authorized in previous building programs, as shown in the following table.

Joint Finance/Legislature: Provide \$101,249,900 of new general obligation bonding authority for projects authorized in previous building programs, as shown in the following table.

Bonding Authorizations for Prior Building Programs

	<u>Governor</u>	<u>Jt. Finance/Leg.</u>
2023-25		
Natural Resources		
Recreational Development	\$5,057,000	-
2021-23		
Corrections		
Correctional Facilities	8,433,000	\$8,433,000
2017-19		
Veterans Affairs		
Veterans Facilities	34,500,300	34,500,300
Self-Amortizing Facilities	<u>58,316,600</u>	<u>58,316,600</u>
Total	\$106,306,900	\$101,249,900

5. MILWAUKEE COUNTY - COURTHOUSE COMPLEX

Governor: Allocate \$25,000,000 of general fund supported borrowing (GFSB) to Milwaukee County for preliminary planning, design, and sitework for a courthouse complex. Building program documents indicate a total project budget of \$495 million, with a request for \$250 million of GFSB.

Joint Finance/Legislature: Provision not included.

6. STATE LABORATORY OF HYGIENE - BUILDING ADDITION

Governor: Allocate \$1,000,000 of building trust funds to develop preliminary plans and specifications for construction of a building addition at the State Laboratory of Hygiene in Madison.

Joint Finance/Legislature: Provision not included.

7. DEPARTMENT OF CORRECTIONS FACILITIES

Governor: Allocate building trust funds as follows to develop preliminary plans and specifications for the construction of Department of Corrections facilities: (a) \$6,540,000 for planning, site selection, and development of a Type 1 Juvenile Facility in northeast Wisconsin; (b) \$800,000 for a toilet and shower reconstruction within Housing Units 1-6 at Fox Lake Correctional Institution; (c) \$300,000 for construction of a reverse osmosis water treatment system at Jackson Correctional Institution; (d) \$300,000 to convert the existing Green Unit at Racine Correctional Institution into an Infirmary Medical unit; and (e) \$1,000,000 for a residential parenting program within the Wisconsin Women's Correctional System.

Joint Finance/Legislature: Modify the Governor's provision to, instead, allocate building trust funds as follows to develop preliminary plans and specifications for the construction of Department of Corrections facilities: (a) \$15,000,000 for the planning of construction projects contributing to a Department of Corrections realignment and leading to the closure of Green Bay Correctional Institution by 2029; (b) \$1,500,000 for a new 16 bed facility at the Grow Academy; (c) \$800,000 for a toilet and shower reconstruction within Housing Units 1-6 at Fox Lake Correctional Institution; (d) \$300,000 for construction of a reverse osmosis water treatment system at Jackson Correctional Institution; and (e) \$300,000 to convert the existing Green Unit at Racine Correctional Institution into an Infirmary Medical Unit.

Veto by Governor [C-11]: Delete the language "by 2029" to eliminate the deadline for closure of Green Bay Correctional Institution.

[Act 15 Section: 9104(7)(a) thru (e)]

[Act 15 Vetoed Section: 9104(7)(a)]

8. SAND RIDGE SECURE TREATMENT CENTER

Governor/Legislature: Allocate \$800,000 of building trust funds to develop preliminary plans and specifications for a health service unit expansion at Sand Ridge Secure Treatment Center.

[Act 15 Section: 9104(8)]

9. DEPARTMENT OF MILITARY AFFAIRS FACILITIES

Governor/Legislature: Allocate building trust funds to develop preliminary plans and specifications for new readiness centers in Chippewa Falls (\$1,700,000), Wausau (\$1,995,000), and Wisconsin Rapids (\$1,149,000).

[Act 15 Section: 9104(9)]

10. DEPARTMENT OF NATURAL RESOURCES FACILITIES

Governor: Allocate building trust funds to develop preliminary plans and specifications for

interpretive center replacements at Devil's Lake State Park (\$650,000) and Willow River State Park (\$250,000).

Joint Finance/Legislature: In addition to \$250,000 for the interpretive center replacement at Willow River State Park, allocate building trust funds as follows to develop preliminary plans and specifications for the construction of Department of Natural Resources facilities: (a) \$276,000 for vault toilet building replacements at the Northern Highland American Legion State Forest; (b) \$1,147,000 for statewide minor facilities renewal program toilet and shower building replacements; (c) \$493,000 for boat access improvements at the Northern Highland American Legion State Forest; (d) \$2,635,000 for statewide minor facilities renewal program road and parking lot improvements; and (e) \$606,000 for statewide public entrance and visitor station replacements. Under this action, planning funds would not be provided for the interpretive center replacement at Devil's Lake State Park.

[Act 15 Section: 9104(10)]

11. STATE FAIR PARK - SWINE, SHEEP, AND GOAT BARN REDEVELOPMENT

Governor/Legislature: Allocate \$4,000,000 of building trust funds to develop preliminary plans and specifications for redevelopment of the swine, sheep, and goat barn area at State Fair Park.

[Act 15 Section: 9104(11)]

12. WISCONSIN VETERANS MUSEUM UPGRADE AND EXPANSION

Governor: Allocate \$6,200,000 of building trust funds to develop preliminary plans and specifications for construction of a new Wisconsin Veterans Museum building on the museum's current location.

Joint Finance/Legislature: Provision not included.

13. WISCONSIN HISTORICAL SOCIETY FACILITIES

Governor: Allocate building trust funds as follows to develop preliminary plans and specifications for the various improvements to Wisconsin Historical Society's Headquarters in Madison: (a) \$1,979,000 for building restoration; (b) \$350,000 for façade, envelope, and safety improvements; and (c) \$300,000 for mechanical system improvements.

Joint Finance/Legislature: Provision not included.

14. UNIVERSITY OF WISCONSIN SYSTEM FACILITIES

Governor: Allocate building trust funds as follows to develop preliminary plans and specifications for the construction of University of Wisconsin System facilities: (a) \$800,000 for the Sandburg Hall east tower restroom renovations at UW-Milwaukee; (b) \$2,000,000 for additions and

renovations to Hansen, Keith, Milnes, and Chinnock residence halls at UW-Stout; (c) \$10,721,000 for systemwide central plant and utility distribution repairs, renovations, and replacements; and (d) \$6,900,000 for a replacement and renovation of engineering, science, and physics facilities to accommodate engineering, neuroscience, and psychological programs at UW-Milwaukee.

Allocate PR-cash as follows to develop preliminary plans and specifications for the construction of University of Wisconsin System facilities: (a) \$800,000 for the addition and renovation of Chadbourne residence hall at UW-Madison; (b) \$19,653,000 for a new west campus research building and parking ramp at UW-Madison; (c) \$6,222,000 for systemwide central plant and utility distribution repairs, renovations, and replacements; and (d) \$600,000 for the addition and renovation of the Dejope residence hall at UW-Madison.

Joint Finance/Legislature: Enumerate the UW-Madison projects for Dejope and Chadbourne residence halls, rather than providing planning funds, as under the Governor's recommendations, and provide the following funding amounts for preliminary planning: (a) \$800,000 for the Sandburg Hall east tower restroom renovations at UW-Milwaukee; (b) \$10,721,000 for systemwide central plant and utility distribution repairs, renovations, and replacements; (c) \$6,900,000 for a replacement and renovation of engineering, science, and physics facilities to accommodate engineering, neuroscience, and psychological programs at UW-Milwaukee; (d) \$5,000,000 for the humanities relocation and demolition at UW-Madison; and (e) \$6,727,000 for the addition and renovation of Ottensman Hall at UW-Platteville.

Allocate PR-cash as follows to develop preliminary plans and specifications for the construction of University of Wisconsin System facilities: (a) \$19,653,000 for a new west campus research building and parking ramp at UW-Madison; and (b) \$6,222,000 for systemwide central plant and utility distribution repairs, renovations, and replacements.

[Act 15 Section: 9104(12)]

15. PROJECT THRESHOLD ADJUSTMENTS

Governor: Adjust the building project thresholds as follows: (a) increase the threshold under which, in emergency situations, the Governor may approve, in lieu of Building Commission approval, repairs and construction of a building, structure, or facility and may authorize the expenditure of building trust funds or agency operating funds for the project from \$500,000 to \$1,000,000; and (b) increase the threshold at which the selection committee must use a request-for-proposal process to select an architect or engineer for a project based on qualifications from \$7,400,000 to \$15,000,000.

Joint Finance/Legislature: Include provision with the following modification. Keep the threshold at which, in emergency situations, the Governor may approve, in lieu of Building Commission approval, repairs and construction of a building, structure, or facility, and may authorize the expenditure of building trust funds or agency operating funds for the project at \$500,000.

[Act 15 Section: 14]

16. STATEMENT OF BUILDING PROGRAM CONTINUATION

Governor/Legislature: Continue the building and financing authority enumerated under previous building programs into the 2025-27 biennium. Each building program is approved only for the current biennium; this provision would continue past state building programs into the 2025-27 biennium.

[Act 15 Section: 9104(2)]

17. PROJECT LOANS

Governor/Legislature: Authorize the Building Commission, during the 2025-27 biennium, to make loans from general fund-supported borrowing or the building trust fund to state agencies for 2025-27 building program projects funded from the non-GPR sources.

[Act 15 Section: 9104(3)]

18. WISCONSIN RESOURCE CENTER - WET CELL RENOVATION

Joint Finance/Legislature: Allocate \$800,000 of building trust funds to develop preliminary plans and specifications for a North Building wet cell renovation at the Wisconsin Resource Center on the grounds of the Winnebago Mental Health Institute.

[Act 15 Section: 9104(8)]

19. MEDICAL COLLEGE OF WISCONSIN - EYE INSTITUTE

Joint Finance/Legislature: Provide \$10,000,000 of general fund supported borrowing for a new eye institute in Wauwatosa with a matching requirement of \$31,599,000 from nonstate revenue sources. Enumerate the project at \$41,599,000. Require the Building Commission to determine that MCW has secured these matching moneys. Modify current law bonding and public purpose provisions to reflect this project. Specify that the state would retain an ownership interest in the facility equal to the amount of the state's grant if the facility is not used for the purposes of an eye institute. Prior to awarding a grant, specify that the Department of Administration must review and approve plans for the construction project but may not supervise any services or work, or let any contract for the project.

[Act 15 Sections: 2, 95, 109, 115, and 9104(6)]

20. BUILDING COMMISSION - NON-STATE LOCAL PROJECT GRANT PROGRAM

Joint Finance: Transfer \$50,000,000 of interest earnings from American Rescue Plan Act funds from a federal appropriation under the Department of Administration to a new federal appropriation under the Building Commission for a grant program to assist non-state organizations with facility construction. Require the organization to provide a 50% or greater match for the project before initial review by the Building Commission. Require municipalities where the facility would be located to apply for funding under this program on behalf of the organizations requesting funds under this program. Require the Building Commission to select grant recipients and amounts, subject to a finding by the Commission that the project is in the public interest and serves one or more statewide public purposes. Specify that, if the space is not used for one or more of the specified public purposes, the state shall retain an ownership interest in the constructed space equal to the amount of the grant. Prior to awarding a grant, specify that the Department of Administration must review and approve plans for the construction project but may not supervise any services or work, or let any contract for the project. Prohibit the Commission from awarding more than \$50,000,000 of grants in the aggregate.

Senate/Legislature: Eliminate the requirement that municipalities apply for local construction project grants on behalf on nonstate organizations.

[Act 15 Sections: 1, 116, and 9251(3)]

21. GPR TRANSFER TO THE CAPITAL IMPROVEMENT FUND

GPR- Transfer	\$326,500,000

Joint Finance/Legislature: Transfer \$326,500,000 in 2025-26 from the general fund to the capital improvement fund to be used to fund all agency projects under the state building program.

[Act 15 Sections: 117 and 9251(1)]

CHILD ABUSE AND NEGLECT PREVENTION BOARD

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$3,990,000	\$13,740,000	\$3,990,000	\$3,990,000	\$3,990,000	\$0	0.0%
FED	1,323,000	1,312,400	1,312,400	1,312,400	1,312,400	- 10,600	- 0.8
PR	3,528,800	3,421,000	3,421,000	3,421,000	3,421,000	- 107,800	- 3.1
SEG	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>	0.0
TOTAL	\$8,871,800	\$18,503,400	\$8,753,400	\$8,753,400	\$8,753,400	- \$118,400	- 1.3%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
FED	1.00	1.00	1.00	1.00	1.00	0.00
PR	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>0.00</u>
TOTAL	7.00	7.00	7.00	7.00	7.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust funding annually for standard budget adjustments as shown in the following table.

FED	- \$10,600
PR	<u>- 107,800</u>
Total	- \$118,400

	<u>FED</u>	<u>PR</u>	<u>Total</u>
Full Funding of Cont. Pos. Salary/Fringe	-\$5,300	-\$54,500	-\$59,800
Full Funding of Lease/Directed Moves	<u>0</u>	<u>600</u>	<u>600</u>
Total	-\$5,300	-\$53,900	-\$59,200
Biennial Totals	-\$10,600	-\$107,800	-\$118,400

2. FAMILY RESOURCE CENTERS [LFB Paper 205]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$9,750,000	- \$9,750,000	\$0

Governor: Provide \$4,875,000 annually to increase, from \$1,995,000 to \$6,870,000, annual GPR funding for grants distributed by the Board. This item is intended to increase funding for grants to family resource centers (FRCs) to expand service to all areas of the state, serve more families, and provide financial stability for FRCs.

Current law requires the Board to distribute grants to FRCs in urban and rural communities throughout the state. The FRCs use the grant funds to provide direct parent education, family support, and referrals to other social services programs and outreach programs to all families in their service areas. The Board also uses federal grant funding to support FRCs, primarily from the Community-Based Child Abuse Prevention (CBCAP) grant, from which \$913,300 is budgeted in 2024-25 to support FRCs.

Joint Finance/Legislature: Provision not included.

CHILDREN AND FAMILIES

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$932,935,600	\$1,534,116,400	\$1,018,880,300	\$1,020,880,300	\$1,020,880,300	\$87,944,700	9.4%
FED	1,820,582,000	2,102,499,500	2,137,648,900	2,156,148,900	2,156,148,900	335,566,900	18.4
PR	254,033,200	259,612,200	261,027,000	261,027,000	261,027,000	6,993,800	2.8
SEG	<u>111,855,200</u>	<u>111,855,200</u>	<u>111,855,200</u>	<u>111,855,200</u>	<u>111,855,200</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,119,406,000	\$4,008,083,300	\$3,529,411,400	\$3,549,911,400	\$3,549,911,400	\$430,505,400	13.8%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	232.91	243.67	231.99	231.99	231.99	- 0.92
FED	405.98	409.82	401.00	401.00	401.00	- 4.98
PR	179.51	179.41	179.41	179.41	179.41	- 0.10
SEG	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	818.40	832.90	812.40	812.40	812.40	- 6.00

Budget Change Items

TANF and Economic Support

1. TANF AND CCDF-RELATED REVENUES AND EXPENDITURES [LFB Paper 210]

Governor: This item presents an overview of the Administration's estimates of revenue available to fund economic support and TANF-funded programs in the 2025-27 biennium, and how funding for these programs would be budgeted under the bill. "TANF" refers to the federal temporary assistance for needy families program. "CCDF" refers to the Child Care Development Fund, which is comprised of funding the state receives under the federal Social Security Act and the Child Care and Development Block Grant (CCDBG).

Revenues. The Administration estimates total revenues for TANF-related programs at \$671.9 million in 2025-26 and \$674.6 million in 2026-27. State funding includes \$174.7 million annually consisting of: (a) \$160.4 million GPR (for the state's TANF maintenance of effort

requirement) and \$0.7 million GPR for state child care administration; (b) \$4.5 million PR; and (c) \$9.1 million SEG annually. The program revenue includes the state's share of overpayment recoveries, child support collections that are assigned to the state by public assistance recipients, and child care licensing fees. The segregated revenue is from the utility public benefits fund. Ongoing federal funding is estimated at \$497.1 million in 2025-26 and \$499.9 million in 2026-27. Federal funds include monies from the TANF block grant, the child care and development block grant, and recoveries of overpayments to Wisconsin Works (W-2) recipients. As shown in the table, estimated TANF reflect the potential imposition of a penalty incurred in federal fiscal year 2013 (-\$3.7 million in 2025-26) as well as an increase in CCDF awarded to the state (\$12.9 million in 2025-26 and \$12.0 million in 2026-27). The carryover from the 2024-25 ending TANF balance is estimated at \$510.6 million.

TABLE 1
Summary of TANF/CCDF Budget (Governor)

	2023-24 <u>Actual</u>	2024-25 <u>Adjusted Base</u>	<u>Governor</u>		<u>Change to Base</u>		<u>Item</u>
			<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>	
Opening Balance (Carryover)	\$552,189,600		\$510,567,200	\$281,968,000			
Revenue							
GPR Base Funding	\$161,920,300	\$161,070,100	\$161,070,100	\$161,070,100	\$0	\$0	
FED -- TANF Block Grant	312,846,000	311,009,600	307,336,800	311,009,600	-3,672,800	0	1
FED -- CCDF	244,537,600	172,614,100	185,524,200	184,594,200	12,910,100	11,980,100	1
FED -- CCDF & TANF Recoveries	2,485,600	4,287,600	4,287,600	4,287,600	0	0	
PR -- Child Support Collections	1,670,600	2,749,000	2,749,000	2,749,000	0	0	
PR -- Child Care Fees	1,680,000	1,551,700	1,500,000	1,500,000	-51,700	-51,700	34
PR -- Social Services Block Grant	100,000	100,000	100,000	100,000	0	0	
PR -- Public Assistance Recoveries	21,500	160,600	160,600	160,600	0	0	
SEG -- Public Benefits Fund (SEG)	9,139,700	9,139,700	9,139,700	9,139,700	0	0	
Total Revenues	\$734,401,300	\$662,682,400	\$671,868,000	\$674,610,800	\$9,185,600	\$11,928,400	
Expenditures							
<i>Child Care</i>							
Direct Child Care Services	\$361,684,900	\$428,779,700	\$438,582,000	\$459,111,600	\$9,802,300	\$30,331,900	2-7
Quality Care for Quality Kids	27,351,700	46,018,700	49,446,300	49,446,300	3,427,600	3,427,600	8-11
State Administration and Licensing	42,724,000	48,269,900	52,983,800	53,723,400	4,713,900	5,453,500	12
<i>Employment Programs</i>							
W-2 Benefits	24,331,100	29,000,000	26,806,500	26,987,700	-2,193,500	-2,012,300	19
W-2 Worker Supplement	317,200	2,700,000	2,700,000	2,700,000	0	0	44
W-2 Service Contracts	54,387,900	57,071,200	58,892,400	59,071,200	1,821,200	2,000,000	20
Transitional/Transform Milwaukee Jobs	8,423,600	9,500,000	12,475,000	12,475,000	2,975,000	2,975,000	21, 22
Children First	401,200	1,140,000	1,140,000	1,140,000	0	0	
<i>Child Welfare Programs</i>							
Kinship Care Benefits & Assessments	30,516,500	35,661,000	45,686,700	53,125,600	10,025,700	17,464,600	23
Child Welfare Safety Services	6,493,800	10,314,300	10,314,300	10,314,300	0	0	
Child Welfare Prevention Services	6,716,100	6,789,600	6,789,600	6,789,600	0	0	
Child Abuse Prevention Grant	474,100	500,000	500,000	500,000	0	0	
Substance Abuse Prevention Grant	282,000	500,000	500,000	500,000	0	0	
<i>Housing Programs</i>							
Emergency Assistance	3,282,100	6,000,000	10,414,400	10,141,300	4,414,400	4,141,300	24
Case Mgt. Services for Homeless	403,500	500,000	1,000,000	1,000,000	500,000	500,000	25
Homeless Grants (additional)	0	500,000	500,000	500,000	0	0	43

	2023-24	2024-25	Governor		Change to Base		
	<u>Actual</u>	<u>Adjusted Base</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>	<u>Item</u>
<i>Grant Programs</i>							
Boys & Girls Clubs of America	\$5,704,900	\$2,807,000	\$9,507,000	\$9,507,000	\$6,700,000	\$6,700,000	26
GED Test Assistance	240,800	241,300	241,300	241,300	0	0	
Adult Literacy	118,100	118,100	118,100	118,100	0	0	
Legal Services	500,000	500,000	4,500,000	4,500,000	4,000,000	4,000,000	27
Families and Schools Together	232,800	250,000	250,000	250,000	0	0	
Jobs for America's Graduates	957,600	1,000,000	2,000,000	2,000,000	1,000,000	1,000,000	28
Wisconsin Community Services	371,200	400,000	400,000	400,000	0	0	
Fostering Futures	506,600	560,300	560,300	560,300	0	0	
Child Support Debt Reduction	0	0	3,472,000	6,944,000	3,472,000	6,944,000	29
Skills Enhancement	282,400	0	0	0	0	0	30
<i>Administrative Support</i>							
State TANF Administration	\$18,375,600	\$19,569,000	\$25,258,600	\$25,707,800	\$5,689,600	\$6,138,800	31
Local Fraud Prevention	132,100	605,500	605,500	605,500	0	0	
<i>Funding Transfers to Other Agencies</i>							
DHS -- SSI Caretaker Supplement	4,548,100	10,990,400	19,262,100	19,262,100	8,271,700	8,271,700	32
DHS -- Social Services Block Grant	14,653,500	14,653,500	14,653,500	14,653,500	0	0	
DOR -- Earned Income Tax Credit	<u>61,725,000</u>	<u>65,002,000</u>	<u>100,907,800</u>	<u>101,558,500</u>	<u>35,905,800</u>	<u>36,556,500</u>	33, 45
Total Expenditures	\$676,138,400	\$799,941,500	\$900,467,200	\$933,834,100	\$100,525,700	\$133,892,600	
Year-End Closing Balance	\$610,452,500		\$281,968,000	\$22,744,700			

Expenditures. Under the bill, the total amount that would be budgeted for TANF-related programs would be \$900.5 million in 2025-26 and \$933.8 million in 2026-27. These amounts include all funds, and represent an increase from the base budget of \$100.5 million in 2025-26 and an increase of \$133.9 million in 2026-27.

Ending Balance. Federal law allows the state to carry forward unexpended TANF funding without fiscal year limitation. The projected TANF-related balance at the end of the 2025-27 biennium would be \$22.7 million, which could be carried over into the 2027-29 biennium.

Table 1 summarizes the Governor's recommendations for the Department's TANF- and CCDF-supported programs.

Joint Finance/Legislature: Table 2 summarizes the economic support and TANF-related revenue estimates and expenditures under Act 15.

Opening Balance and Revenues. As shown in Table 2, the opening balance for TANF-related programs is estimated to be \$508.5 million. Revenues are estimated at \$681.8 million in 2025-26 and \$684.6 million in 2026-27. Compared to the Governor's recommendations, revenues are \$0.7 million GPR and \$9.25 million FED more annually than previously estimated. Act 15 transfers \$9.25 million FED of interest earnings on funds provided under the American Rescue Plan Act (ARPA) for direct care services. Also, Act 15 provides \$0.7 million GPR for the estimated increase in the required state matching funds for child care programs.

Expenditures. Total expenditures are \$892.6 million in 2025-26 and \$900.5 million in 2026-27. These amounts include all funds, and represent a decrease from the Governor's recommendations of \$7.9 million in 2025-26 and \$33.3 million in 2026-27. The changes in expenditures are primarily due to increases in funding for the Wisconsin Shares child care subsidy

program and decreases in the earned income tax credit, state administration, and the removal of the proposed child support debt reduction program.

TABLE 2

**W-2 and TANF Related Revenue and Expenditures
Comparison of Governor and Act 15**

	<u>Governor</u>		<u>Act 15</u>		<u>Act 15 Change to Governor</u>		<u>Item</u>
	<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>	
Opening Balance (Carryover)	\$510,567,200	\$281,968,000	\$508,507,700	\$297,716,400			
Revenue							
GPR Base Funding	\$161,070,100	\$161,070,100	\$161,770,100	\$161,770,100	\$700,000	\$700,000	38
FED -- ARPA Interest Earnings	0	0	9,250,000	9,250,000	9,250,000	9,250,000	39
FED -- TANF Block Grant	307,336,800	311,009,600	307,336,800	311,009,600	0	0	1
FED -- CCDF	185,524,200	184,594,200	185,524,200	184,594,200	0	0	1
FED -- CCDF & TANF Recoveries	4,287,600	4,287,600	4,287,600	4,287,600	0	0	
PR -- Child Support Collections	2,749,000	2,749,000	2,749,000	2,749,000	0	0	
PR -- Child Care Fees	1,500,000	1,500,000	1,500,000	1,500,000	0	0	34
PR -- Social Services Block Grant	100,000	100,000	100,000	100,000	0	0	
PR -- Public Assistance Recoveries	160,600	160,600	160,600	160,600	0	0	
SEG -- Public Benefits Fund (SEG)	<u>9,139,700</u>	<u>9,139,700</u>	<u>9,139,700</u>	<u>9,139,700</u>	<u>0</u>	<u>0</u>	
Total Revenues	\$671,868,000	\$674,610,800	\$681,818,000	\$684,560,800	\$9,950,000	\$9,950,000	
Expenditures							
<i>Child Care</i>							
Direct Child Care Services	\$438,582,000	\$459,111,600	\$509,026,700	\$526,026,700	\$70,444,700	\$66,915,100	2-7
Quality Care for Quality Kids	49,446,300	49,446,300	47,018,700	46,018,700	-2,427,600	-3,427,600	8-11
State Administration and Licensing	52,983,800	53,723,400	51,064,000	48,734,700	-1,919,800	-4,988,700	12
<i>Employment Programs</i>							
W-2 Benefits	26,806,500	26,987,700	26,806,500	26,987,700	0	0	19
W-2 Worker Supplement	2,700,000	2,700,000	1,000,000	1,000,000	-1,700,000	-1,700,000	44
W-2 Service Contracts	58,892,400	59,071,200	57,071,200	57,071,200	-1,821,200	-2,000,000	20
Transitional/Transform Milwaukee Jobs	12,475,000	12,475,000	9,500,000	9,500,000	-2,975,000	-2,975,000	21, 22
Children First	1,140,000	1,140,000	1,140,000	1,140,000	0	0	
<i>Child Welfare Programs</i>							
Kinship Care Benefits & Assessments	45,686,700	53,125,600	39,223,800	40,075,700	-6,462,900	-13,049,900	23
Child Welfare Safety Services	10,314,300	10,314,300	10,314,300	10,314,300	0	0	
Child Welfare Prevention Services	6,789,600	6,789,600	6,789,600	6,789,600	0	0	
Child Abuse Prevention Grant	500,000	500,000	500,000	500,000	0	0	
Substance Abuse Prevention Grant	500,000	500,000	500,000	500,000	0	0	
<i>Housing Programs</i>							
Emergency Assistance	10,414,400	10,141,300	10,414,400	10,414,400	0	273,100	24
Case Mgt. Services for Homeless	1,000,000	1,000,000	500,000	500,000	-500,000	-500,000	25
Homeless Grants (additional)	500,000	500,000	0	0	-500,000	-500,000	43
<i>Grant Programs</i>							
Boys & Girls Clubs of America	9,507,000	9,507,000	7,807,000	3,307,000	-1,700,000	-6,200,000	26
GED Test Assistance	241,300	241,300	241,300	241,300	0	0	
Adult Literacy	118,100	118,100	118,100	118,100	0	0	
Legal Services	4,500,000	4,500,000	500,000	500,000	-4,000,000	-4,000,000	27
Families and Schools Together	250,000	250,000	250,000	250,000	0	0	
Jobs for America's Graduates	2,000,000	2,000,000	2,000,000	1,000,000	0	-1,000,000	28
Wisconsin Community Services	400,000	400,000	400,000	400,000	0	0	

	Governor		Act 15		Act 15 Change to Governor		
	<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>	<u>Item</u>
<i>Grant Programs (continued)</i>							
Fostering Futures	560,300	560,300	560,300	560,300	0	0	
Child Support Debt Reduction	3,472,000	6,944,000	0	0	-3,472,000	-6,944,000	29
Skills Enhancement Grants	0	0	0	0	0	0	30
<i>Administrative Support</i>							
State TANF Administration	25,258,600	25,707,800	20,314,000	20,539,800	-4,944,600	-5,168,000	31
Local Fraud Prevention	605,500	605,500	605,500	605,500	0	0	
<i>Funding Transfers to Other Agencies</i>							
DHS -- SSI Caretaker Supplement	19,262,100	19,262,100	10,990,400	10,990,400	-8,271,700	-8,271,700	32
DHS -- Social Services Block Grant	14,653,500	14,653,500	14,653,500	14,653,500	0	0	
DOR -- Earned Income Tax Credit	<u>100,907,800</u>	<u>101,558,500</u>	<u>63,300,000</u>	<u>61,800,000</u>	<u>-37,607,800</u>	<u>-39,758,500</u>	33, 45
Total Expenditures	\$900,467,200	\$933,834,100	\$892,609,300	\$900,538,900	-\$7,857,900	-\$33,295,200	
Year-End Closing Balance	\$281,968,000	\$22,744,700	\$297,716,400	\$81,738,300			

2. DIRECT CHILD CARE SERVICES -- OVERVIEW

Governor: Federal funding to support the Wisconsin Shares child care subsidy program is available under the federal TANF block grant and the CCDF, which is comprised of funding the state receives under the federal Social Security Act and the Child Care and Development Block Grant (CCDBG).

The following table summarizes the funding that would be allocated, by statute, for direct child care services under the bill. This includes the base funding allocated for direct child care services and contracts with counties and tribes, as well as recommended changes to Wisconsin Shares: (a) the estimated cost to continue subsidies under current law; (b) the cost to increase maximum reimbursement rates to the 75th percentile under the most recent child care price survey; and (c) the cost of implementing two policy changes related to copayments which would waive copays for families having incomes at certain federal poverty levels (FPL) and set maximum copays to no more than 7% of a participating family's income.

<u>Base Amount</u>	<u>2025-26</u>	<u>2026-27</u>
Current Law Direct Subsidies	\$413,424,700	\$413,424,700
County Contracts	14,855,000	14,855,000
Tribal Contracts	<u>500,000</u>	<u>500,000</u>
Base Allocation	\$428,779,700	\$428,779,700
<u>Governor's Recommendations</u>		
Reestimate Direct Subsidies	-\$25,291,400	-\$25,290,600
Increase Reimbursement Rates	32,917,000	32,917,000
Copayment Waiver and Income Limit	<u>2,176,700</u>	<u>22,705,500</u>
Net Change in Allocation	\$9,802,300	\$30,331,900
Total Allocation	\$438,582,000	\$459,111,600

Joint Finance/Legislature: The following table summarizes the funding allocated by statute for direct child care services, including (a) the estimated cost-to-continue base subsidies for the Wisconsin Shares child care subsidy program; (b) increasing the maximum reimbursement rate under Wisconsin Shares; (c) the full-year cost to waive copayments for participating families with incomes at or below 100% of the federal poverty level (FPL); and (d) increasing reimbursement rates for children under the age of 30 months for child care providers participating in the teacher-student ratio pilot program.

	<u>2025-26</u>	<u>2026-27</u>
Base Allocation	\$428,779,700	\$428,779,700
<u>Joint Finance/Leg.</u>		
Reestimate Direct Subsidies	2,220,300	19,220,300
Increase Reimbursement Rates	61,600,000	61,600,000
Copayment Waiver	2,176,700	2,176,700
Teacher-Student Ratio Pilot Bonus Payments	<u>14,250,000</u>	<u>14,250,000</u>
Total Allocation	\$509,026,700	\$526,026,700

[Act 15 Section: 176]

3. DIRECT CHILD CARE SERVICES -- WISCONSIN SHARES SERVICES REESTIMATE [LFB Paper 210]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	- \$50,582,000	\$72,022,600	\$21,440,600

Governor: Reduce funding by \$25,291,400 in 2025-26 and by \$25,290,600 in 2026-27 to reflect estimates of the cost of subsidies under current law. DCF indicates that, although the caseload in Milwaukee County has recovered after the COVID-19 pandemic, caseloads and authorized hours outside of Milwaukee have continued to decline. In 2023-24, the statewide average monthly number of children for whom subsidies were paid was 31,890, which is 4,692 (12.8%) fewer than in 2019-20 (36,582).

Joint Finance/Legislature: Increase funding in the bill by \$27,511,700 in 2025-26 and by \$44,510,900 in 2026-27 to fund a reestimate of the cost of child care subsidies under current law. Recent data shows that caseloads outside of Milwaukee County are increasing, instead of decreasing as originally forecast.

4. DIRECT CHILD CARE SERVICES -- INCREASE REIMBURSEMENT RATES
[LFB Paper 211]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$65,834,000	\$57,366,000	\$123,200,000

Governor: Provide \$32,917,000 annually to increase payment rates for direct child care subsidies under the Wisconsin Shares program. DCF estimates that this funding would fully pay the price of at least 75 percent of the slots for children within the licensed capacity of all child care providers (the 75th percentile). The most recent market rate survey conducted by DCF in April, 2024, indicates that the statewide the maximum rates at that time were at the 50th percentile.

Joint Finance/Legislature: Provide an additional \$28,683,000 annually to increase maximum reimbursement rates under the Wisconsin Shares child care subsidy program to set rates to be no lower than the 75th percentile of the market rate measured under the 2025 child care provider rate survey.

5. DIRECT CHILD CARE SERVICES -- COPAYMENT WAIVER AND INCOME LIMIT [LFB Paper 211]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$24,882,200	- \$20,528,800	\$4,353,400

Governor: Provide \$2,176,700 in 2025-26 and \$22,705,500 in 2026-27 to modify copayments and subsidies under Wisconsin Shares as follows.

Current Law. Wisconsin Shares provides child care assistance for low-income families to enable them to work or prepare for employment through a combination of work and education or training programs. Under the program, the state subsidizes the cost of child care charged by providers chosen by the parent. Participating families are required to pay a portion of child care costs subsidized under Wisconsin Shares. DCF specifies the minimum or estimated copayment amounts in a schedule based on family size, income level, and other factors. However, several groups are exempt from paying copayments, including foster care parents, subsidized guardians, interim caretakers, and kinship care parents who have court-ordered placement of a child.

Initial eligibility for Wisconsin Shares is limited to families with gross income of no more than 200% of the federal poverty level (FPL), which is \$53,300 for a family of three in 2025. This is roughly 54% of the state median income. Rather than lose eligibility once their income equals 200% FPL, copayments increase by \$1.00 for every \$5.00 by which a participating family's gross income exceeds 200% FPL. These families retain eligibility until either the copayment reduces the subsidy to \$0, or their income increases to the exit threshold of 85% of the state median income (SMI), which is approximately \$84,000 for a family of three. The policy is intended to avoid a

"fiscal cliff" at 200% FPL that would cause participants to lose eligibility for all subsidies by increasing their earnings above the threshold.

Federal Policy Changes. Pursuant to a final rule implemented by the federal Administration for Children and Families (ACF) effective on April 30, 2024, states are required to set copayments to be no higher than 7% of a participating family's income. Previously, federal regulations had established the 7% of income standard as a benchmark to determine whether child care was affordable and whether the copayment was a barrier to families receiving CCDF assistance. Further, the federal rule encouraged (but did not require) states to waive copayments for families with income at or below 150% of the FPL.

100% FPL Copayment Waiver. DCF indicates that, beginning November, 2024, it implemented a waiver of copayments for participating families with income at or below 100% of the FPL at an annualized cost of \$6,530,000. Because the implementation date does not align with the state fiscal year, only nine months of this cost are included into the adjusted base for the 2025-27 budget. Therefore, the bill would provide \$2,176,700 in 2025-26 to support the remaining costs to continue the policy for a full fiscal year.

150% FPL Copayment Waiver and 7% Income Cap. The bill would provide \$22,705,500 in 2026-27 to implement a Wisconsin Shares policy that would both: (a) increase the copayment waiver to 150% of the FPL; and (b) limit a participating family's copayment to be no more than 7% of family income.

Repeal Subsidy Phaseout. The bill would repeal the subsidy phaseout under current law such that copayments would be rescaled and not increase after reaching the 7% income cap. Instead of increasing by \$1 for every \$5 a participating family earns above the 200% FPL threshold, copayments would be \$0 until the family's income reaches 150% of the FPL. After that threshold is reached, the copayments would increase up to the 7% income maximum as the family's income increases to the exit threshold of 85% SMI (at which point they would no longer be eligible for the program).

Joint Finance/Legislature: Reduce funding by \$20,528,800 in 2026-27 to delete all funding under this item except \$2,176,700 FED annually to maintain the cost to continue the waiver under current law of copayments by participating families with income at or below 100% of the FPL. Maintain current law for the subsidy phaseout.

6. DIRECT CARE SERVICES -- ELIGIBILITY EXPANSION FOR "LIKE-KIN" KINSHIPCARE

Governor: Expand eligibility for Wisconsin Shares child care subsidies to "like-kin," a category of kinship care provider authorized under 2023 Wisconsin Act 119 consisting of adults with a strong relationship to a child similar to a familial relationship.

Under current law, kinship care placements with relatives (providers who are not like-kin) are already eligible for Wisconsin Shares. Like-kin out-of-home care providers are defined as people with a significant emotional relationship to the child or their family that is similar to a

familial relationship, with specified inclusions for tribal designees and exclusions for current or former foster parents. According to the Administration, the provision is intended to standardize the treatment of kinship care providers for the purposes of Wisconsin Shares eligibility.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. DIRECT CHILD CARE SERVICES -- PRESUMPTIVE AUTHORIZATIONS

Governor: Enable DCF to find an applicant presumptively eligible for Wisconsin Shares for up to three months while DCF determines the applicant's actual eligibility if all the following conditions are met: (a) the applicant submits a report establishing the eligibility conditions for Wisconsin Shares; and (b) DCF is able to plausibly assume that the individual meets the eligibility conditions based on that report. Upon finding an individual presumptively eligible for child care subsidies, direct DCF to immediately begin issuing benefits to the individual. In the event that DCF determines that an individual found presumptively eligible is actually ineligible, require DCF to immediately discontinue issuing benefits.

DCF indicates that applicants would not receive overpayment penalties if they were ultimately determined to be ineligible. DCF indicates the changes are intended to comply with a federal rule change that encourages, but does not require, states to presume that applicants for child care subsidies qualify while their application is being reviewed.

According to DCF, the policy change would have a minimal fiscal effect. The administrative costs associated with implementing information technology changes for this item is reflected under "Child Care -- State Administration and Licensing."

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. QUALITY CARE FOR QUALITY KIDS -- CHILD CARE FOUNDATIONAL TRAINING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$4,333,200	- \$4,333,200	\$0

Governor: Provide \$2,166,600 annually to subsidize workforce training for child care providers. Potential child care workers that lack higher education credits are required to complete child care foundational trainings to ensure that they have the knowledge, skills, and abilities needed to provide care and education to young children. According to DCF, the trainings are offered by various providers throughout the state at an estimated cost of \$200 per training in 2024. Previously, DCF allocated federal funding received under the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act to pay 100% of the costs of these trainings. DCF indicates that the funding would subsidize 100% of the costs for more than 10,830 training courses

in 2025-26 and 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. QUALITY CARE FOR QUALITY KIDS -- TRIBAL TRAINING AND TECHNICAL ASSISTANCE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$500,000 annually to increase funding for tribal training and technical assistance. The funding would support the following in each year: (a) two annual conferences (\$50,000); (b) staff to provide training and technical assistance (\$200,000); (c) grants to implement individualized plans for child care programming (\$200,000); and (d) the Wisconsin Inter-Tribal Child Care Association (\$50,000).

DCF contracts with the Supporting Families Together Association (SFTA) to provide training and technical assistance for child care providers, including \$70,000 annually for the tribal and rural providers. Services include foundational trainings, onboarding new staff, mandatory reporting training, regulatory requirements, and basic health and safety topics.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. QUALITY CARE FOR QUALITY KIDS -- EARLY MENTAL HEALTH CONSULTATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$1,022,000	- \$1,022,000	\$0

Governor: Provide \$511,000 annually to increase support for the early child health consultation (EHC) program. EHC provides resources to implement best practices related to health, as recommended by the American Academy of Pediatrics, including information on caring for wounds, supporting children with autism, respiratory and communicable illnesses, and safe sleep. EHC provides direct services to child care providers, including individualized consulting and webinars that fulfill continuing learning education requirements for child care staff. EHC also provides resources for DCF staff on health-related topics. DCF currently contracts with the University of Wisconsin-Madison School of Human Ecology to support EHC, funded by a federal preschool development grant. This item would enable the program to expand services to different parts of the state and provide additional materials for DCF staff.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. QUALITY CARE FOR QUALITY KIDS -- AFTERSCHOOL NETWORK

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$500,000	- \$500,000	\$0

Governor: Provide \$250,000 annually for training and technical assistance provided by the Wisconsin Out of School Time Alliance (WOSTA). Previously known as the Wisconsin Afterschool Network, WOSTA supports schools and community groups to deliver afterschool programs to promote academic success, social development, and healthy living. The program was supported during the 2023-25 biennium with one-time funds of \$480,000 under the federal American Rescue Plan Act (ARPA) and \$40,000 under the federal CCDBG.

This item would continue the program on an ongoing basis to provide school-age child care programs throughout the state with training, technical assistance, and professional development on topics such as mental health and trauma-informed care. This would include: (a) providing courses for out-of-school time providers in partnership with local institutes of higher education; (b) providing trainings for day camp providers; (c) providing technical assistance, and (d) support for a statewide conference to address these topics.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. CHILD CARE -- STATE ADMINISTRATION AND LICENSING [LFB Paper 213]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$10,086,100	3.30	- \$6,702,100	- 4.00	\$3,384,000	- 0.70
PR	81,300	0.00	- 92,600	0.00	- 11,300	0.00
Total	\$10,167,400	3.30	- \$6,794,700	- 4.00	\$3,372,700	- 0.70

Governor: Provide \$4,713,900 (\$4,695,300 FED and \$18,600 PR) in 2025-26 and \$5,453,500 (\$5,390,800 FED and \$62,700 PR) in 2026-27 for state administration of child care programs. All CCDF funding for child care administration is included into this item. Where applicable, references are made to related items below.

Wisconsin Shares 12-Month Authorizations. Provide \$2,562,000 FED in 2025-26 to support information technology changes needed to comply with a federal corrective action plan. Federal law requires a 12-month eligibility redetermination period for participating families regardless of temporary changes in participation in work training, or education activities and changes in income,

as long as the family's income does not exceed the federal threshold amount of 85% of the SMI. Thus, the eligibility requirements under the CCDF program are generally considered to be met for a period of 12 months. States have the option to terminate assistance prior to eligibility redetermination if a parent loses employment, but must continue assistance for at least three months to allow for job search. Wisconsin is currently under a corrective action plan for not providing the required full 12 months of eligibility and for ending eligibility during certain activity break periods. DCF rules were found to be out of compliance with federal CCDF regulations, requiring changes to the Wisconsin Shares authorization process. DCF indicates that the implementation of the required rule changes will incur costs to update various IT systems before August, 2026.

Wisconsin Shares Presumptive Eligibility. Provide \$2,860,000 FED in 2026-27 to support the administrative costs (such as updates to IT systems) of implementing presumptive eligibility for Wisconsin Shares.

General Wage Adjustments. Provide \$713,300 FED and \$46,300 PR annually to support increased salary and fringe costs in DCF's cost pools attributed to general wage adjustments approved by the Joint Committee on Employment Relations between 2018 and 2024 related to the administration of child care programs, summarized under "Departmentwide."

CARES Cost Allocation Adjustment. Provide \$671,300 FED in 2025-26 and \$762,200 FED to reflect a cost adjustment between DCF and the Department of Health Services (DHS) for the Client Assistance for Re-employment and Economic Support (CARES) system.

Child Care Audits. Provide \$506,000 FED in one-time funding in 2025-26 to improve audit processing. DCF conducts audits of child care programs to prevent fraud and correct payment mistakes. Referrals for audit are received through either a mailbox or automatically generated program integrity reports. If the referral is screened in for further review, an auditor is assigned to review the case and issue stipulations for the child care provider to correct violations. DCF indicates that it has a caseload backlog of over 400 audits.

Specialist Licensing Positions. Provide \$277,400 FED in 2025-26 and \$369,800 FED in 2026-27 to support 3.0 full-time positions.

Office of Legal Council Positions. Provide \$135,200 FED in 2025-26 and \$180,200 FED in 2026-27 to support 1.0 full-time position in DCF's Office of Legal Counsel, as summarized under "Departmentwide."

Wisconsin Shares Copayments Changes. Provide \$19,400 FED in 2025-26 for information technology changes needed to implement to the proposed changes to Wisconsin Shares copayments and the subsidy phase-out in the bill.

Standard Budget Adjustments and Other Adjustments. First, provide \$968,800 FED (CCDF) and \$24,800 PR in 2025-26 and \$968,800 FED (CCDF) and \$25,200 PR in 2026-27 to reflect the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits (\$988,800 FED and \$67,900 PR annually); and (b) full funding of lease and directed moves costs (-\$20,000 FED and -\$43,100 PR in 2025-26 and -\$20,000 FED and -\$42,700 PR in 2026-27). Second, reduce CCDF funding to reflect a realignment of funding and positions within

DCF (-\$213,500 FED and -0.7 positions annually). Finally, reduce funding by \$944,600 FED and \$52,500 PR in 2025-26 and by \$250,000 FED and \$8,800 PR in 2026-27 to reflect reestimates of costs associated with health insurance, retirement, and reserves. For more information, see summaries under "Departmentwide."

Joint Finance/Legislature: Reduce funding by \$1,862,900 (-\$1,816,600 FED and -\$46,300 PR) in 2025-66 and by \$4,931,800 (-\$4,885,500 FED and -\$46,300 PR) in 2026-27 to delete funding for the following items: (a) Wisconsin Shares presumptive eligibility; (b) general wage adjustments; (c) CARES cost allocation; (d) specialist licensing positions; (e) Office of Legal Council; and (f) Wisconsin Shares copayment changes.

Consequently, Act 15 provides \$2,878,700 FED and -\$27,700 PR in 2025-26 and \$505,300 FED and \$16,400 PR in 2026-27 for the following: (a) \$2,562,000 FED in 2025-26 for the information technology project needed to comply with the federal corrective action plan for 12-month authorizations in Wisconsin Shares; (b) \$506,000 FED in 2025-26 to improve childcare audit processing and reduce the backlog; and (c) -\$189,300 FED and -\$27,700 PR in 2025-26 and \$505,300 FED and \$16,400 PR in 2026-27, as well as -0.7 FED positions annually, for the standard budget adjustments and other adjustments discussed above. No funding is provided for the other items discussed above.

[Act 15 Section: 177]

13. CHILD CARE PARTNERSHIP GRANT PROGRAM

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$5,513,900	2.50	-\$5,513,900	- 2.50	\$0	0.00

Governor: Provide \$162,400 in 2025-26 and \$5,351,500 in 2026-27 to create a child care partnership grant program. The amounts include \$162,400 in 2025-26 and \$351,500 in 2026-27 to support 1.5 positions in 2025-26 and 2.5 positions in 2026-27 to administer the program.

Create an annual GPR appropriation with \$5,000,000 in 2026-27 to fund the grants. Authorize DCF to award grants to businesses that provide, or wish to provide, child care services for their employees. Specify that a grant may be used to: (a) reserve child care placements for local business employees; (b) pay child care tuition; and (c) fund other costs related to child care. Require grantees to provide matching funds equal to at least 10 percent or more of the amount awarded if the business has 50 or fewer employees and 15 percent or more of the amount awarded if the business has more than 50 employees. Define "business" as a governmental entity, an organization or enterprise operated for profit, or a nonprofit corporation.

Authorize DCF to promulgate emergency rules to administer the program, including rules to determine eligibility for grants, and exempt DCF from making a finding that an emergency exists before promulgating the emergency rule. Specify that the emergency rules would remain in effect until July 1, 2027, or the date on which permanent rules take effect, whichever is sooner.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. CHILD CARE QUALITY IMPROVEMENT PROGRAM -- CHILD CARE COUNTS AND BRIDGE PAYMENTS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$442,040,700	4.00	- \$442,040,700	- 4.00	\$0	0.00
FED	<u>0</u>	<u>0.00</u>	<u>110,000,000</u>	<u>0.00</u>	<u>110,000,000</u>	<u>0.00</u>
Total	\$442,040,700	4.00	- \$332,040,700	- 4.00	\$110,000,000	0.00
FED-REV	\$0		\$110,000,000		\$110,000,000	

Governor: Provide \$221,049,600 in 2025-26 and \$220,991,100 in 2026-27 to establish the Child Care Counts (CCC) program as a permanent child care quality improvement program. The funding increases in the bill include: (a) \$220,000,000 annually to fund payments to providers; and (b) \$1,049,600 in 2025-26 and \$991,100 in 2026-27 to fund DCF's costs of administering the program, including 4.0 positions, beginning in 2025-26.

Current Law. The Child Care Counts (CCC) program was initially launched in the spring of 2020 with supplemental funding provided by federal legislation enacted in response to the COVID-19 pandemic. DCF administers CCC by making monthly payments to child care providers to support the costs of maintaining high quality care and to support workforce recruitment and retention. The CCC program provided five rounds of payments to providers, as successive announcements of federal funding increased amounts available for these payments. DCF sought and received approval from the Joint Committee on Finance on the expenditure of these federal funds. DCF indicates that it paid child care providers \$21 million per month during Rounds 1 and 2, \$12 million per month for Round 3, and \$10 million per month for Rounds 4 and 5. A fifth round of stabilization payments began July, 2024, and is anticipated to run through June, 2025, at which point federal funding for the program would end.

Payments to Providers -- Child Care Counts. The bill would authorize DCF to establish a program to make monthly payments and monthly per-child payments to certified child care providers, licensed child care centers, and child care programs established or contracted for by a school board, and investigate and recover amounts overpaid or obtained through fraud. Authorize DCF to promulgate rules to implement the program, including establishing eligibility requirements and payment amounts and setting requirements for how recipients may use the payments. Specify that DCF may promulgate the rules as emergency rules without making a finding of an emergency.

YoungStar Bonus Payments. The bill would repeal current provisions relating to bonus payments DCF makes under the YoungStar program. Funding of \$20,000,000 FED annually currently budgeted for YoungStar bonuses would be reallocated to the CCC program for payments to providers. YoungStar evaluates child care providers on a publicly searchable five-star scale. Child care providers receive an adjustment to their reimbursement under Wisconsin Shares based

on the number of stars they earned.

Obsolete Wisconsin Shares Rate Increase Provision. The bill would repeal an obsolete provision that prohibits DCF from increasing the maximum payment rates under Wisconsin Shares for child care providers before June 30, 2013.

Joint Finance: Provision not included. Instead, create a FED sum certain appropriation to support bridge payments to child care providers. Transfer into this appropriation a revenue balance of \$110,000,000 FED in 2025-26 associated with American Rescue Plan Act State Fiscal Recovery Fund interest earnings from DOA's federal aid appropriation. Repeal the appropriation on July 1, 2026.

Senate/Legislature: Provide that, to the extent that any interest earnings remain in the appropriation at the end of 2025-26 after all transfers of interest earnings required to fund bridge payments, the remaining amounts are transferred to the appropriation that funds the child care center teacher-student ratio pilot project.

[Act 15 Sections: 69, 70, 87, 87m, 9106(3m) and 9406(3)]

15. OUT-OF-SCHOOL TIME PROGRAM GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$11,500,000	- \$11,500,000	\$0

Governor: Provide \$11,500,000 in 2026-27 to support grant awards to out-of-school time programs and create a GPR appropriation for this purpose. DCF would award grants to out-of-school time programs for the purpose of expanding opportunities for school-age children. An “out-of-school time program” would mean a structured program or activity that: (a) to the extent practicable, is led by adult mentors using evidence-based or evidence-informed practices and is provided to school-age children before school, after school, or during the summer; (b) does not supplant instructional services provided by a school or result in academic credit for students; and (c) relates to one or more of the following topics: (1) improving social, emotional, academic, or career readiness competencies; (2) reducing negative behaviors, including violence and crime, tobacco use, alcohol and substance abuse, disengagement from school, school suspension, truancy, and health-compromising behaviors; (3) providing a safe out-of-school time environment; or (4) engaging in career exploration or formal or informal work-based learning.

DCF would be authorized promulgate emergency rules without the finding of an emergency to implement the program, which would remain in effect until July 1, 2027, or the date on which permanent rules take effect, whichever is sooner. DCF would not be required to provide evidence an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. CHILD CARE WATER SAFETY GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$7,100,000	- \$7,100,000	\$0

Governor: Create a continuing GPR appropriation and provide \$7,100,000 in 2025-26 to support child care water safety grants. Require DCF to award a grant to Community Water Services, Inc. (a nonprofit based in the City of Milwaukee) each fiscal year for the purpose of helping child care providers access safe drinking water. According to DCF, the funding would expand the healthy homes program that serves family child care programs in Milwaukee County to eliminate exposure to waterborne lead poisoning. This would include testing of water and installation of water filtration systems. It is estimated that the funding would support services for 8,000 children.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. CHILD CARE ACCESS PROGRAM [LFB Paper 212]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Legislature (Chg. to JFC)	Net Change
GPR	\$10,000,000	- \$9,000,000	\$2,000,000	\$3,000,000
FED	<u>0</u>	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>
Total	\$10,000,000	- \$8,000,000	\$2,000,000	\$4,000,000

Governor: Create a new annual GPR appropriation and provide \$10,000,000 in 2025-26 to support grants to two programs.

Require DCF to provide a grant of \$4,500,00 to Wonderschool, Inc. (or a successor organization) for the purposes of: (a) building child care capacity in this state; and (b) increasing the child care workforce by launching an online software platform linked to DCF's website to connect child care providers with child care workers and a pool of substitute child care workers. Wonderschool, Inc. is a private company that provides services for child care providers to start up and/or grow their child care business, including management software, training and resources, and guidance on licensing, business planning, and early education curriculums.

Require DCF to provide a grant of \$5,500,000 to the Wisconsin Early Childhood Association, Inc. in order to provide child care providers or prospective child care providers: (a) assistance with licensing and certification, prioritizing locations with a high need for child care services and child care providers that serve infants and toddlers; (b) coaching services and other support services, including for substitute child care workers; and (c) tax education assistance for family child care centers.

Joint Finance: Delete provision. Instead, provide one-time funding of \$1,000,000 FED in

2025-26 and create an annual GPR appropriation and provide \$1,000,000 GPR in 2026-27 to Wonder School Inc. to increase access to high-quality child care in this state. Grants may be used for: (a) assistance with licensing and certification; (b) coaching services and other support services; and (c) tax education assistance for family child care centers.

Senate/Legislature: Create an annual GPR appropriation and provide \$1,000,000 GPR annually to support a grant to the Supporting Families Together Association to provide funding to child care resource and referral agencies for services that build child care capacity and increase access to quality child care in this state, including: (a) technical assistance to support child care providers with starting and sustaining high quality child care businesses; (b) recruitment of child care providers and child care slots in areas of need; (c) training and information about regulatory compliance and continuing education for child care providers; and (d) any other information or support that increases availability of and access to quality child care services in individual communities on the basis of needs assessed by the child care resource and referral agency.

Specify that the grant to Wonderschool Inc. is for the purpose of: (a) launching an online software platform that is linked to DCF's website to connect child care providers with child care workers; and (b) to build child care capacity in this state, of which at least 60% must be expended in rural areas. Define "rural areas" to mean a city, town, or village with a population of less than 10,000 or a county with a population of less than 50,000.

Specify that all the funding provided under this item is on a one-time basis and repeal the GPR appropriation effective July 1, 2027. Require DCF to report to the Joint Committee on Finance on the outcomes of the grants no later than May 1, 2027.

[Act 15 Sections: 67, 67m, 167, 167m, 178, and 9406(5m)]

18. TRANSFER HEAD START STATE SUPPLEMENT FROM DPI TO DCF

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$12,528,200	- \$12,528,200	\$0

Governor: Transfer the administrative responsibilities for the Head Start program and related funding of \$6,264,100 annually from the Department of Instruction to DCF. Head Start is a federal program that promotes school readiness for children under the age of five from low-income families. Participating families engage in a variety of educational and health activities.

The Head Start state supplement supports quality improvement efforts and expands Head Start enrollment for children who may be on waiting lists to access federally-funded programming. The current state supplement provides funding to 40 grantees. [For additional information see "Public Instruction -- Categorical Aids."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

19. WISCONSIN WORKS BENEFITS [LFB Paper 210]

FED	- \$4,205,800

Governor/Legislature: Reduce funding by \$2,193,500 in 2025-26 and by \$2,012,300 in 2026-27 to reflect estimates of base year caseloads and benefit payments under Wisconsin Works. Total TANF funding for these benefits would be \$26,806,500 in 2025-26 and \$26,987,700 in 2026-27.

[Act 15 Section: 169]

20. WISCONSIN WORKS AGENCY CONTRACTS [LFB Paper 214]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$3,821,200	- \$3,821,200	\$0

Governor: Provide \$1,821,200 in 2025-26 and \$2,000,000 in 2026-27 to fund Wisconsin Works (W-2) administrative contracts. According to DCF, funding would support funding for job access loans. Including base funding, \$58,892,400 in 2025-26 and \$59,071,200 in 2026-27 would be budgeted to support these contracts. DCF contracts on a calendar year basis with eight service providers to provide W-2 benefits and services to participants in eight geographic regions, four of which are in the City of Milwaukee. [A technical correction would be needed to reflect the Administration's intent to provide a total of \$2,821,200 in 2025-26.]

Joint Finance/Legislature: Provision not included.

21. TRANSITIONAL JOBS AND TRANSFORM MILWAUKEE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$5,950,000	- \$5,950,000	\$0

Governor: Provide \$2,975,000 annually to fund estimated costs of expanding eligibility for the Transform Milwaukee (TM) and Transitional Jobs (TJ) subsidized jobs programs, as follows.

Under current law, the target populations for these subsidized job programs include individuals who are at least 18 years old but younger than 25 years old, parents with a child support order, parents under a reunification plan, parents who are ex-offender, and childless older youth under age 25. The programs also target services toward older youth in foster care between the ages of 18 and 24 who were in out-of-home care after age 16. To participate in TM, an eligible participant must reside in Milwaukee County, while participants in TJ must reside in a participating county. Eligible individuals must be unemployed for at least four weeks prior to participating in the program and cannot be eligible for unemployment insurance benefits

DCF indicates that from May, 2023, through April, 2024, 190 applicants were ineligible for

TM or TJ due to having been employed within the prior four weeks, and 157 were ineligible because they were eligible for unemployment insurance benefits.

The bill would repeal: (a) the requirement that individuals be unemployed for at least four weeks prior to participating in the program; and (b) the requirement that program participants cannot be eligible for unemployment insurance benefits. Instead, the bill would specify that applicants need only not have filed for such benefits or did file and were found to be ineligible. The estimated cost of expanding eligibility is based on 350 additional eligible participants at a historical cost per participant of \$8,500.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

22. EXPAND TRANSFORM MILWAUKEE AND TRANSITIONAL JOBS PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,000,000	- \$2,000,000	\$0

Governor: Provide \$1,000,000 annually to expand the Transitional Jobs (TJ) program and the Transform Milwaukee (TM) program. Create a GPR appropriation for this purpose.

Under current law, TM and TJ require, as a condition of eligibility, that an applicant: (a) have household income below 150% of the FPL; and (b) if over 25 years of age, be a biological or adoptive parent of a child under 18 years of age whose parental rights to the child have not been terminated or be a relative and primary caregiver of a child under 18 years of age.

Under the bill, DCF would be required to establish programs identical to TM and TJ except that these two eligibility requirements would be removed.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

23. KINSHIP CARE REESTIMATE AND RATE INCREASE [LFB Paper 225]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$27,490,300	- \$19,512,800	\$7,977,500

Governor: Provide \$10,025,700 in 2025-26 and \$17,464,600 in 2026-27 to increase funding for kinship care payment and assessments, as described below. The base TANF allocation for kinship care is \$35,661,000. Under the bill, the allocation would increase to \$45,686,700 in 2025-26 and \$53,125,600 in 2026-27.

Reestimate. Provide \$3,091,900 in 2025-26 and \$3,463,800 in 2026-27 to fund projected benefits payments, based on current kinship care rates. Effective July 1, 2025, provisions of 2023 Act 119 provided eligibility for kinship care benefits to relatives (including first cousins once removed), like-kin, and extended family members of children who fall within the definition of Indian children for the purpose of federal law. Act 119 allowed for an earlier effective date if DCF determined that sufficient TANF funding was allocated under the 2023-25 budget act. DCF expanded the program beginning January 1, 2025, by reallocating TANF funding from the allocation for child welfare services supported by targeted safety support funding. The funding would maintain the cost-to-continue the program during the 2025-27 biennium.

Benefit Payment Increase. Provide \$6,933,800 in 2025-26 and \$14,000,800 in 2026-27 to increase kinship care benefit payments so that kinship caregivers would receive the same age-based payment rates that foster care families would receive under the foster care rate increases in the bill (a 5% increase). For more information, see "Child Welfare."

Joint Finance/Legislature: Reduce funding by \$6,462,900 in 2025-26 and \$13,049,900 in 2026-27 to delete the kinship care benefit payment rate increases recommended by the Governor (-\$6,933,800 in 2025-26 and -\$14,000,800 in 2026-27). Instead, increase funding to support a 2.5% increase in the monthly kinship care rate, from \$375 to \$384, beginning January 1, 2026 (\$470,900 in 2025-26 and \$950,900 in 2026-27).

[Act 15 Sections: 158, 159, 179, and 9406(1)]

24. EMERGENCY ASSISTANCE [LFB Paper 210]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$8,555,700	\$273,100	\$8,828,800

Governor: Provide \$4,414,400 in 2025-26 and \$4,141,300 in 2026-27 above base funding of \$6.0 million to reflect projected increases in average costs and caseloads under the emergency assistance (EA) program. The EA program provides assistance to needy families with children in cases of fire, flood, natural disaster, energy crisis, homelessness, or impending homelessness. The cost projections reflect rule changes that increased the maximum benefits available under the program and the processing time of applications. With the funding increase, total funding allocated for EA would be \$10,414,400 in 2025-26 and \$10,141,300 in 2026-27.

The actual payment amount a family receives for emergencies other than an energy crisis is calculated as the lower of the following two amounts: (a) the maximum payment amount per group member multiplied by the number of members in the group; or (b) the total financial need. Effective April, 2024, DCF increased the maximum payment amounts by administrative rule. The maximum payment amounts per group member are as follows: (1) \$600 per group member when the group is two members; (2) \$400 per group member when the group is three members; (3) \$300 per group member when the group is four members; (4) \$240 per group member when the group is five members; and (4) \$220 per group member when the group is six or more members. The

payment for energy crisis is the maximum payment amount for the group (\$750) or the amount needed to obtain or maintain essential utility service, whichever is lower.

Joint Finance/Legislature: Increase funding by \$273,100 in 2026-27 so that funding for EA would be increased by \$4,414,400 annually for the estimated cost-to-continue EA payments. With the increased funding, total funding allocated for EA payments would be \$10,414,400 annually.

[Act 15 Section: 173]

25. CASE MANAGEMENT SERVICE GRANTS FOR HOMELESS FAMILIES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$1,000,000	- \$1,000,000	\$0

Governor: Increase, from \$500,000 to \$1,000,000 annually, funding for grants to shelter facilities to provide intensive case management services to homeless families. Funding for these services is budgeted in DCF and transferred to the Department of Administration (DOA), which administers the program.

Current law authorizes DOA to award up to 10 grants of up to \$50,000 each to any shelter program. Grantees may use these funds to provide case management services, including: (a) services related to financial management; (b) employment-related services; (c) services intended to ensure continuation of school enrollment for children; and (d) services related to the enrollment of unemployed or under-employed parents in the FoodShare employment and training program or the Wisconsin Works program. For additional information, see "Administration -- Housing and Environment."

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

26. BOYS AND GIRLS CLUBS OF AMERICA [LFB Paper 215]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$13,400,000	- \$7,900,000	\$5,500,000

Governor: Provide \$6,700,000 annually to increase the grant DCF provides to the Boys and Girls Clubs of Wisconsin. Although not specified in the bill, the Administration indicates that the TANF funding increase would support the Wisconsin After Three program, an after-school program designed to improve social, academic, and employment skills of low-income youth through tutoring in math and English, study habits, and exposure to career options and role models. Including base funding of \$2,807,000, total funding for Boys and Girls Clubs would be \$9,507,000

annually.

Joint Finance/Legislature: Reduce funding by \$1,700,000 in 2025-26 and by \$6,200,000 in 2026-27 so that funding would increase by \$5,000,000 in 2025-26 and \$500,000 in 2026-27. Including base funding of \$2,807,000, total funding for the Boys and Girls Clubs would be \$7,807,000 in 2025-26 and \$3,307,000 in 2026-27.

[Act 15 Section: 180]

27. CIVIL LEGAL ASSISTANCE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$8,000,000	- \$8,000,000	\$0

Governor: Provide \$4,000,000 annually to increase, from \$500,000 to \$4,500,000, the annual funding DCF provides to the Wisconsin Trust Account Foundation, Inc. (WisTAF) to distribute grants to programs that provide legal services in certain civil matters.

Modify the program to: (a) permit grant recipients to use funding to provide eligible individuals civil legal services related to evictions; (b) repeal a provision that establishes a \$75,000 annual maximum award amount any program can receive in a year; and (c) repeal provisions that authorize DCF to identify underspending in the federal block grant aids appropriation for TANF and provide up to \$100,000 of such funds to WisTAF under certain conditions, including that the funding be matched by private donations. DCF indicates it does not currently make grants described under (c), as DCF would be required to underspend the statutory TANF allocations for other programs.

WisTAF is a nonprofit organization established by the Wisconsin Supreme Court that provides grants to civil legal aid organizations that increase access to legal services. These grants may not be used for litigation against the state and, under current law, and may only be used to support specific civil legal services (related to domestic abuse, sexual abuse, or restraining orders for certain at-risk elderly and disabled individuals) for TANF-eligible individuals with household income less than 200% FPL (\$53,300 for a family of three in 2025).

The budget bill would also provide \$43.0 million GPR for this program in 2025-26. [See "Administration -- General Agency Provisions."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

28. JOBS FOR AMERICA'S GRADUATES [LFB Paper 215]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$2,000,000	- \$1,000,000	\$1,000,000

Governor: Provide \$1,000,000 annually to expand the Jobs for America's Graduates (JAG) program to additional schools throughout the state. Total funding for the program would increase from \$1,000,000 to \$2,000,000 annually, beginning in 2025-26.

JAG is a state-based national nonprofit organization that assists youth in reaching economic and academic success. The program helps the most at-risk Wisconsin students overcome learning loss and become gainfully employed through Wisconsin employers, post-secondary degrees, or military careers. Services involve classroom instruction, adult mentoring, leadership development, guidance and counseling, job and postsecondary education placement services, links to community services, and 12-month follow-up services. According to DCF, 16 schools currently participate in the program.

Joint Finance/Legislature: Reduce funding by \$1,000,000 in 2026-27 to support the JAG program, so that total funding would increase from \$1,000,000 to \$2,000,000 in 2025-26 and return to \$1,000,000 in 2026-27.

[Act 15 Section: 174]

29. CHILD SUPPORT DEBT REDUCTION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$10,416,000	- \$10,416,000	\$0

Governor: Create a new statutory TANF allocation and provide \$3,472,000 in 2025-26 and \$6,944,000 in 2026-27 to support a new child support debt reduction program.

Under the bill, a noncustodial parent would qualify for debt reduction if all of the following apply: (a) the noncustodial parent completes an eligible employment program, as defined by DCF by rule; and (b) the custodial parent agrees to reduce child support debt owed up to the amount of the benefit paid. A noncustodial parent could not receive debt reduction more than once in a 12-month period. DCF would be directed to promulgate rules to implement the program, including how the debt reduction would be apportioned among multiple child support orders, and authorize DCF to promulgate emergency rules without the finding of an emergency. The emergency rules would remain in effect until July 1, 2027, or the date on which permanent rules take effect, whichever is sooner. The provisions would take effect on the first day of the 7th month beginning after publication of the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

30. SKILLS ENHANCEMENT GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$500,000	- \$500,000	\$0

Governor: Increase funding for skills enhancement grants by \$250,000 GPR annually. Base funding for the program is \$250,000, so \$500,000 would be budgeted annually for DCF to provide as grants to community action agencies (CAAs). CAAs use grant funds to assist eligible persons overcome barriers to employment and education, including access to transportation, child care, career counseling, job placement assistance, and financial support for education and training. These services are limited to individuals who work at least 20 hours per week and whose earned income is at or below 150% of the FPL (\$39,975 for a family of three in 2025). The funding increase is part of a package of homeless prevention initiatives recommended by the Interagency Council on Homelessness. [For additional information, see "Administration -- Housing and Environment."]

The bill would also repeal the statutory TANF allocation for the program. Provisions of 2023 Act 19 provided \$500,000 FED in 2023-24 and 2024-25 in one-time funding for the program, which is not part of the adjusted base for the 2025-27 biennium.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.) However, because funding for this item was previously provided on a one-time basis, the TANF allocation for this item is repealed.

[Act 15 Section: 175]

31. STATE TANF ADMINISTRATION [LFB Paper 213]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$11,828,400	- \$10,112,600	\$1,715,800

Governor: Provide \$5,689,600 in 2025-26 and \$6,138,800 in 2026-27 to support the costs of administering TANF-related programs. The following reflects all TANF funding for economic support programs. Where applicable, the administrative funding is shown in this item rather than elsewhere in this document.

ACCESS System Improvements for Emergency Assistance. Provide one-time funding of \$1,944,000 in 2025-26 and \$2,040,000 in 2026-27 to support information technology upgrades and improvements to the ACCESS system used by the EA program for accepting and processing benefit applications. The enhancements are intended to address the most common reasons for application denial and are expected to: (a) improve the application experience with expedited processing; (b) decrease the applicant's verification burden; and (c) increase the overall approval

rate to assist more eligible individuals in need.

Information Technology Backlog Resources. Provide \$1,700,200 in 2025-26 and \$1,800,300 in 2026-27 to fund vendor contract costs to develop information technology systems. The additional funding would offset a backlog in a number of IT projects that would take advantage of existing system capabilities, improve customer and worker experiences, and bring its public-facing system development in line with other states.

BRITS Enhancements and CRES Development. Provide one-time funding of \$587,000 in 2025-26 and \$599,000 in 2026-27 to maintain the information technology team working on improvements to the Benefit Recovery Investigative Tracking System (BRITS) and Central Recoveries Enhanced System (CRES). DCF and DHS use BRITS to investigate error and fraud allegations and DCF recovers established debts using CRES. BRITS interfaces with CRES to collect delinquent debts utilizing lien, levy, state and federal tax offsets. The funding would enhance the BRITS system and migrate CRES from Oracle to the BRITS structured query language platform.

Determine Requirements for EA Inclusion into BRITS. Provide one-time funding of \$125,800 in 2025-26 and \$83,700 in 2026-27 to determine the requirements and costs needed to include EA into BRITS for establishing and collecting overpayments. Under current law, W2 agencies must collect all incorrectly paid EA benefits. By administrative rule Effective October 1, 2024, DCF is responsible to recover any established debts. However, EA claim and management functionality is not included in the BRITS 2024 release, and so initially a process outside of the BRITS system will be used for establishment of claims, noticing, and collection processing of EA overpayments. The recommended funding would be used to determine the costs and requirements for adding EA to the BRITS system. Development and implementation would begin during the 2027-29 biennium.

CARES Cost Allocation Adjustment. Provide \$863,500 in 2025-26 and \$913,500 in 2026-27 to estimate the cost adjustment between DCF and DHS for the Client Assistance for Re-employment and Economic Support (CARES) system.

General Wage Adjustment. Provide \$241,000 annually to support increased salary and fringe costs in DCF's cost pools attributed to general wage adjustments approved by the Joint Committee on Employment Relations between 2018 and 2024 related to the administration of TANF-related programs, as summarized under "Departmentwide."

Homeless Prevention Initiatives. Provide \$70,100 in 2025-26 and \$89,500 in 2026-27 to support staffing costs for the homeless case management services grant program, as summarized under "Administration -- Housing and Environment."

Standard Budget and Other Adjustments. Provide \$474,400 annually to reflect the following standard budget adjustments: (a) full funding of continuing position salaries and fringe benefits (\$449,400 annually); and (b) full funding of lease and directed moves costs (\$25,000 annually). In addition, reduce funding by \$316,400 in 2025-26 and by \$102,600 in 2026-27 to reflect reestimates of staff costs associated with staff health insurance, retirement, and reserves.

Joint Finance/Legislature: Reduce funding by \$4,944,600 in 2025-26 and \$5,168,000 in 2026-27 so that \$745,000 in 2025-26 and \$970,800 in 2026-27 would be provided for the following: (a) \$587,000 in 2025-26 and \$599,000 in 2026-27 for the BRITS enhancements and CRES development; and (b) \$158,000 in 2025-26 and \$371,800 in 2026-27 for the standard budget adjustments and other adjustments outlined above. No funding is provided for the other items as described above.

[Act 15 Section: 172]

32. CARETAKER SUPPLEMENT [LFB Paper 210]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$16,543,400	- \$16,543,400	\$0

Governor: Increase funding by \$8,271,700 annually to reflect an estimate of program costs under current law, and a funding increase for the caretaker supplement program in the bill. Including adjusted base funding of \$10,990,400, a total of \$19,262,100 annually, funded from TANF, would be budgeted to fund caretaker supplement payments and program administration costs.

The caretaker supplement is a program administered by the DHS that provides monthly cash payments to individuals who receive supplemental security income (SSI) payments with dependent children. Under the program, in addition to state and federal SSI benefits, SSI recipients with dependent children receive a caretaker supplement of \$275 per month for the first child and \$165 per month for each additional child. The funding increase reflects program changes described under "Department of Health Services -- Services for the Elderly and People with Disabilities."

Joint Finance/Legislature: Provision not included. Maintain base funding of \$10,990,400 FED annually for estimated program costs under current law.

33. EARNED INCOME TAX CREDIT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$72,462,300	- \$72,462,300	\$0

Governor: Increase funding for the refundable portion of the earned income tax credit by \$35,905,800 in 2025-26 and \$36,556,500 in 2026-27. The funding would support modifications to the tax credit, which would increase the amounts qualifying individuals could claim. For more information see "General Fund Taxes -- Refundable Credits and Other Payments."

Under the bill, the total TANF funding that would be budgeted to fund the refundable portion

of the earned income tax credit would increase from \$65,002,000 to \$100,907,800 in 2025-26 and \$101,558,500 in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

34. CHILD CARE FEE REVENUE ADJUSTMENT

Governor/Legislature: Increase FED TANF funding by \$70,300 in 2025-26 and \$114,400 in 2026-27 and decrease PR from child care fees in corresponding amounts to reflect the following: (a) a reestimate child care fee revenue (\$51,700 FED and -\$51,700 PR annually); and (b) replacing child care fee revenue with TANF for TANF-related items (\$18,600 FED and -\$18,600 PR in 2025-26 and \$62,700 FED and -\$62,700 PR in 2026-27).

FED	\$184,700
PR	- 184,700
Total	\$0

35. CHILD SUPPORT IT MODERNIZATION PROJECT [LFB Paper 216]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$15,344,500	- \$4,218,200	\$11,126,300
FED	<u>29,786,400</u>	<u>- 8,188,200</u>	<u>21,598,200</u>
Total	\$45,130,900	- \$12,406,400	\$32,724,500

Governor: Provide \$17,562,000 (\$5,971,100 GPR and \$11,590,900 FED) in 2025-26 and \$27,568,900 (\$9,373,400 GPR and \$18,195,500 FED) in 2026-27 to support the ongoing replacement of the Kids Information Data System (KIDS) with a modern web-based information technology (IT) system capable of meeting federal performance standards. The federal funding would be 66% matching funds under Title IV-D of the Social Security Act.

DCF estimates that the total cost of the IT system, including upgrades, will be \$270.2 million for the 12-year period from 2018-19 through 2029-30, including: planning, development, statewide implementation, hardware, software, operation, and maintenance. 2023 Act 19 provided one-time funding to begin the modernization project. The bill provides one-time funding in the 2025-27 biennium for the project, and reflects expected payments to contractors and IT upgrades for the 2025-27 biennium.

KIDS is a mainframe system, created using COBOL programming, that was implemented statewide in September, 1996. It is the primary IT system used by state, local, and tribal staff for child support enforcement case and financial management functions. DCF indicates that the aged architecture in KIDS is difficult to maintain and enhance, thereby increasing the complexity and expense of upgrading IT systems to meet federal performance standards. Further, according to DCF, the system is limited in terms of user interface, is unintuitive, lacks access to modern communication methods, and its automated data reporting is insufficient.

Joint Finance/Legislature: Reduce funding by \$5,723,500 (-\$1,946,000 GPR and -\$3,777,500 FED) in 2025-26 and by \$6,682,900 (-\$2,272,200 GPR and -\$4,410,700 FED) in

2026-27 so that one-time funding of \$11,838,500 (\$4,025,100 GPR and \$7,813,400 FED) in 2025-26 and \$20,886,000 (\$7,101,200 GPR and \$13,784,800 FED) in 2026-27 would be provided to support the ongoing project to replace KIDS with a modern web-based information technology system. The funding revision is based on more recent information from the completion of the request for proposals, execution of vendor contracts, and the finalizing of the master project schedule. The funding would not be made part of the base budget for the 2027-29 biennium.

36. ASSIGNMENT OF CHILD SUPPORT WHEN ENTERING OUT-OF-HOME CARE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,205,000	- \$1,205,000	\$0
FED	<u>665,000</u>	<u>- 665,000</u>	<u>0</u>
Total	\$1,870,000	- \$1,870,000	\$0

Governor: Provide \$1,870,000 (\$1,205,000 GPR and \$665,000 FED) in 2026-27 to support child welfare agencies for the revenue lost from repealing the statutory requirement to collect child support from families whose children have entered certain out-of-home care placements. Of this amount, ongoing funds of \$1,800,000 (\$1,170,000 GPR and \$630,000 FED Title IV-E) would increase the children and families aid allocation for distribution to county child welfare agencies. In addition, one-time funding of \$70,000 (\$35,000 GPR and \$35,000 FED Title IV-E) would support modifications to the state's child welfare information technology system to implement the policy changes (eWiSACWIS).

Under current law, when any person applies for, or receives out-of-home care under the Children's Code or Juvenile Justice Code, the parent or dependent child assigns any right to support or maintenance over to the state. Funding budgeted for child welfare services is then supported in part by third-party program revenue (PR) collections of child support and Supplemental Security Income (SSI) payments received for children in out-of-home care. When a child enters out-of-home care and there is no preexisting child support order, local child welfare agencies have discretion whether to refer the matter to establish a child support order. According to DCF, consistent with federal law and policy guidance, county agencies referred approximately 70% of eligible out-of-home care cases to a child support agency in 2018.

According to DCF, pursuit of child support payments from such families, most of whom live in poverty, may unnecessarily extend the length of OHC placements. DCF indicates that guidance issued in 2022 from the federal Office of Child Support Services now encourages, but does not require, child welfare agencies to refer cases for assignment of child support only in rare circumstances.

The bill would repeal the current provision that assigns child support orders and arrears to the state when a child enters foster, including cases regulated under the federal Title IV-E. (The bill would not alter state law provisions relating to TANF-funded, court-ordered kinship care, which is governed under federal TANF regulations that require child support referral and collection.)

For revisions of dispositional orders originally entered after July 1, 2026, the court would no longer determine the liability of the parent for the care and maintenance of the parent's minor child who has been placed in out-of-home care into a residential, nonmedical facility. DCF appropriations would be updated to reflect that revenue from child support assignments in such cases would no longer be transferred to support the costs of dependent children.

The bill would set to \$0 any balance of court-ordered child support obligations assigned to the state because the child receives foster care aid, and provide that such balances would be unenforceable and uncollectable. Any warrant or lien issued prior to July 1, 2026, would be vacated if it is based on the alleged failure to pay such a balance or the failure to appear to a court hearing set for the purpose of enforcing the obligation assigned to the state.

Certain related provisions regarding court hearings, orders, child support services, and other procedures under both the Children's Code and Juvenile Justice Code would be repealed, including: (a) the requirement that a court report recommending placement of a child into out-of-home care must include either a referral to establish child support or a recommendation for an amount of child support paid by either parent; (b) the requirement for the court to consider certain factors in making a recommendation for an amount of child support, and to notify the parents of that recommendation with written explanations for revisions and modifications to the order; (c) the ability for the parent at a dispositional hearing to present evidence relevant to the amount of child support to be paid; (d) the requirement for a dispositional order to include a referral to the county child support agency for establishment of child support or a designation of the amount of support, if any, to be paid specifying that the support obligation begins on the date of the placement; (e) the requirement for a court to order a child's parent to provide a statement of income and assets when a change in placement would place the child into out-of-home care (and the requirement to provide the statement to the county agency to determine eligibility for federal foster care and adoption assistance reimbursement). As a result, DCF and county departments of social services/human services would generally no longer be required to provide for child support referrals and collection services in out-of-home care cases. However, the bill would require DCF to promulgate rules establishing when it would be appropriate for a county department or DCF to refer the name of the parents of the child for whom an out-of-home care placement has been ordered to the attorney responsible for support enforcement.

The factors the family court may consider when changing an order for child support would be modified with respect to child in out-of-home care under the Children's Code or Juvenile Justice Code. Specifically, the bill would add that the court may consider the impact on the child of expenditures by the family for improvement of any conditions in the home that would facilitate the reunification of the child with the child's family, if appropriate, and the importance of a placement that is the least restrictive of the rights of the child and the parents and the most appropriate for meeting the needs of the child and the family.

These provisions would take effect July 1, 2026.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

37. ELIMINATE BIRTH COST RECOVERY

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,300,000	- \$1,300,000	\$0
FED	<u>2,523,600</u>	<u>- 2,523,600</u>	<u>0</u>
Total	\$3,823,600	- \$3,823,600	\$0

Governor: Provide \$650,000 GPR and \$1,261,800 FED IV-D annually to support a policy change that would end the practice of recovering birth costs.

Currently, paternity orders are required to establish the amount of the father's obligation to pay for the reasonable expenses of the mother's pregnancy and the child's birth. The order must take into account the father's ability to pay and may not exceed one-half of the total actual and reasonable pregnancy and birth expenses nor exceed 5% of the father's current monthly income available for child support multiplied by 36 months. Each year, DCF produces a payment schedule based on FPL guidelines for use in such determinations. Per DCF rules, recovery of birth costs is inappropriate in cases where the alleged father is a member of an intact family that includes the mother and the child at the time paternity or support is established, and the father's income, if any, contributes to the support of the child.

In 2023, counties earned \$0.8 million by recovering \$5.6 million in birth costs. These federal incentive payments are supported from monies that would otherwise be used to offset federally-funded Medicaid costs. Typically, the Medicaid agency will refer the case to the local child support agency for recovery after receiving an application for medical assistance or the addition of a new child to the case. The birth costs would be recovered as part of a paternity judgement and the local child support enforcement agency would receive revenue from birth cost incentive payments from DCF. DCF indicates the increase in GPR and FED funding under this item would offset the revenue loss associated with ending the policy to recover birth costs. For additional information see "Department of Health Services -- Medical Assistance and Foodshare Administration."

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

38. MATCHING FUNDS REVENUE ADJUSTMENT [LFB Paper 210]

GPR	\$1,400,000
FED	<u>- 1,400,000</u>
Total	\$0

Joint Finance/Legislature: Increase funding for child care programs by \$700,000 GPR annually for the estimated increase in matching funds required under federal law to account for the anticipated increase in federal CCDF funding during the 2025-27 biennium. Reduce federal funding by the same amount to account for the increased GPR expenditures.

39. CHILD CARE LICENSING RATIOS AND PILOT PROGRAM

	Jt. Finance (Chg. to Base)	Legislature (Chg. to JFC)	Net Change
FED	\$10,000,000	\$18,500,000	\$28,000,000

Joint Finance: Provide \$5,000,000 FED TANF annually and create a 2-year pilot program to modify the administrative code to set the maximum number of child care workers to infants up to 18 months of age to be one worker to four infants (maximum group size of eight), and to set the maximum number of child care workers to children aged 18 months to 2 ½ years of age to be one worker to seven children (maximum group size 14).

Require DCF to conduct the 2-year pilot project under which DCF must increase the monthly maximum payment rate under Wisconsin Shares by \$200 for the care of a child under the age of 18 months and by \$100 for children aged between 18 and 30 months. Providers may qualify by certifying with DCF that they are participating in the pilot. Transfer interest earnings under the American Rescue Plan Act to a DCF appropriation to support the enhanced payments.

Senate/Legislature: Provide a total of \$14,250,000 (consisting of \$5,000,000 FED TANF and \$9,250,000 FED ARPA interest) annually to the child care teacher-student ratio pilot project, as described below.

Temporarily Modify License Ratios. Specify that effective July 1, 2027, the license ratios described above will revert back to the previous standards in effect for 2024-25.

Two-Year Pilot Program. Provide that, during the pilot project, a participating child care center will receive, in addition to reimbursements under Wisconsin Shares, additional monthly payments in the following amounts: (a) for care of a child for 20 hours or more per week, \$200 per month for a child under the age of 18 months and \$100 per month for care of a child aged 18 to 30 months; and (b) for care of a child for fewer than 20 hours per week, \$100 for a child under the age of 18 months and \$50 per month for care of a child aged 18 to 30 months.

Funding. Create a FED appropriation and transfer ARPA interest earnings in the amount of \$9,250,000 FED annually to support the pilot program enhanced payments. As noted above, to the extent any ARPA interest funding appropriated for bridge payments is unspent at the end of 2025-26, transfer such funding to the appropriation for the pilot program. Require DCF to first use ARPA funding to support the pilot program and to use up to \$5,000,000 of TANF funds only if the ARPA funding is insufficient to support expenses. No other funding sources would be available for the enhanced payments. Provide that effective July 1, 2027, the appropriation for the pilot program is repealed and that any ARPA funding unspent at the end of 2026-27 must be transferred to DCF's appropriation that supports TANF-related economic support programs.

Report. At the conclusion of the pilot, require DCF to prepare and submit to the Joint Committee on Finance and to the appropriate standing committees of the Legislature, a report on the number of child care centers participating in each year of the pilot program.

[Act 15 Sections: 70g, 70s, 168m, 361 thru 363, 9106 (2m) & (3m), and 9406 (3m) & (4b)]

40. LARGE FAMILY CARE CENTERS

Joint Finance/Legislature: Require DCF to establish a category of licensed child care centers that provide care and supervision for four to 12 children ("large family child care centers"), as follows. Require DCF to regulate a large family child care center in the same way that it regulates a center that is licensed to provide care and supervision for four to eight children, including the maximum number of children per provider, except: (a) DCF must prohibit more than two providers providing care and supervision for children at one time; and (b) DCF may regulate a large family child care center differently than a child care center that provides care and supervision for five to eight children to the extent necessary to safely accommodate a larger group of children. Modify the administrative code to specify that the Commercial Building Code does not apply to a one- or two-family dwelling in which a public or private day care center for twelve or fewer children is located (rather than eight or fewer children, as under current regulations).

[Act 15 Sections: 161, 163, 164, 165, 208, 363, and 9406(5)]

41. ASSISTANT CARE TEACHERS

Joint Finance/Legislature: Specify that a licensed child care center may hire an individual to be an assistant child care teacher if the individual meets all of the following requirements: (a) the individual is at least 16 years old; and (b) the individual has satisfactorily completed at least one of the following within 6 months after assuming the position (1) two credits in early childhood education or its equivalent; (2) one non-credit, department-approved course in early childhood education; or (3) an assistant child care teacher training program approved by the department of public instruction.

Specify that an assistant child care teacher who has completed the required training and is at least 18 years old may provide sole supervision to a group of children in the following instances and for the following amounts of time. First, in a full-day center, if there is a child care teacher on the premises, for opening and closing hours, not to exceed the first 2 hours and the last 2 hours of center operation, and during the center's designated naptime, not to exceed 2 hours. Second, in a school-age program, if there is a school-age program leader or child care teacher on the premises, for no more than 45 minutes.

Define "assistant child care teacher" to mean a child care worker who works under the supervision of a child care teacher. Define "child care teacher" to mean a child care worker who plans, implements, and supervises the daily activities for a designated group of children at a child care center licensed and who meets qualifications set under the DCF administrative code. Define "full-day center" to mean a child care center licensed under this section that accepts children for 5 or more consecutive hours. Define "school-age program" to mean a program in a licensed child care center that serves only school-age children before and after school, on days on which there is no school, and during the summer break. Define "school-age program leader" means a person who plans, implements, and supervises the daily activities for a designated group of school-age children, communicates with families, works with the community, and coordinates staff in a school-age program at a licensed child care center.

[Act 15 Section: 162]

42. SCHOOL READINESS PROGRAM

GPR	\$66,070,000

Joint Finance: Create a sum certain GPR appropriation and provide \$65,000,000 GPR in 2026-27 for DCF to pay child care providers under a new community based elementary school readiness program, as described below. Provide \$350,000 GPR in 2025-26 and \$720,000 GPR in 2026-27 for administrative costs associated with the program.

Specify that a child care provider would be able to use the payments to cover any costs associated with providing the program. The child care provider would be able to charge additional amounts to provide care and supervision for a participating child outside of the elementary school readiness program hours. A child care provider would be eligible for the program if they: (a) are in compliance with all legal, financial, and regulatory requirements imposed by law or by DCF rule; (b) demonstrate to DCF that they will annually provide at least 612 hours of direct child instruction in elementary school readiness to pupils participating in the program; (c) demonstrate to DCF that they use a curriculum that meets the Department of Public Instruction's (DPI) model early learning standards; (d) notify DCF by no later than February 1 of the preceding school year of their intent to participate in the elementary school readiness program according to application requirements established by DCF; and (e) do not have a contract with a school district to provide a 4-year-old kindergarten for the school year in which the child care provider intends to participate in the program.

A child would be eligible to participate if: (a) the child is four years old on or before September 1 in the school year that the child proposes to participate in the program; (b) the child's parent or guardian submits an application to participate on a form prepared by DCF to the child care provider that will provide the elementary school readiness program; and (c) the participating child care provider has accepted the child's application to attend the elementary school readiness program offered by the child care provider.

Teachers in an elementary school readiness program would be required to have either an associate's degree or a bachelor's degree.

DCF would be required to pay each child care provider an amount for each child participating in the school readiness program equal to 60% of the sum of the revenue ceiling for the current school year and the per pupil amount for the current school year (\$7,045). DCF would remit the payment via 25% installments in September, November, February, and May. Each installment may consist of a single check for all children participating in the school readiness program offered by the child care provider. DCF would be required each year, by February 15, to post on its website a list of all child care providers that have submitted a notice of intent to participate in the program in the following school year. DCF must include in the list for each child care provider: the name and address of the child care center, the name and contact information of an individual at the child care center who can answer questions, and the number of spaces available at the child care center for children participating in the program.

DCF would be required to establish the program and promulgate rules to administer it, including establishing standards for elementary school readiness programs and application requirements for children to enroll and for child care providers to participate. DCF would be required

to exclude any hours a child participates in the school readiness program from the hours authorized for subsidies in the Wisconsin Shares program.

An "elementary school readiness program" would mean an instructional program that provides four-year-old children with the social and cognitive skills to successfully transition to five-year-old kindergarten in an elementary school setting. A school year would be defined as having the same meaning given under Chapter 115 of the statutes (State Superintendent), namely that it commences July 1 and ends the succeeding June 30. Child care provider would mean a provider licensed or certified by DCF.

Senate/Legislature: Decrease the required amount of direct child instruction to 437 (to match the required amount for public 4k programs that count each student as 0.6 of an enrolled pupil). If the funding provided for the program is insufficient to pay all providers (such as when the number of participating children would require the amount of payments in excess of funding appropriated), then require DCF to prorate payments among participating child care providers.

[Act 15 Sections: 68, 166, and 168]

43. CASE MANAGEMENT SERVICES FOR HOMELESS INDIVIDUALS

FED	- \$1,000,000

Joint Finance/Legislature: Repeal funding of \$500,000 annually reserved in the Joint Committee on Finance's supplemental appropriation for transfer to the Department of Administration for its case management services for homeless individuals grant program.

[Act 15 Section: 171]

44. W2 WORKER SUPPLEMENT

FED	- \$3,400,000

Joint Finance/Legislature: Reduce funding by \$1,700,000 annually to reestimate supplement payments under the W2 program. DCF pays \$50 supplement in addition to case management follow up services to participants that leave a subsidized employment position as an additional incentive for eligible families to retain employment and participate in services. The allocation for such payments is reduced to reflect projected caseloads.

Veto by Governor [A-2]: Delete the repeal of the TANF allocation to restore it back to a total of \$2,700,000 annually. However, no funding is appropriated for the increased allocation.

[Act 15 Vetoed Section: 170]

45. ESTIMATE EARNED INCOME TAX CREDIT [LFB Papers 106 and 210]

FED	- \$4,904,000

Joint Finance/Legislature: Reduce funding by \$1,702,000 in 2025-26 and \$3,202,000 to

reestimate claims of the earned income tax credit. For additional information, see "General Fund Taxes."

[Act 15 Section: 181]

46. GRANT FOR A CHILD CARE FACILITY

GPR	\$2,000,000

Joint Finance/Legislature: Create a biennial GPR appropriation and provide \$2,000,000 in 2025-26 to support a grant to a governmental or nongovernmental organization for the purchase, construction, or renovation of a child care facility in the City of Platteville. Repeal the appropriation as of July 1, 2027. Require the grant recipient to provide a match of at least \$2,000,000.

[Act 15 Sections: 65, 66, and 9106(1)]

Child Welfare

1. MILWAUKEE CHILD WELFARE -- AIDS PAYMENTS AND CONTRACTED SERVICES [LFB Paper 220]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$23,092,400	- \$12,137,200	\$10,955,200
FED	674,800	- 432,000	242,800
PR	<u>- 1,642,000</u>	<u>0</u>	<u>- 1,642,000</u>
Total	\$22,125,200	- \$12,569,200	\$9,556,000

Governor: Provide \$11,524,900 (\$11,882,600 GPR, \$463,300 FED, and -\$821,000 PR) in 2025-26 and \$10,600,300 (\$11,209,800 GPR, \$211,500 FED, and -\$821,000 PR) in 2026-27 to fund Division of Milwaukee Child Protective Services (DMCPS) aids payments and contracted services. Base funding for these costs is \$121,291,400 (\$73,301,200 GPR, \$25,184,300 PR, and \$22,805,900 FED).

This item includes the following: (a) an adjustment to the division of costs between GPR and FED to reflect updated claiming and federal matching rates (\$1,071,700 GPR and -\$1,071,700 FED annually); (b) an increase in funding for out-of-home care and wraparound services, to reflect expected caseloads and service costs higher than the base budget (\$6,745,900 GPR and \$1,045,500 FED in 2025-26 and \$6,073,100 GPR and \$793,700 FED in 2026-27); and (c) an increase in funding for aids contracts costs, such as funding for case management, court services, placement services, and foster parent training (\$4,065,000 GPR, \$489,500 FED, and -\$821,000 PR annually).

Joint Finance/Legislature: Reduce funding by \$6,238,500 (-\$6,018,900 GPR and -\$219,600 FED) in 2025-26 and \$6,330,700 (-\$6,118,300 GPR and -\$212,400 FED) to fund only the reestimated costs of out-of-home care maintenance payments and wraparound services.

2. MILWAUKEE CHILD WELFARE -- QUALITY IMPROVEMENT POSITIONS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$329,400	1.84	- \$329,400	- 1.84	\$0	0.00
FED	28,500	0.16	- 28,500	- 0.16	0	0.00
Total	\$357,900	2.00	- \$357,900	- 2.00	\$0	0.00

Governor: Provide \$153,400 (\$141,200 GPR and \$12,200 FED) in 2025-26 and \$204,500 (\$188,200 GPR and \$16,300 FED) in 2026-27 to support 2.0 positions (1.84 GPR and 0.16 FED positions), beginning in 2025-26, for the Division of Milwaukee Child Protective Services (DMCPS) to improve services.

This item includes: (a) 1.0 program and policy supervisor that would supervise 2.0 program and policy analysts and contracted staff that evaluate and monitor contract compliance by out-of-home care providers; and (b) 1.0 program and policy analyst that would conduct program evaluation and manage data to improve the responsiveness of the Division's internal and external handling of data requests and compliance improvement initiatives.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. INDEPENDENT LIVING SUPPORTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$10,502,800	- \$10,502,800	\$0

Governor: Provide \$5,251,400 annually, above base funding of \$2,397,800 FED, to maintain and enhance services for youths age 18 through 23 who were formerly in out-of-home care (OHC).

Specify that under the independent living (IL) program, DCF may distribute funding for the purpose of assisting any of the following individuals under the age of 23 to make the transition from OHC to a successful adulthood: (a) individuals who attained 18 years of age while in OHC; (b) individuals who were in OHC for at least six months after their 16th birthday; (c) individuals who were placed under guardianship on or after their 16th birthday; or (d) individuals who were adopted on or after their 16th birthday following any amount of time spent in OHC.

Define OHC, for these purposes, as the placement and care of a child by DHS, a county department, or a tribal child welfare agency in a foster home, group home, or residential care center for children and youth, in the home of a relative other than a parent, in the home of like-kin, in the home of a person who is not a relative or like-kin, or in a supervised independent living arrangement.

Specify that both public and private organizations are eligible to receive funding as a part of the IL program. Provide that tribes may not use IL funds to replace funding previously approved by the tribe for this purpose, a prohibition that currently applies to counties. Retitle an appropriation that funds grants for community programs to instead fund youth support programs.

Currently, the program assists young adults in obtaining a high school diploma, career exploration, vocational training, job placement and retention, training in daily living skills, training in budgeting and financial management skills, substance abuse prevention, preventive health activities, and other services to support self-sufficiency. The program also provides financial assistance with costs related to room and board for youths ages 18 through 21 who aged out of OHC. DCF contracts with seven regional transitional resource agencies (TRAs) to provide these services statewide, and five tribes and bands. These contracts are funded with federal funds DCF receives under the Chafee Foster Care Independence Program, which totaled \$2,397,800 in federal fiscal year 2023-24. Federal law requires that states spend no more than 30% of their total Chafee grant on room and board expenses.

The funding increase in the bill is intended to support the following: (a) \$4,392,500 annually to enable the Department to expand eligibility for IL services up to age 23 and broaden eligibility to include more children who received OHC for extended periods of their childhood; (b) \$200,000 annually in direct financial assistance to youths receiving IL services; and (c) \$658,900 annually to support funding increases in tribal IL programs proportional to increases provided to TRAs.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. CHILDREN AND FAMILY AIDS [LFB Paper 221]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$8,715,900	- \$8,715,900	\$0

Governor: Provide \$2,548,500 in 2025-26 and \$6,167,400 in 2026-27 to increase base funding of \$101,939,600 to counties to support child welfare services under the children and family aids (CFA) program. Increase the statutory children and family aids allocations to reflect this and other items in the bill affecting the CFA so that \$104,969,500 (all funds) in 2025-26 and \$110,869,200 (all funds) in 2026-27 would be allocated for the program. In fiscal year 2024-25, \$101,939,600 (\$46,201,800 GPR, \$45,733,700 FED (Title IV-E), \$2,748,300 FED (Title IV-B) and \$7,256,100 PR (Social Services Block Grant funds transferred from DHS to DCF) is budgeted for the program.

This funding increase is intended to increase CFA funding to reflect inflation since 2022, as measured by the Consumer Price Index, by providing a 5% increase in calendar year 2026, followed by a 2% increase in calendar year 2027.

Joint Finance/Legislature: Provision not included.

5. TRIBAL HIGH-COST PLACEMENTS AND PREVENTION [LFB Paper 222]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$7,732,200	- \$7,732,200	\$0
PR	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total	\$7,732,200	- \$5,732,200	\$2,000,000

Governor: Provide \$3,828,800 in 2025-26 and \$3,903,400 in 2026-27 to increase base funding of \$717,500 for tribal high-cost placements and the Tribal Family Services Program (FSP).

Tribal High-Cost Placements. The state provides funding to counties to support the costs of out-of-home placements of Indian children when those children are placed by a tribal court order. Funding requests for the tribal high-cost pool in 2023-24 (\$4,447,400) exceeded amounts budgeted (\$717,500) by \$3,729,900 in 2023-24. This item would create a GPR appropriation and support the difference between the funding requests and available funds in 2023-24.

Tribal Family Support Program. The Tribal FSP provides funding to tribes for child and family services, including adolescent self-sufficiency services, adolescent pregnancy prevention services, adolescent choices projects, domestic abuse services, tribal childcare, and child welfare services. In federal fiscal year (FFY) 2023-24, tribal FSP contracts totaled \$2,638,600 (\$1,867,500 PR from tribal gaming revenues, \$408,700 FED from the MaryLee Allen Promoting Safe and Stable Families program under Title IV-B of the Social Security Act, and \$362,400 FED from the community services block grant). Create an annual GPR appropriation for this purpose.

This item would increase funding for the Tribal FSP by \$98,900 in 2025-26 and \$173,500 in 2026-27, amounts that represent increases of 5% in FFY 2025-26 and an additional 2% in FFY 2026-27, the same percentage increases the bill would provide in calendar years 2026 and 2027 for counties under the children and family aids program.

Joint Finance/Legislature: Delete provision. Instead, provide \$1,000,000 PR (tribal gaming revenues) annually to increase base funding for the tribal high-cost out-of-home care placement pool. Reduce estimated tribal gaming general fund revenue by \$1,000,000 annually, the fiscal effect of which is shown under "Administration -- Tribal and Division Gaming."

6. SERVICES FOR RUNAWAY AND HOMELESS YOUTHS

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$7,546,000	1.00	- \$7,546,000	- 1.00	\$0	0.00

Governor: Provide \$3,758,700 in 2025-26 and \$3,787,300 in 2026-27 and 1.0 position, beginning in 2025-26, to increase funding for services for homeless and runaway youths over base GPR funding of \$400,000. Increase the maximum annual funding DCF may provide as GPR-supported grants for these services from \$400,000 to \$2,872,800.

Although not specified in the bill, the Administration indicates that the funding increase would be allocated as follows: (a) \$2,472,800 annually for grants to expand program capacity for homeless and runaway youth, and adding regional providers and increasing funding levels to current providers; (b) \$1,200,000 annually to expand the Permanent Connections, Academics, Training and Employment, Housing and Social and Emotional Well-being Program (PATH) program to five of seven youth services regions, at an estimated average annual cost of \$240,000 per region; and (c) \$85,900 in 2025-26 and \$114,500 in 2026-27 to support 1.0 position, beginning in 2026-27. (A technical change to the bill is necessary to fund the position from a general operations appropriation, rather than an appropriation that funds grants.)

The following table identifies the funding components of this item.

Services for Runaway and Homeless Youths

<u>Component</u>	<u>2025-27</u>	<u>2026-27</u>	<u>2025-27</u>
Runaway Homeless Youth Program Grants			
Double Network of Providers	\$998,900	\$998,900	\$1,997,800
Inflationary Increases for Current Providers	173,900	173,900	347,800
Replace Discontinuing ARPA Funding	<u>1,300,000</u>	<u>1,300,000</u>	<u>2,600,000</u>
Total	\$2,472,800	\$2,472,800	\$4,945,600
PATH Grants			
Expand PATH to Five Additional Regions	\$1,200,000	\$1,200,000	\$2,400,000
DCF Staff Position			
1.0 Policy and Planning Analyst Position	<u>\$85,900</u>	<u>\$114,500</u>	<u>\$200,400</u>
Total	\$3,758,700	\$3,787,300	\$7,546,000

Currently, DCF provides grants on a regional basis to organizations that provide residential, counseling, and other services to protect youths who have run away, are homeless, or are at risk of running away or becoming homeless and, when possible, to reunite them with their families. DCF currently funds this program from: (a) an appropriation of \$400,000 GPR per year, which also partially supports housing supports for youth aging out of care, and (b) in 2024, \$825,000 FED from the state's grant under the Stephanie Tubbs Jones Child Welfare Services Program. DCF

notes that grant amounts were increased by \$648,300 annually beginning in 2022, with one-time funding available under the American Rescue Plan Act (ARPA) that expired at the end of 2023-24.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. STATE OUT-OF-HOME CARE AND ADOPTIONS

GPR	- \$6,621,500
FED	<u>5,723,600</u>
Total	- \$897,900

Governor/Legislature: Reduce funding by \$748,800 (-\$3,508,600 GPR and \$2,759,800 FED) in 2025-26 and by \$149,100 (-\$3,112,900 GPR and \$2,963,800 FED) in 2026-27 to reflect reestimates of adoption assistance, subsidized guardianship, and state foster care payments, and changes in federal claiming rates in the 2025-27 biennium. The state claims federal matching funding for some of these costs under Title IV-E of the Social Security Act.

The state adoption assistance program funds payments to families who adopt children with behavioral or medical health needs. Basic maintenance payments are based on uniform foster care rates specified in statute, and additional payments reflect each child's individual needs.

The subsidized guardianship program funds payments to court-appointed guardians who provide permanent care for children with whom they have a familial or other significant emotional relationship. Subsidies are capped at the level of the foster care maintenance payment the guardian was receiving prior to the guardianship agreement.

The state foster care program provides temporary care for children in the custody of the state. Custody may be transferred from child welfare agencies for children who are awaiting adoption and whose parents' parental rights have been terminated, including children who have been placed in out-of-home care for 15 of the most recent 22 months.

DCF provides pre-adoption services under the public adoptions program, including case management, identification of potential adoptive families, and training, and provides post-adoption supports, services, and information under the Wisconsin Family Connections program.

The following table summarizes, by source, the base funding for these payments and services, the funding changes under this item, and the total funding provided under Act 15.

Base and Reestimate Costs -- All Out-of-Home Care and Adoption Categories

	2025-26			2026-27		
	<u>GPR</u>	<u>FED IV-E</u>	<u>All Funds</u>	<u>GPR</u>	<u>FED IV-E</u>	<u>All Funds</u>
Adoption Assistance						
Base Funding	\$41,880,400	\$45,965,800	\$87,846,200	\$41,880,400	\$45,965,800	\$87,846,200
Reestimate	<u>-2,821,000</u>	<u>3,177,700</u>	<u>356,700</u>	<u>-2,816,000</u>	<u>3,184,100</u>	<u>368,100</u>
Subtotal	\$39,059,400	\$49,143,500	\$88,202,900	\$39,064,400	\$49,149,900	\$88,214,300
Subsidized Guardianship						
Base Funding	\$5,945,700	\$3,224,600	\$9,170,300	\$5,945,700	\$3,224,600	\$9,170,300
Reestimate	<u>-98,100</u>	<u>-260,100</u>	<u>-358,200</u>	<u>360,600</u>	<u>-27,400</u>	<u>333,200</u>
Subtotal	\$5,847,600	\$2,964,500	\$8,812,100	\$6,306,300	\$3,197,200	\$9,503,500
State Foster Care						
Base Funding	\$4,220,200	\$2,229,000	\$6,449,200	\$4,220,200	\$2,229,000	\$6,449,200
Reestimate	<u>-589,500</u>	<u>-352,800</u>	<u>-942,300</u>	<u>-657,500</u>	<u>-387,900</u>	<u>-1,045,400</u>
Subtotal	\$3,630,700	\$1,876,200	\$5,506,900	\$3,562,700	\$1,841,100	\$5,403,800
State Adoption Services						
Base Funding	\$3,900,600	\$2,058,800	\$5,959,400	\$3,900,600	\$2,058,800	\$5,959,400
Reestimate	<u>0</u>	<u>195,000</u>	<u>195,000</u>	<u>0</u>	<u>195,000</u>	<u>195,000</u>
Subtotal	\$3,900,600	\$2,253,800	\$6,154,400	\$3,900,600	\$2,253,800	\$6,154,400
Total						
Base Funding	\$55,946,900	\$53,478,200	\$109,425,100	\$55,946,900	\$53,478,200	\$109,425,100
Reestimate	<u>-3,508,600</u>	<u>2,759,800</u>	<u>-748,800</u>	<u>-3,112,900</u>	<u>2,963,800</u>	<u>-149,100</u>
Total	\$52,438,300	\$56,238,000	\$108,676,300	\$52,834,000	\$56,442,000	\$109,276,000

8. SPECIALIZED CONGREGATE CARE -- CHILEDA INSTITUTE CONTRACT [LFB Paper 223]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,368,200	- \$5,368,200	\$0

Governor: Provide \$2,657,500 in 2025-26 and \$2,710,700 in 2026-27 to continue a contract with Childea Institute that provides specialized congregate behavioral health care to children with intellectual or developmental disabilities with significant behavioral issues. Modify current GPR and FED appropriations that fund out-of-home care, and the Department's general authority, to include references to payments to support costs of specialized services to children with high acuity needs in congregate care facilities.

In calendar years 2023 and 2024, DCF contracted with two residential care centers, Childea Institute and Genesee Lake School, to provide specialized congregate behavioral health care to children. These contracts were funded with federal ARPA funds. In 2025, DCF is continuing its contract with the Childea Institute, funded from surplus Title IV-E funding.

The funding in the bill is intended to maintain the contract with the Childea Institute for eight beds, and to provide 5% and 2% inflationary increases for these contracted services for

calendar years 2026 and 2027, respectively.

Joint Finance/Legislature: Provision not included.

9. SUBSIDIZED GUARDIANSHIP AND KINSHIP CARE ELIGIBILITY AND ADMINISTRATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,266,600	- \$5,266,600	\$0

Governor: Provide \$2,633,300 annually to fund costs of expanding eligibility for kinship care and subsidized guardianship payments, and authorize the Milwaukee County Department of Health and Human Services to assume some responsibilities relating to the administration of these payments, as described below.

Kinship Care Payments for Youths under Delinquency Court Orders. Expand eligibility for kinship care payments to include families that care for youths who are under delinquency court orders, as defined under Chapter 938 of the statutes (the Juvenile Justice Code). Provide \$1,798,200 annually to fund estimated costs of making monthly kinship care payments to these families, based on kinship care rates under the bill.

Under current law, kinship care payments may be made on behalf of children who are in need of protection and services (CHIPS), but not youths adjudged to be delinquent. Currently, all kinship care payments are supported with federal TANF funds. However, because federal law prohibits the use of TANF funds for juvenile justice-related placement costs, the bill would provide GPR funding to support these payments.

Subsidized Guardianship Payments. Expand eligibility for subsidized guardianship payments to include any guardian appointed by the juvenile court or tribal court to a juvenile adjudged to be in need of protection for any services for any reason. Provide \$193,400 annually to fund estimated costs of making monthly subsidized guardianship payments to these families, based on the subsidized guardianship payment rates (the applicable foster care rates) under the bill.

Repeal a DCF administrative rule that prohibits placement of children under the age of 14 in subsidized guardianship so that subsidized guardianship payments could be made on behalf of children under age 14. Provide \$641,700 GPR annually to reflect the estimated costs of this eligibility expansion, based on the applicable subsidized guardianship payment rates proposed in the bill.

Under current law, eligibility for subsidized guardianship payments is limited to youths and guardians that meet certain conditions. Except for children who are determined to be "uncontrollable," subsidized guardianship payments are not available to guardians who care for CHIPS or Juveniles in Need of Protective Services (JIPS). Other restrictions also apply. For example, the guardian must be a relative or fictive-care kin and have a strong commitment to

caring permanently for the child and must have been a licensed foster parent for at least six months before becoming a guardian. In addition, no subsidized guardianship payments are made on behalf of children under the age of 14.

Administration of Subsidized Guardianship and Kinship Care Payments in Milwaukee County. Authorize the Milwaukee County Department of Health and Human Services to conduct activities relating to the administration of subsidized guardianship and kinship care payments in Milwaukee County by inserting references to "county department" in statutory sections assigning these responsibilities to the state, as administered by the DCF Division of Milwaukee Child Protective Services (DMCPS).

These functions include: (a) providing the name of a parent or parents of a child entering a kinship care or subsidized guardianship agreement to attorneys charged with child support enforcement, (b) requiring a parent or parents of a child entering a kinship care or subsidized guardianship agreement to initiate or continue health care insurance for their child, (c) reviewing the placement of a child entering a kinship care or subsidized guardianship agreement on an annual basis to determine whether payments ought to continue, (d) conducting hearings with kinship care or subsidized guardianship providers who have been denied further maintenance payments and recovering overpayment to providers who receive improper kinship care or subsidized guardianship maintenance payments, (e) conducting background checks or finger printings of any individual receiving kinship care maintenance payments and any employee or prospective employee of the individual receiving kinship care maintenance payments who could reasonably be expected to interact with the child subject to the agreement, including responsibilities relating to preventing the hiring, by the individual receiving kinship care maintenance payments, of an individual who has not yet completed a background check, and reviewing requests to appeal denial of payments or denial of hiring decisions on the basis of a background check, (f) collecting fees for the administration of background checks and finger printings, and (g) maintaining confidentiality of all individuals subject to a background check under the bill.

Authorize DCF to make reimbursement payments to Milwaukee County for maintenance payments made by the County to subsidized guardianship and kinship care providers of out-of-home care (OHC) to children made eligible for subsidized guardianship and kinship care by the bill. Authorize the Milwaukee County Department of Health and Human Services to make reimbursable payments to subsidized guardianship and kinship care providers of OHC to juveniles who, being adjudicated delinquent, are newly eligible for subsidized guardianship and kinship care under the bill.

Under current law, the Milwaukee County Department of Health and Human Services administers the adjudication of juveniles as delinquent. DCF indicates that authorizing the handling of subsidized guardianship and kinship care maintenance payments by the County would improve administration of the program if eligibility for subsidized guardianship and kinship care payments were expanded, as proposed in the bill.

Specify that two appropriations, regarding state OHC, adoption services, subsidized guardianship, and kinship care; and regarding federal aid for the same purposes, may be used by DCF to disburse payments to Milwaukee County under the new subsidized guardianship and

kinship care eligibility guidelines in the bill. Specify that "county departments," for the purposes of these provisions, refers to county departments of human services in every county statewide, with reference to specific statutes defining the creation and responsibilities of county human services departments.

Other. Modify the title of a statute regarding the appointment of guardians for children in need of protective services to include juveniles and delinquent juveniles in need of protective services.

Conform statute regarding the Department's procedures for offering subsidized guardianship payments to interim caretakers following the death of a subsidized guardianship provider to the eligibility changes introduced in the bill.

Conform statute regarding all of the following with the new eligibility guidelines in the bill: (a) legal procedure relating to the interests of the public in cases of juveniles adjudicated delinquent, (b) petitions to appoint guardians for juveniles who have been adjudicated delinquent, (c) permanency planning and review processes, and (d) the content of dispositional orders relating to adjudicating juveniles as delinquent.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. FAMILY FOUNDATIONS HOME VISITING PROGRAM [LFB Paper 224]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,096,000	- \$5,096,000	\$0
FED	<u>104,000</u>	<u>- \$104,000</u>	<u>0</u>
Total	\$5,200,000	- \$5,200,000	\$0

Governor: Provide \$1,200,000 GPR in 2025-26 and \$4,000,000 (\$3,896,000 GPR and \$104,000 FED) in 2026-27 to expand services under the Family Foundations Home Visiting (FFHV) program to areas of the state where the services are not yet available.

DCF provides FFHV grants to county agencies, cities, nonprofit agencies, tribal organizations, and collaborations to provide voluntary home visiting services to at-risk families to prevent child abuse and neglect. Services generally follow one of three national models, each of which offer families supportive in-home consultations beginning as early as pregnancy, hands-on parent guidance and training, screenings for health, development, and maltreatment risks, and early interventions to prevent maltreatment. Prevention services such as home visiting are eligible for a 50% federal match under Title IV-E when they are provided for children who are at imminent risk of removal to out-of-home care or are pregnant or parenting while in out-of-home care.

In federal fiscal year (FFY) 2024-25, DCF has contracts with 22 FFHV provider agencies to provide services in 40 counties and six tribes or bands, for a total of 2,172 families. In federal fiscal year 2024-25, the program is budgeted \$22,993,200 (\$10,034,100 FED from the Maternal,

Infant, and Early Childhood Home Visiting grant, \$6,212,100 FED from the TANF block grant, \$1,985,700 GPR, and an estimated \$4,761,300 in local matching funds).

Joint Finance/Legislature: Provision not included.

11. FEDERAL BENEFITS FOR CHILDREN IN OUT-OF-HOME CARE (OHC)

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,000,000	- \$3,000,000	\$0

Governor: Provide \$3,000,000 in 2026-27 to enable the DCF to contract for ongoing statewide management of applications for federal benefits, such as Social Security (SS) and Supplemental Security Income (SSI) benefits, and trust accounts for children in OHC who receive these benefits.

Use of Federal Benefits. Prohibit DCF and county child welfare agencies from using funds deposited into children's trust accounts to pay for the costs of caring for the child in OHC. However, permit the Department or county child welfare agency to use the child's federal benefits for the child's unmet needs beyond what the Department or county child welfare agency is obligated to or has agreed to provide, as permitted by administrative rule.

Rules. Require DCF to promulgate rules to implement the program, including emergency rules effective until permanent rules take effect, without a finding that an emergency exists.

Screening, Application and Management of Benefits. Require DCF and each county child welfare department to periodically screen each child under the placement and care of DCF or the county welfare agency, with the exception of children under the care of kinship care providers, to determine whether the child is eligible for federal or state benefits. For each child who is found to be eligible for federal benefits, require DCF or the county child welfare agency to do all of the following: (a) apply for the benefits the child is eligible for following procedures established in administrative rule, unless doing so would be contrary to the best interest of the child; (b) notify the child, and the child's attorney or guardian ad litem, and the child's parent, guardian, or Indian custodian in a proper and timely fashion of the Department's application for benefits, the results of the application, and any appeal of denial the Department files or may file on behalf of the child; and (c) provide the child with training covering financial literacy and maintaining benefit eligibility prior to the child aging out of OHC.

Require DCF or a county child welfare agency, if appointed as a representative payee for a child in OHC who has begun receiving benefits, to do all of the following: (a) conserve the child's benefits in protected accounts that avoid asset limitations for federal and state programs, consistent with the child's best interests; (b) provide a periodic accounting regarding the conservation and use of the child's benefits while the child is in OHC to the child, and the child's attorney or guardian ad litem, and the child's parent, guardian, or Indian custodian; and (c) return funds remaining in the trust account designated for the child to the child or another fiduciary once the child exits OHC,

in collaboration with any appropriate federal agency and the contracted organization managing trust accounts statewide.

(When a child in OHC applies for SS or SSI benefits and those benefits are granted, the Social Security Administration (SSA) must designate a representative payee who can manage the funds disbursed by the SSA until such time as the child is capable of independent financial management or of age and has a designated fiduciary agent.)

Authorize the Department to take administrative actions necessary to facilitate the statewide implementation of the benefits screening proposed in the bill, including the ability to contract with a public or private agency to undertake the management of benefits application and trust account management required by the bill.

Effective Date. Specify that the provisions relating to eligibility screening, application for benefits and other county duties would take effect on July 1, 2027.

Under current law, children who qualify for benefits under SS or SSI and have DCF or a county child welfare agency designated as a representative payee by the SSA may have their benefits appropriated by the Department or the county child welfare agency to fund costs associated with caring for the child in OHC. The Administration estimates that the total state and county spending of benefits received by children under SS and SSI to fund costs associated with caring for those children in OHC is approximately \$3.2 million annually.

The Administration indicates it intends to contract for a provider to administer applications for SS and SSI benefits in particular, although the bill does not restrict the Administration from contracting for the management of applications for other state or federal benefit types. SS benefits are non-means-tested benefits receivable under certain conditions in this case related to the retirement, disability, or death of a parent of a child in OHC. SSI benefits are means-tested and asset-tested benefits receivable under certain conditions related to a child's disability.

If enacted, these provisions would reduce funding available to DCF and county child welfare agencies, which typically retain approximately 95% of the funding made available by a child in OHC's receipt of SS or SSI benefits. DCF indicates it would request supplemental funding for the state's Children and Family Aids program in the 2027-29 budget to replace the loss of funding available to counties, beginning in 2027-28.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. FOSTER CARE AND KINSHIP CARE PAYMENTS [LFB Paper 225]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,492,000	- \$751,100	\$740,900
FED	<u>642,000</u>	<u>- 323,300</u>	<u>318,700</u>
Total	\$2,134,000	- \$1,074,400	\$1,059,600

Governor: Provide \$711,700 (\$497,600 GPR, \$214,100 FED) in 2025-26 and \$1,422,300

(\$994,400 GPR, \$427,900 FED) in 2026-27 to increase payments to foster care and kinship care providers, as described below.

Foster Care and Kinship Care -- Minimum Payment Rates. Increase the minimum monthly rates for basic foster care (level two) and treatment foster care (levels three through five) by 5%, to the amounts shown in the table below, effective on January 1, 2026.

	<u>Current Rate</u>	<u>Proposed Rate</u>
Level One	\$375	Variable, as below
Levels Two and Above		
Up to Age Five	\$441	\$463
Ages Five through 11	483	507
Ages 12 through 14	548	575
Ages 15 and Over	572	601

Age-Based Level 1 and Kinship Care Payment Rates. Modify monthly rates paid to kinship care providers and foster care providers with child-specific (level one) licenses (typically relatives or others with a close relationship to the child they are fostering) so that, rather than receiving a flat \$375 payment regardless of the age of the child, the kinship care or relative foster care payment would equal the same age-based rates paid to basic and treatment foster care providers, as shown in the table above.

Provide \$709,700 (\$496,300 GPR and \$213,400 FED) in 2026-27 and \$1,494,400 (\$992,500 GPR and \$426,900 FED) in 2026-27 to fund these rate increases.

Supplemental Kinship Care and Foster Care Payments -- Exceptional Circumstances and Emergency Payments. Authorize DCF and county departments to make several types of supplemental kinship care payments for exceptional circumstances not authorized under current law, including: (a) payments to enable siblings or a minor parent and minor children to remain together; (b) initial clothing allowances; (c) emergency payments.

Specify that emergency payments could be provided under any of the following three circumstances: (a) the Governor has declared a state of emergency, or the federal government has declared a major disaster in a locality including the home of a foster care or kinship care provider; (b) the state has received federal funding to be used for child welfare purposes due to an emergency or disaster declared for the locality of the home of a foster care or kinship care provider, or (c) DCF has determined that conditions in the locality of the home of a foster care or kinship care provider have resulted in a temporary increase in the costs borne by the provider, including any of the following: (i) a pandemic or other public health threat, (ii) a natural disaster, or (iii) an unplanned school closure of five consecutive days or more. Specify that DCF must determine the amount of emergency payments on the basis of available funding.

Provide \$2,000 (\$1,300 GPR and \$700 FED) in 2025-26 and \$2,900 (\$1,900 GPR and \$1,000 FED) to fund these changes, as they relate to foster care payments.

Eligibility for Exceptional Payments. Modify statutes and administrative rules to make all foster homes and kinship care providers eligible for exceptional payments to enable siblings or a minor parent and minor children to reside together, and to receive an initial clothing allowance. Currently, these exceptional payments are only provided to foster homes certified to provide higher than Level 1 care.

Funding Allocations. This item includes \$481,100 (\$336,500 GPR and \$144,600 FED) in 2025-26 and \$961,900 (\$672,700 GPR and \$289,200 FED) to increase children and family aids payments to fund county costs of these changes to foster care payments. As summarized under "TANF and Economic Support," the bill would increase TANF funding by \$6,933,800 FED in 2025-26 and \$14,000,800 FED in 2026-27 to reflect these changes. The bill would increase statutory allocations for children and family aids and the kinship care program to reflect these and foster care payments.

Rules. Authorize DCF to promulgate rules governing provisions relating to exceptional circumstances to enable siblings or a minor parent and minor children to reside together, and for initial clothing allowances for a child residing in the home of a kinship care provider.

Joint Finance/Legislature: Reduce funding by \$358,500 (-\$250,600 GPR and -\$107,900 FED) in 2025-26 and \$715,900 (-\$500,500 GPR and -\$215,400 FED) in 2026-27 to provide a total increase of \$353,200 (\$247,000 GPR and \$106,200 FED) in 2025-26, and \$706,400 (\$493,900 GPR and \$212,500 FED) in 2026-27 to increase foster care and kinship care rates by 2.5%, effective January 1, 2026.

Modify statutory provisions relating to foster care and kinship care rates to reflect provided funding. Modify statutory provisions relating to maximum allowable children and family aids allocations in keeping with provided funding. Delete statutory provisions relating to age-based monthly payment rates for level one foster care providers and kinship care providers. Delete statutory provisions relating to expanding eligibility for supplemental payments, emergency payments, and clothing allowances for level one foster care providers and kinship care providers.

New monthly maintenance payment rates, as modified, will be the following:

	<u>Current Rate</u>	<u>Act 15 Rate</u>
Level One	\$375	\$384
Levels Two and Above		
Up to Age Five	\$441	\$452
Ages Five through 11	483	495
Ages 12 through 14	548	562
Ages 15 and Over	572	586

[Act 15 Sections: 157 thru 160 and 9406(1)]

13. TRIPLE P ONLINE

FED	\$3,076,600

Governor: Provide \$1,538,300 annually, funded from an uncommitted balance of Title IV-E funds the state had previously claimed, to maintain support for the online "Triple P" (Positive Parenting Program).

Under 2023 Act 19 (the 2023-25 biennial budget act), \$2.0 million annually in Title IV-E funding was budgeted for the program on a one-time basis. Consequently, there is no base funding budgeted for the program in DCF. (The Child Abuse and Neglect Prevention Board was also budgeted \$500,000 GPR annually in Act 19 to support Triple P, which would continue to be budgeted in 2025-26 and 2026-27 under the Governor's bill.)

DCF contracts with Children's Wisconsin to administer this program. Triple P provides parents strategies to help them build healthy relationships with their children through personal consultations, group courses, public seminars, and online self-help tools. Expenditures for Triple P Online that are attributable to families with children at imminent risk of removal to out-of-home care such as foster care would be eligible for 50% federal matching under the Title IV-E prevention program. The remaining costs would be funded using an accumulated balance of FED funding received under Title IV-E.

Joint Finance/Legislature: Provide funding on a one-time basis.

Juvenile Justice

1. JUVENILE JUSTICE AIDS FOR 17-YEAR-OLDS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$10,000,000	- \$10,000,000	\$0

Governor: Create a sum sufficient GPR appropriation titled "Juvenile justice aids" and estimate expenditures of \$5,000,000 annually. Require DCF to reimburse counties, beginning on January 1, 2026, for costs associated with juveniles who were alleged to have violated a state or federal criminal law or any civil law or municipal ordinance at age 17. Separately, effective January 1, 2026, the bill would modify current law provisions in the Juvenile Justice Code and increase the age, from 17 to 18 years, at which a person alleged to have violated criminal or civil laws or municipal ordinances would be subject to the jurisdiction and procedures of adult courts. [See "Corrections -- Juvenile Corrections."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. YOUTH AIDS FUNDING MODIFICATIONS AND INCREASE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$8,481,300	- \$8,481,300	\$0

Governor: Provide \$2,479,900 in 2025-26 and \$6,001,400 in 2026-27 to provide a 5% increase in calendar year 2026 and an additional 2% increase in calendar year 2027 to the combined total of funding for Community Youth and Family Aids, federal funding for youth aids, and the community intervention program. Current funding for these programs totals \$99,194,000.

In addition, provide funding modifications of \$697,200 GPR annually for the youth aids appropriation [s. 20.437(1)(cj)] and -\$697,200 GPR annually for the community intervention program (CIP) appropriation [s. 20.437(1)(cm)].

Modify youth aids funding currently statutorily allocated for aftercare services (\$2,124,800), alcohol and other drug abuse services (\$1,333,400), and emergency funding (\$250,000) to instead be allocated in the same manner as base funding for youth aids.

Rename the CIP appropriation the youth justice system improvements program (YJSIP) appropriation. The CIP is defined under s. 48.528 of the statutes and utilizes appropriation s. 20.437(1)(cm) to provide funding to counties for early intervention services for first offenders and for intensive community-based intervention services for seriously chronic offenders. Repeal the CIP statutes and modify the YJSIP appropriation to instead allow funding to be used for the following purposes: (a) programs that enhance prevention, early intervention, diversion, and innovative delivery of services to reduce the number of justice-involved youth or promote successful outcomes for all youth; (b) emergencies related to community youth and family aids; and (c) activities of DCF specified under existing statute including: (1) development of procedures to implement youth aids; (2) development of standards for the delivery of community-based juvenile delinquency-related services; (3) provision of consultation and technical assistance to aid counties in the implementation and delivery of community-based juvenile delinquency-related services; and (4) establishment of information systems and monitoring and evaluation procedures to report periodically to the Governor and Legislature on the statewide impact of youth aids.

Repeal the current statutory provision related to youth aids which allows DCF to: (a) carry forward \$500,000 or 10% percent, whichever is greater, of its funds allocated for youth aids and not encumbered or carried forward by counties by December 31, to the next two calendar years; (b) transfer moneys from or within youth aids to accomplish the carry forward; and (c) allocate these transferred moneys to counties with persistently high rates of juvenile arrests for serious offenses during the next two calendar years to improve community-based juvenile delinquency-related services. Instead, statutes would allow DCF to transfer unexpended funds in youth aids to YJSIP (the renamed CIP).

The Department indicates that current youth aids funding includes a -\$72,000 structural imbalance (contractual and statutory obligations exceed appropriated funds). According to DCF, the modifications under the bill are intended to increase total youth aids, eliminate the structural

imbalance, and provide more flexibility in distribution and use of youth aids funding.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. JUVENILE JUSTICE REFORM REVIEW COMMITTEE

Governor: Create a Juvenile Justice Reform Review Committee in DCF with members appointed by the Governor. [The bill does not specify the size or membership of the Committee.] Require the Committee to study and, prior to September 15, 2026, provide recommendations to DCF and the Department of Corrections (DOC) on how to do all of the following:

1. Increase the minimum age of delinquency.
2. Eliminate original adult court jurisdiction over juveniles.
3. Modify the waiver procedure for adult court jurisdiction over juveniles and incorporate offenses currently subject to original adult court jurisdiction into the waiver procedure.
4. Eliminate the serious juvenile offender program and create extended juvenile court jurisdiction with a blended juvenile and adult sentence structure for certain juvenile offenders.
5. Prohibit placement of a juvenile in a juvenile detention facility for a status offense and limit sanctions and short-term holds in a juvenile detention facility to cases where there is a public safety risk.
6. Sunset long-term post-disposition programs at juvenile detention facilities.
7. Create a sentence adjustment procedure for youthful offenders.
8. Conform with the U.S. Constitution the statutes that mandate imposing sentences of life imprisonment without parole or extended supervision to minors.

For the 2027-29 biennial budget bill, require that DCF and DOC each include a request to implement the Committee's recommendations. Sunset the Committee on September 15, 2026, the date by which agency budget requests must be submitted to the Department of Administration.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. YOUTH AIDS [LFB Paper 271]

Joint Finance/Legislature: Update the calendar years associated with the allocation of youth aids funding as specified in current law to be the last six months of 2025, 2026, and the first six months of 2027 instead of the last six months of 2023, 2024, and the first six months of 2025.

[Act 15 Sections: 149 thru 156]

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	- \$132,600	0.00	- \$484,600	0.00	- \$617,200	0.00
FED	- 709,300	- 1.00	- 912,800	0.00	- 1,622,100	- 1.00
PR	<u>1,253,100</u>	<u>0.00</u>	<u>- 492,600</u>	<u>0.00</u>	<u>760,500</u>	<u>0.00</u>
Total	\$411,200	- 1.00	- \$1,890,000	0.00	- \$1,478,800	- 1.00

Governor: Adjust funding for standard budget adjustments as shown in the following table. Certain budget adjustments relating to child care and state TANF administration are not shown under this item, but are instead included as separate entries under "TANF and Economic Support." The funding for child care administration, TANF administration, and this item are shown in the table.

Standard Budget Adjustments

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
2025-26				
Turnover Reduction	-\$363,500	-\$684,600	-\$369,400	-\$1,417,500
Full Funding of Cont. Pos. Salary/Fringe	-58,400	1,918,600	1,189,800	3,050,000
Overtime	737,900	20,700	4,200	762,800
Night and Weekend Differential	130,200	11,300	1,300	142,800
Full Funding of Lease/Directed Moves	<u>-515,700</u>	<u>-172,600</u>	<u>-176,900</u>	<u>-865,200</u>
Grand Total	-\$69,500	\$1,093,400	\$649,000	\$1,672,900

Funding Changes Summarized under "TANF and Economic Support"

Child Care State Administration and Licensing	0	968,800	24,800	993,600
State TANF Administration	0	474,400	0	474,400

This Item	-\$69,500	-\$349,800	\$624,200	\$204,900

2026-27				
Turnover Reduction	-\$363,500	-\$684,600	-\$369,400	-\$1,417,500
Removal of Noncontinuing Elements	0	-19,900	0	-19,900
Full Funding of Cont. Pos. Salary/Fringe	-58,400	1,918,600	1,189,800	3,050,000
Reclassification/Pay Progression	0	0	0	0
Overtime	737,900	20,700	4,200	762,800
Night and Weekend Differential	130,200	11,300	1,300	142,800
Full Funding of Lease/Directed Moves	<u>-509,300</u>	<u>-162,400</u>	<u>-171,800</u>	<u>-843,500</u>
Grand Total	-\$63,100	\$1,083,700	\$654,100	\$1,674,700

Funding Changes Summarized under "TANF and Economic Support"

Child Care State Administration	0	968,800	25,200	994,000
State TANF Administration	0	474,400	0	474,400

This Item	-\$63,100	-\$359,500	\$628,900	\$206,300

In addition, reduce authorized positions by 1.0 FED position in 2026-27 under the removal of noncontinuing elements standard budget adjustment.

Joint Finance/Legislature: Reduce funding by \$945,000 (-\$242,300 GPR, -\$456,400 FED, and -\$246,300 PR annually to increase, from 3% to 5%, the turnover rate in the bill.

2. PROGRAM FUNDING TO SUPPORT PREVIOUSLY APPROVED GENERAL WAGE ADJUSTMENTS FOR PR-S SERVICES [LFB Paper 230]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,832,000	-\$1,832,000	\$0

Governor: Provide \$916,000 annually to fund increases in charges DCF programs pay for centralized services due to general wage adjustments (GWAs) approved for PR-S funded positions between 2018 and 2024.

Several DCF administrative functions, such as budgeting, information technology, legal services, the Office of the Secretary and the Inspector General, are partially funded by charges assessed to DCF programs that use these centralized services. As costs of program revenue-service supported positions have increased due to GWAs, charges to DCF programs have increased to support higher costs of these centralized services. This item would provide DCF programs funding to support higher costs of these centralized services that resulted from recent GWAs.

Joint Finance:/Legislature Provision not included.

3. OFFICE OF LEGAL COUNSEL

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$447,800	1.42	-\$447,800	- 1.42	\$0	0.00
FED	<u>182,900</u>	<u>0.58</u>	<u>- 182,900</u>	<u>- 0.58</u>	<u>0</u>	<u>0.00</u>
Total	\$630,700	2.00	-\$630,700	- 2.00	\$0	0.00

Governor: Provide \$270,300 (\$191,900 GPR and \$78,400 FED) in 2025-26 and \$360,400 (\$255,900 GPR and \$104,500 FED) in 2026-27 to fund 2.00 (1.42 GPR and 0.58 FED) positions, beginning in 2025-26, for the Office of Legal Counsel (OLC) to meet increasing workload. (An additional 1.0 FED position for OLC would be provided under "TANF and Economic Support.")

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. ADJUSTMENTS TO PROGRAM REVENUE AND FEDERAL APPROPRIATIONS

FED	\$4,327,300
PR	<u>6,043,700</u>
Total	\$10,371,000

Governor/Legislature: Provide \$5,363,100 (\$2,153,600 FED and \$3,209,500 PR) in 2025-26 and \$5,007,900 (\$2,173,700 FED and \$2,834,200 PR) in 2026-27 reflect the net effect of adjustments to several program revenue and federal appropriations, as summarized in the following table.

Program Revenue and Federal Funding Reestimates

			2025-26			2026-27		
	Source	Base	Reestimate	Other Items	Total	Reestimate	Other Items	Total
Children and Family Services								
Federal Program Aids	FED	\$12,001,800	\$966,900	\$0	\$12,968,700	\$966,900	\$0	\$12,968,700
Federal Project Aids	FED	3,900,000	124,800	0	4,024,800	124,800	0	4,024,800
Federal Aid; Milwaukee Child Welfare Services General Program Operations	FED	4,622,900	610,000	304,800	5,537,700	610,000	317,600	5,550,500
State Foster Care and Adoption Operations	FED	11,398,300	60,300	754,900	12,213,500	80,400	817,500	12,296,200
Economic Support								
Federal Project Activities and Administration	FED	1,039,100	130,400	87,500	1,257,000	130,400	67,600	1,237,100
Community Services Block Grant	FED	9,046,700	261,200	6,800	9,314,700	261,200	6,800	9,314,700
Child Support State Operations	PR	19,385,400	493,000	26,400	19,904,800	657,400	26,400	20,069,200
Interagency and Intra-Agency Programs	PR	4,066,900	133,500	26,100	4,226,500	193,800	26,100	4,286,800
General Administration								
Administrative and Support Services	PR	28,007,800	2,583,000	359,200	30,950,000	1,583,000	363,900	29,954,700
Interagency and Intra-Agency Programs	PR	19,986,400	0	0	19,986,400	400,000	0	20,386,400
Subtotal FED			\$2,153,600			\$2,173,700		
Subtotal PR			3,209,500			2,834,200		
Total			\$5,363,100			\$5,007,900		

5. FUNDING AND POSITION REALIGNMENTS

	Funding	Positions
FED	\$370,400	0.80
PR	<u>27,600</u>	<u>- 0.10</u>
Total	\$398,000	0.70

Governor/Legislature: Provide \$199,000 (\$185,200 FED and \$13,800 PR) annually, and 0.7 (0.8 FED and -0.1 PR) position, beginning in 2025-26, to more accurately align base staff costs and funding sources with their job responsibilities. The following table shows these funding and position transfers in the bill. Note that realignment of the administrative costs related to child care block grant operations are not included under the totals shown for this item. An annual decrease of \$213,500 FED and 0.70 positions is instead included as a separate entry under "TANF and Economic Support."

Annual Funding and Position Changes

<u>Appropriation</u>	<u>Source</u>	<u>Annual Changes</u>	
		<u>Funding</u>	<u>Positions</u>
Children and Families			
General Program Operations	GPR	-\$55,300	-0.35
Federal Program Operations	FED	13,900	0.10
Milwaukee Child Welfare -- Operations	GPR	55,300	0.35
State Foster Care and Adoptions -- Operations	FED	252,600	1.35
Child Welfare Operations	FED	-151,100	-1.00
Milwaukee Child Welfare -- Operations	FED	69,800	0.35
Social Services Block Grant -- Operations	PR	-43,800	-0.10
Economic Support			
Child Care Block Grant -- Operations	FED	-213,500	-0.70
General Administration			
Administrative and Support Services	PR	<u>57,600</u>	<u>0.00</u>
Total			
GPR		\$0	0.00
FED		-28,300	0.10
PR		<u>13,800</u>	<u>-0.10</u>
All Funds		-\$14,500	0.00
Shown under "TANF and Economic Support"	FED	-\$213,500	-0.70
Shown under this Item			
	GPR	\$0	0.00
	FED	185,200	0.80
	PR	<u>13,800</u>	<u>-0.10</u>
	Total	\$199,000	0.70

6. DELETE VACANT POSITIONS

Joint Finance/Legislature: Reduce funding by \$376,300 (-\$54,500 GPR and -\$321,800 FED) annually and delete 5.0 positions (-0.92 GPR and -4.08 FED positions), beginning in 2025-26, that have been vacant for more than 12 months.

	Funding	Positions
GPR	- \$109,000	- 0.92
FED	<u>- 643,600</u>	<u>- 4.08</u>
Total	- \$752,600	- 5.00

CIRCUIT COURTS

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$251,844,600	\$338,955,600	\$263,556,800	\$263,556,800	\$263,556,800	\$11,712,200	4.7%
PR	465,400	465,400	465,400	465,400	465,400	0	0.0
TOTAL	\$252,310,000	\$339,421,000	\$264,022,200	\$264,022,200	\$264,022,200	\$11,712,200	4.6%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	551.00	555.00	551.00	551.00	551.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENT [LFB Paper 105]

GPR	- \$8,287,800

Governor/Legislature: Provide an adjustment to the base of -\$4,143,900 annually for full funding of continuing position salaries and fringe benefits.

2. SUPPLEMENTAL CIRCUIT COURT COST PAYMENTS FOR OPERATING TREATMENT AND DIVERSION PROGRAMS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$94,596,100	- \$94,596,100	\$0

Governor: Provide \$24,596,100 in 2025-26 and \$70,000,000 in 2026-27 for the Director of State Courts to make payments to counties that operate a qualifying alternatives to prosecution and incarceration program (referred to as treatment and diversion (TAD) program). Create a biennial GPR circuit court costs supplement appropriation to make payments to counties for this purpose. The supplemental payments would be in addition to the existing payments made to counties from

the circuit court costs appropriation. Base funding for the circuit court costs appropriation is \$28,392,900 GPR.

Create statutes to specify that, no later than January 1, 2026, the Director of State Courts must make payments to counties from the circuit court costs supplement appropriation totaling \$24,596,100 as follows: (1) \$52,300 for each circuit court branch; (2) \$12,400 for each county with one or fewer circuit court branches; and (3) for each county with more than one circuit court branch, a payment equal to the county's proportion of the state population multiplied by the amount remaining in the appropriation after the payments are made under (1) and (2).

In addition, create statutes to specify that no later than July 1, 2026, the Director of State Courts must make payments to counties from the circuit court costs supplement appropriation totaling \$35,000,000 as follows: (1) \$74,500 for each circuit court branch; (2) \$17,600 for each county with one or fewer circuit court branches; and (3) for each county with more than one circuit court branch, a payment equal to the county's proportion of the state population multiplied by the amount remaining in the appropriation after the payments are made under (1) and (2).

Further, create statutes to specify that, no later than January 1, 2027, and by every January 1 and July 1 thereafter, the Director of State Courts must make payments to counties from the circuit court costs supplement appropriation totaling \$35,000,000 as follows: (1) \$74,500 for each circuit court branch; (2) \$17,600 for each county with one or fewer circuit court branches; (3) if, after the payments are made under (1) and (2), the total of a county's payments equals less than 50 percent of the sum the county received as grants in calendar year 2026 under this provision, an additional payment for such a difference; and (4) for each county with more than one circuit court branch, a payment equal to the county's proportion of the state population multiplied by the amount remaining in the appropriation after payments are made under (1), (2) and (3). Under the bill, effective January 1, 2027, a county must operate a qualifying alternatives to prosecution and incarceration program and satisfy related reporting requirements to be eligible for these payments.

For counties that share services of one or more circuit court branches, the Director of State Courts must annually determine the proportional share of the circuit court branch for each county on the basis of the county caseload. The bill does not define circuit court branch caseload.

Specify that no later than January 1, 2027, each county must operate an alternatives to prosecution and incarceration program. In addition, no later than December 31, 2026, and by each December 31 thereafter, each county must certify to the Director of State Courts that it has, or will have, a qualifying program by January 1 of the next calendar year. The Director of State Courts may consult with the Department of Justice (DOJ) to confirm qualifications. A county that fails to meet the program requirements is not eligible for circuit court cost supplement payments. In addition, repeal the existing DOJ GPR appropriation that funds TAD programs. [See "Justice -- Law Enforcement Services" for more information on current DOJ TAD statutes and changes that the bill would make to such statutes.]

Modify and Transfer Certain DOJ Appropriations to the Circuit Courts. Rename and renumber the alternatives to incarceration grant program appropriation under DOJ to the alternatives to prosecution and incarceration program appropriation under the Circuit Courts. Specify that the program is a payment program, rather than a grant program.

In addition, rename and renumber the alternatives to prosecution and incarceration for persons who use alcohol or other drugs; justice information fee appropriation under DOJ to the alternatives to prosecution and incarceration; justice information fee appropriation under the Circuit Courts. Specify that the program is a payment program, rather than a grant program.

Finally, rename and renumber the grants for substance abuse treatment programs for criminal offenders appropriation under DOJ to the programs for criminal offenders appropriation under the Circuit Courts. Specify that the program is a payment program, rather than a grant program. The three appropriations would provide payments to counties for the county to establish and operate an alternatives to prosecution and incarceration program that complies with the TAD criteria specified in statute. The appropriations currently have a budget of \$0 PR. The bill does not specify how program revenue, if available to expend, would be distributed to counties in terms of amounts for each county. [See "Justice -- Law Enforcement Services" for information on the transfer of TAD from the Department; "Supreme Court" for information on positions to administer supplemental circuit court cost payments to counties with TAD programs; and "Administration -- Tribal Affairs and Division of Gaming" for information on TAD grants to tribes.]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. CIRCUIT COURT BRANCHES FUNDING AND POSITIONS AND CIRCUIT COURT COST PAYMENTS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$802,700	4.00	-\$802,700	- 4.00	\$0	0.00

Governor: Provide \$802,700 and 4.0 positions in 2026-27 for additional circuit court branches in Brown County and for additional support to counties. Funding is provided for salaries and fringe benefits (\$574,200), supplies and services (\$4,500), and one-time costs (\$4,600). In addition, \$219,400 is provided in the circuit court costs appropriation for additional support to counties. Since the circuit court costs appropriation distributes funding based on the number of branches, increased funding is intended to maintain current per-branch funding levels from this appropriation (approximately \$109,700 per branch) in the 2025-27 biennium. Position authority would include: (a) 2.0 judges; and (b) 2.0 court reporters.

Modify statutory language to specify that, commencing August 1, 2026, Brown County will have 10 circuit court branches. The judges would be elected at the spring election of 2026 for a term commencing August 1, 2026, and ending July 31, 2032. With the additional two branches, Wisconsin would have a total of 263 circuit court judges.

In addition, repeal s. 753.0605 related to "additional circuit court branches." The 12 branches described therein were codified under 2019 Act 184 and have all been allocated and elected to their current branches.

Joint Finance/Legislature: Provision not included.

4. CIRCUIT COURT COSTS PAYMENTS

GPR	\$20,000,000

Joint Finance/Legislature: Provide \$10,000,000 annually in the circuit court costs appropriation for additional support to counties. Base funding for the appropriation is \$28,392,900 in 2024-25.

COMPENSATION RESERVES

Budget Change Item

1. COMPENSATION RESERVES [LFB Papers 235 thru 240]

Governor: Provide, in the 2025-27 general fund condition statement, total compensation reserves of \$364,881,600 in 2025-26 and \$573,958,800 in 2026-27 for cost increases related to state and UW System employee salaries and fringe benefits. Total compensation reserve amounts by fund source and fiscal year are shown in the following table.

<u>Fund Source</u>	<u>2025-26</u>	<u>2026-27</u>
General Purpose Revenue	\$222,926,800	\$352,564,000
Federal Revenue	38,839,400	60,574,500
Program Revenue	63,677,200	99,311,900
Segregated Revenue	<u>39,438,200</u>	<u>61,508,400</u>
Total	\$364,881,600	\$573,958,800

The schedule of compensation reserves above indicates GPR funding that would be reserved for anticipated cost increases to state agencies and the UW System under the Administration's plans for compensation, including prior period and inflationary increases for fringe benefits. The GPR funding reserve is a component of the general fund condition statement. Amounts for FED, PR, and SEG reflect the estimated all-funds impact to state agencies (excluding UW System) of such cost increases for compensation, which would be paid from FED, PR, and SEG revenue balances in agency appropriations.

The GPR compensation reserve amounts under Senate Bill 45/Assembly Bill 50 related to state and UW System employee fringe benefits include the following: (a) \$79,487,700 in 2025-26 and \$93,966,600 in 2026-27 to support prior period and inflationary increases for fringe benefits; (b) \$3,249,100 in 2025-26 and \$3,476,500 in 2026-27 to reduce the health insurance waiting period for new permanent and project employees by one month; and (c) \$2,101,400 annually to provide sick leave for limited-term employees of non-UW executive branch agencies and temporary employees of the UW System. [For additional information regarding the proposed reduction to the health insurance waiting period, see "Employee Trust Funds." For additional information regarding the proposal to provide sick leave for limited-term employees and temporary UW System employees, see "Administration -- Personnel Management."]

The GPR compensation reserve amounts under the bill related to salaries for employees include the following: (a) \$130,981,100 in 2025-26 and \$241,483,600 in 2026-27 intended to support a 5% general wage adjustment for state and UW System employees on July 1, 2025, as

well as another 4% general wage adjustment for state and UW System employees on July 1, 2026; (b) \$4,310,500 annually to support market wage adjustments for specific, targeted classifications; (c) \$3,504,800 in 2025-26 and \$4,374,800 in 2026-27 for a probation and parole agent pay progression; (d) \$7,390,000 in 2026-27 for a paid family and medical leave program for state and UW System executive branch employees that would provide eight weeks of leave annually; (e) \$2,321,800 in 2025-26 and \$4,643,600 in 2026-27 to establish June 19 and November 11 as paid holidays for state and UW System executive branch employees; (f) \$2,367,500 in 2025-26 and \$2,953,100 in 2026-27 for pay progressions for specific, targeted classifications; (g) \$2,125,400 annually to support a \$5 per hour add-on to retain correctional security employees at Waupun Correctional Institution; (h) \$1,875,500 in 2025-26 and \$1,959,500 in 2026-27 to support a state government apprenticeship program; (i) \$1,135,800 annually to support market wage adjustments for supervisory positions to reduce wage compression between eligible supervisors and the positions they supervise; (j) \$839,900 annually to provide parity pay for corrections field supervisors; and (k) \$359,300 annually to modify the vacation allowance structure for non-UW executive branch employees with between two and five years of service to improve employee recruitment and retention. [For additional information regarding the proposals to create a paid family and medical leave program, establish June 19 (Juneteenth) and November 11 (Veterans Day) as paid holidays, create a state government apprenticeship program, and modify the vacation allowance structure, see "Administration -- Personnel Management."]

The amounts budgeted in compensation reserves also include a reduction of 5% in each year, reducing total funding by \$11,733,000 in 2025-26 and \$18,556,000 in 2026-27.

With regard to the 5% general wage adjustment on July 1, 2025, and 4% general wage adjustment on July 1, 2026, for state and UW System employees, amounts in compensation reserves are adjusted to account for groups of employees who would be ineligible to receive the pay increases (assistant and deputy district attorneys, assistant state public defenders, and assistant and deputy attorneys general), or who would receive pay increases as elected officials on a later date (state legislators, constitutional officers, and elected district attorneys).

Under the Wisconsin State Constitution, the compensation of a public officer may not be increased or decreased during the term of office, except that: (a) any increase in the compensation of members of the Legislature takes effect, for all Senators and Representatives, after the next general election beginning with the new Assembly term; and (b) any increase or decrease in the compensation of Justices of the Supreme Court or judges of any other court, specified in the state compensation plan, become effective for all Justices or judges, upon the election or appointment of any Justice or judge. Further, under state statute, the salary of each elected district attorney is established at the rate that is in effect for their office in the state employee compensation plan on the second Tuesday of July preceding the commencement of their term of office. Therefore, state legislators will next be eligible for a pay increase in January, 2027; the State Superintendent will be elected in April, 2025, take office in July, 2025, receive the salary established at the rate that is in effect for their office in the state employee compensation plan on that date, and would next be eligible for a pay increase when assuming office in July, 2029; other constitutional officers would be eligible for a pay increase in January, 2027; and elected district attorneys would be eligible for a pay increase when assuming office in January, 2029.

In addition, the Department of Justice is authorized under current law to utilize existing resources to support annual salary increases for assistant attorneys general under a pay progression plan. Further, additional funding for salary increases is provided separately elsewhere in the budget for assistant and deputy district attorneys, assistant attorneys general, and assistant state public defenders. Information relating to these increases may be found under sections of this document for "District Attorneys," "Justice," and "Public Defender."

Generally, compensation reserves represent reserves in the budget to provide funding for any increases in state employee salary and fringe benefit costs that may be required in the biennium, but for which funding is not included in individual agency budgets as a part of the biennial budget. The reserve funds are not allocated at the time of budget development to individual agencies because neither the amount of any salary or fringe benefit cost increases, nor the specific amount of funding needed by each individual agency, is known at the time of budget development. Typically, amounts within compensation reserves are funds to pay for: (a) the employer share of increased premium costs in the forthcoming fiscal biennium for state employee health insurance; (b) the costs of any general wage adjustments or other proposed pay increases; (c) increases in the employer share of contributions to the state retirement fund for employees' future state retirement benefits; and (d) the accumulated sick leave conversion credit program, income continuation benefits, and payments for pension obligation bonds issued to cover the state's unfunded prior service liability for retirement benefits and unfunded liability for sick leave conversion credits.

It should be noted that passage of a budget bill that includes funding in compensation reserves for potential pay increases does not itself effectuate general wage adjustments or other salary increases. Rather, salaries for most state employees, including state elected officials, are established in the state employee compensation plan. The compensation plan, which is separate from the budget bill, is established by the Division of Personnel Management (DPM) and approved by the Joint Committee on Employment Relations (JCOER). Therefore, general wage adjustments would not be effectuated unless such increases were included in the 2025-27 state employee compensation plan prepared by DPM, and then subsequently approved by JCOER. Similarly, statute specifies that pay plan recommendations separately requested by the Board of Regents and the UW-Madison Chancellor must ultimately be approved by JCOER. The compensation plan and pay plan recommendations of the UW System are typically reviewed by JCOER in the summer or fall of odd-numbered years.

Joint Finance/Legislature: Provide total funding to compensation reserves of \$159,891,200 GPR (\$261,664,200 all funds) in 2025-26 and \$225,809,500 GPR (\$366,017,300 all funds) in 2026-27. Amounts provided to compensation reserves by fund source and fiscal year are shown in the following table.

Compensation Reserves by Fund Source, as Modified by Joint Finance

<u>Fund Source</u>	<u>2025-26</u>	<u>2026-27</u>
General Purpose Revenue	\$159,891,200	\$225,809,500
Federal Revenue	27,845,500	38,361,400
Program Revenue	45,652,700	62,893,500
Segregated Revenue	<u>28,274,800</u>	<u>38,952,900</u>
Total	\$261,664,200	\$366,017,300

Funding would be provided for the following items, net of a 5% reduction in each year: (a) prior period and inflationary increases for fringe benefits, \$75,513,300 GPR in 2025-26 and \$89,268,300 GPR in 2026-27; (b) general wage adjustments of 3% on July 1, 2025, and 2% on July 1, 2026, \$74,670,000 GPR in 2025-26 and \$126,182,800 GPR in 2026-27; (c) enhancements to the probation and parole agent pay progression (including the creation of a new advanced-level classification) and parity for corrections field supervisors, \$1,900,000 GPR in 2025-26 and \$2,206,900 GPR in 2026-27; (d) a \$5 per hour Waupun Correctional Institution add-on for correctional officers and sergeants, \$2,019,100 GPR annually; (e) pay progressions for certain classifications, \$1,709,400 GPR in 2025-26 and \$2,053,000 GPR in 2026-27; (f) the \$5 per hour high-vacancy add-on for correctional officers and sergeants within the Department of Corrections, \$1,696,100 GPR annually; (g) a \$7 per hour add-on for positions in the special agent classification series within the Department of Justice, \$1,359,500 GPR annually; and (h) market wage adjustments, \$1,023,800 GPR annually.

With regard to the timing of base pay increases, such as general wage adjustments, market adjustments, and pay progression modifications, to the extent that the implementation of the 2025-27 compensation plan would follow the planned implementation date for a provision, the intent would be for lump-sum payments to be provided to eligible employees for hours in pay status dating back to the pay period of the proposed implementation date.

The following table identifies the components of the compensation reserves calculation, as recommended by the Governor, as well as the modifications made by the Joint Committee on Finance.

**GPR and All-Funds Compensation Reserves Components,
As Modified by the Legislature**

<u>All Agencies</u>	<u>Governor</u>			<u>Jt. Finance/Leg. Modifications</u>			<u>Compensation Reserves Total</u>		
	<u>2025-26</u>	<u>2026-27</u>	<u>Biennium</u>	<u>2025-26</u>	<u>2026-27</u>	<u>Biennium</u>	<u>2025-26</u>	<u>2026-27</u>	<u>Biennium</u>
Prior Period and Inflationary Increases for									
Fringe Benefits	\$75,513,300	\$89,268,300	\$164,781,600	\$0	\$0	\$0	\$75,513,300	\$89,268,300	\$164,781,600
General Wage Adjustments (Governor: 5%/4%;									
Joint Finance: 3%/2%)	124,432,000	229,409,400	353,841,400	-49,762,000	-103,226,600	-152,988,600	74,670,000	126,182,800	200,852,800
Probation and Parole Agent Pay Progression									
and Parity	4,127,500	4,954,000	9,081,500	-2,227,500	-2,747,100	-4,974,600	1,900,000	2,206,900	4,106,900
Waupun Correctional Institution Add-On	2,019,100	2,019,100	4,038,200	0	0	0	2,019,100	2,019,100	4,038,200
Pay Progressions for Certain Classifications	2,249,200	2,805,500	5,054,700	-539,800	-752,500	-1,292,300	1,709,400	2,053,000	3,762,400
High-Vacancy \$5 Add-On (Corrections)	0	0	0	1,696,100	1,696,100	3,392,200	1,696,100	1,696,100	3,392,200
Special Agent \$7 Add-On (Justice)	0	0	0	1,359,500	1,359,500	2,719,000	1,359,500	1,359,500	2,719,000
Market Wage Adjustments	4,095,000	4,095,000	8,190,000	-3,071,200	-3,071,200	-6,142,400	1,023,800	1,023,800	2,047,600
Decrease Health Insurance Waiting Period	3,086,700	3,302,800	6,389,500	-3,086,700	-3,302,800	-6,389,500	0	0	0
Sick Leave for Limited-Term Employees and									
Temporary UW Employees	1,996,300	1,996,300	3,992,600	-1,996,300	-1,996,300	-3,992,600	0	0	0
Paid Family and Medical Leave	0	7,020,400	7,020,400	0	-7,020,400	-7,020,400	0	0	0
Juneteenth and Veterans Day Holidays	2,205,700	4,411,400	6,617,100	-2,205,700	-4,411,400	-6,617,100	0	0	0
State Government Apprenticeship Program	1,781,700	1,861,500	3,643,200	-1,781,700	-1,861,500	-3,643,200	0	0	0
Market Adjustments for Management Positions	1,079,000	1,079,000	2,158,000	-1,079,000	-1,079,000	-2,158,000	0	0	0
Vacation Allowance Modifications	<u>341,300</u>	<u>341,300</u>	<u>682,600</u>	<u>-341,300</u>	<u>-341,300</u>	<u>-682,600</u>	<u>0</u>	<u>0</u>	<u>0</u>
Compensation Reserves Total - GPR	\$222,926,800	\$352,564,000	\$575,490,800	-\$63,035,600	-\$126,754,500	-\$189,790,100	\$159,891,200	\$225,809,500	\$385,700,700
Compensation Reserves Total - All Funds	\$364,881,600	\$573,958,800	\$938,840,400	-\$103,217,400	-\$207,941,500	-\$311,158,900	\$261,664,200	\$366,017,300	\$627,681,500

CORRECTIONS

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$3,149,392,400	\$3,671,685,600	\$3,546,763,200	\$3,546,763,200	\$3,546,763,200	\$397,370,800	12.6%
FED	5,341,200	5,798,000	5,798,000	5,798,000	5,798,000	456,800	8.6
PR	<u>295,296,000</u>	<u>291,640,900</u>	<u>358,624,000</u>	<u>358,624,000</u>	<u>358,624,000</u>	<u>63,328,000</u>	21.4
TOTAL	\$3,450,029,600	\$3,969,124,500	\$3,911,185,200	\$3,911,185,200	\$3,911,185,200	\$461,155,600	13.4%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	9,615.22	10,173.72	9,780.87	9,780.87	9,780.87	165.65
FED	3.00	3.00	3.00	3.00	3.00	0.00
PR	<u>544.30</u>	<u>239.60</u>	<u>544.30</u>	<u>544.30</u>	<u>544.30</u>	<u>0.00</u>
TOTAL	10,162.52	10,416.32	10,328.17	10,328.17	10,328.17	165.65

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$175,393,000	- \$10,928,600	\$164,464,400
FED	456,800	0	456,800
PR	<u>9,232,000</u>	<u>- 222,000</u>	<u>9,010,000</u>
Total	\$185,081,800	- \$11,150,600	\$173,931,200

Governor: Adjust funding annually for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
Turnover Reduction	-\$14,833,500	\$0	-\$583,100	-\$15,416,600
Full Funding of Cont. Pos. Salary/Fringe	-4,949,700	228,400	1,707,800	-3,013,500
Overtime	94,976,000	0	2,717,500	97,693,500
Night and Weekend Differential	<u>12,503,700</u>	<u>0</u>	<u>773,800</u>	<u>13,277,500</u>
Total	\$87,696,500	\$228,400	\$4,616,000	\$92,540,900
Biennial Totals	\$175,393,000	\$456,800	\$9,232,000	\$185,081,800

It should be noted that costs associated with overtime and night and weekend differential are removed in the calculation of full funding of continuing position salaries and fringe benefits.

In addition, provide minor transfers within the Department of Correction's adult general program operations appropriation, the services for community corrections appropriation, the purchased services for offenders appropriation, the Becky Young community corrections; recidivism reduction community services appropriation, the interagency and intra-agency programs appropriation, the reimbursement claims of counties containing juvenile correctional facilities appropriation, and the juvenile correctional services appropriation.

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$2,764,600 GPR and -\$111,000 PR annually. In addition, remove funding associated with a \$5 high-vacancy add-on that no longer applies to any correctional facility (-\$2,699,700 GPR annually). Total adjustments to funding for standard budget adjustments are shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
Turnover Reduction	-\$17,598,100	\$0	-\$694,100	-\$18,292,200
Full Funding of Cont. Pos. Salary/Fringe	-7,649,400	228,400	1,707,800	-5,713,200
Overtime	94,976,000	0	2,717,500	97,693,500
Night and Weekend Differential	<u>12,503,700</u>	<u>0</u>	<u>773,800</u>	<u>13,277,500</u>
Total	\$82,232,200	\$228,400	\$4,505,000	\$86,965,600
Biennial Totals	\$164,464,400	\$456,800	\$9,010,000	\$173,931,200

2. OVERTIME SUPPLEMENT [LFB Paper 245]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$95,772,400	- \$55,772,400	\$40,000,000
PR	<u>1,878,800</u>	<u>0</u>	<u>1,878,800</u>
Total	\$97,651,200	- \$55,772,400	\$41,878,800

Governor: Provide \$47,886,200 GPR and \$939,400 PR annually as an overtime supplement. Under standard budget adjustments each budget cycle, funding associated with overtime is removed in the calculations of full funding of continuing position salaries and fringe

benefits. The budget instructions related to overtime specify that only the same dollar amounts previously budgeted be restored through the standard budget adjustment for overtime. As a result, the bill would provide overtime in the amount provided for the prior biennium, adjusted by the new variable fringe rate (\$94,976,000 GPR and \$2,717,500 PR). Recommended supplemental funding (\$47,886,200 GPR and \$939,400 PR) is based on an assumption by the Administration that, due to lowered security position vacancy rates, overtime hours for the 2025-27 biennium are projected to reflect 2023-24 actual overtime hours, adjusted downward by 8% for security position overtime in 2025-26 with no change in 2026-27. Note that while vacancy rate improvement is largely attributable to provisions approved by the Joint Committee on Employment Relations in the 2023-25 compensation plan, the higher rates of pay also result in higher per-hour overtime costs. In total, the bill would provide \$142,862,200 GPR and \$3,656,900 PR annually to fund costs associated with overtime (standard budget adjustment overtime plus supplemental overtime).

Joint Finance/Legislature: Modify funding by -\$27,886,200 GPR annually to provide \$20,000,000 GPR and \$939,400 PR annually as an overtime supplement. [Total overtime funding, including standard budget adjustments, is \$114,976,000 GPR and \$3,656,900 PR annually.]

3. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$11,057,800	\$8,073,100	- \$2,984,700
PR	- 7,200	100	- 7,100
Total	- \$11,065,000	\$8,073,200	- \$2,991,800

Governor: Adjust funding by -\$4,905,500 GPR and -\$2,800 PR in 2025-26 and -\$6,152,300 GPR and -\$4,400 PR in 2026-27 to reflect the current law estimate of debt service costs. The reestimate includes: (a) adult corrections (-\$7,057,600 GPR and -\$2,800 PR in 2025-26 and -\$9,433,400 GPR and -\$4,400 PR in 2026-27); and (b) juvenile corrections (\$2,152,100 GPR in 2025-26 and \$3,281,100 GPR in 2026-27).

Joint Finance/Legislature: Modify funding by \$4,454,400 GPR and \$100 PR in 2025-26 and \$3,618,700 GPR in 2026-27 to adjust funding by -\$451,100 GPR and -\$2,700 PR in 2025-26 and -\$2,533,600 GPR and -\$4,400 PR in 2026-27 to reflect current debt service costs.

4. RENT

Governor/Legislature: Provide \$970,200 GPR and -\$4,300 PR in 2025-26 and \$1,096,900 GPR and \$7,600 PR in 2026-27 for departmentwide rent expenses.

GPR	\$2,067,100
PR	3,300
Total	\$2,070,400

5. REALIGNMENT OF FUNDING AND POSITIONS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,206,400	7.70	-\$1,206,400	- 7.70	\$0	0.00
PR	<u>- 1,206,400</u>	<u>- 7.70</u>	<u>1,206,400</u>	<u>7.70</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Provide adjustments to funding and positions between appropriations to reflect already-completed reallocations of positions, organizational modifications within the Department, and to address coding errors made in the 2021-23 biennial budget. Note that these items are independent from one another. The adjustments include a reallocation of:

(a) \$90,500 GPR annually from the general program operations appropriation (Bureau of Personnel and Human Resources) to the services for community corrections appropriation (Bureau of Personnel and Human Resources) to more accurately reflect human resource services by appropriation;

(b) 8.0 GPR positions annually and associated funding (\$865,800 GPR annually) from the general program operations appropriation to the services for community corrections appropriation related to a previous transfer of positions from the Milwaukee Secure Detention Facility (MSDF) to the Division of Community Corrections in 2020-21, which occurred after the discontinuation of alternative for revocation programming for individuals under community corrections at MSDF;

(c) 7.70 PR positions annually and associated funding (\$603,200 PR annually) to GPR positions and funding to account for a decrease in PR revenue to the Home Detention Services; Supervision appropriation (2.20 PR positions) and the Administration of Restitution appropriation (5.50 PR positions), due to reductions in counties' use of Corrections' Monitoring Center for electronic monitoring of county clients and changes in 2015 Act 355 that affected the collection and disbursement of restitution;

(d) \$692,900 GPR and 6.0 GPR positions annually to match the reallocation of positions (and associated funding) from the Divisions of Community Corrections (DCC) and Juvenile Corrections to the Office of the Secretary in calendar year 2021;

(e) \$115,300 GPR and 1.0 GPR position annually from the juvenile corrections general program operations appropriation to the adult corrections general program operations appropriation to reflect the reallocation of the position from the Division of Juvenile Corrections to the Division of Management Services; and

(f) \$2,210,300 GPR annually to align funding between the general program operations, the services for community corrections, and the purchased services for offenders appropriations to reflect actions in the 2021-23 budget.

Joint Finance/Legislature: Modify to provide for all recommended realignment of funding and positions, except for item (c). This has a net change of \$0 and 0.00 positions, with no fund source changes.

6. PROGRAM REVENUE ADJUSTMENTS

PR	\$9,300,900

Governor/Legislature: Provide \$4,556,400 in 2025-26 and \$4,744,500 in 2026-27 associated with funding adjustments identified in the table below. The table identifies the program revenue appropriations or components of appropriations that would be affected by this item, by program area, the base funding amounts for these appropriations, the funding changes that would be made to those appropriations under this item, other items in the bill, and the total funding that would be budgeted for these purposes under the bill. Note that these items are independent from one another.

Purpose	2024-25 Base	2025-26			2026-27		
		Funding Adjustment	Other Budget Items	Total	Funding Adjustment	Other Budget Items	Total
Badger State Logistics	\$9,292,400	\$875,000	\$11,100	\$10,178,500	\$875,000	\$11,200	\$10,178,600
Prison Industries	26,235,300	2,775,000	239,700	29,329,500	2,775,000	243,600	29,333,400
Correctional Farms	10,366,300	25,000	291,000	10,682,300	25,000	292,500	10,683,800
Telephone Company Commissions	4,404,600	1,000,000	0	5,404,600	1,000,000	0	5,404,600
General Operations	8,273,600	150,000	-7,700	8,415,900	150,000	-7,700	8,415,900
Global Positioning System							
Devices - Sex Offenders	453,600	20,000	26,400	500,000	20,000	34,900	508,500
Juvenile Alternate Care Services	3,666,400	70,900	0	3,737,300	247,700	0	3,914,100
Juvenile Utilities & Heating	761,700	-359,500	0	402,200	-348,200	0	13,600
Total PR Adjustments		\$4,556,400			\$4,744,500		

7. VILLAGE OF OREGON CHARGE FOR WASTEWATER TREATMENT FACILITY PROJECT

GPR	\$3,036,000

Governor/Legislature: Provide \$2,732,400 in 2025-26 and \$303,600 in 2026-27 for one-time payments to the Village of Oregon (Dane County). The Village is updating its wastewater treatment facility and lift station, and notified the Department that it will be assessed a portion of the costs for properties serviced by the wastewater treatment facility and lift station (including Oakhill Correctional Institution, Oregon Correctional Center, Oregon Farm, and the Grow Academy). The Department would make the payments from the adult correctional services general program operations appropriation.

8. INFORMATION TECHNOLOGY COST-TO-CONTINUE
[LFB Paper 246]

GPR	\$4,607,400

Governor/Legislature: Provide \$2,303,700 annually to assist with rising information technology (IT) costs. Specifically, recommended funding would be used to cover increased expenses for: (a) Microsoft 365 subscription charges (\$207,200 annually); (b) IT contractors (\$1,785,200 annually); and (c) the Electronic Medical Records system (\$311,300 annually).

9. INFORMATION TECHNOLOGY STAFFING [LFB Paper 246]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,442,700	11.00	-\$2,442,700	- 11.00	\$0	0.00

Governor: Provide \$1,129,000 in 2025-26, \$1,313,700 in 2026-27, and 11.00 IT-related positions annually for the Bureau of Technology Management's facilities infrastructure and innovative technologies team (6.0 positions), cybersecurity team (3.0 positions), and applications section (2.0 positions). The infrastructure and innovative technology positions would be used to address staffing shortages related to increased workloads, including deployment of new or additional systems (such as body-worn cameras and additional site support). The cybersecurity and applications positions would allow the Department to provide increased focus on IT security issues such as security patching, bringing systems up to modern standards, assisting with tablets for incarcerated individuals, and continuous monitoring and auditing of the increasing cybersecurity threat landscape.

Joint Finance/Legislature: Provision not included.

10. OFFICE OF THE OMBUDSPERSON

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,103,000	11.00	-\$2,103,000	- 11.00	\$0	0.00

Governor: Provide \$901,300 in 2025-26, \$1,201,700 in 2026-27, and 11.0 positions annually to create and operate an Office of the Ombudsperson.

Create a new program in Chapter 20 of the statutes under Corrections called the Office of the Ombudsperson for Corrections. Under the new program 4, create an annual GPR general program operations appropriation for the Office; a continuing PR gifts and grants appropriation for all moneys received from gifts and grants to carry out the purposes for which the gifts or grants were made; a continuing PR interagency and intra-agency assistance appropriation for all moneys received from the Department or any other state agency to carry out the purposes for which received; and a federal aid appropriation for all moneys received as federal aid and as authorized by the Governor under acceptance of federal funds provisions to carry out the purposes for which received.

Specify that the ombudsperson may appoint, in the classified service, 1.0 deputy ombudsperson and employees to carry out office duties. Specify that the ombudsperson may also delegate the ombudsperson's authority or duty to any employee of the office, except for receiving complaints and referring criminal and/or disciplinary matters to the appropriate authorities. The powers of the ombudsperson would include: conducting investigations; determining the scope and

manner of investigations to be made; entering and inspecting premises within the control of the Department at any time; examining records and documents in possession of the Department; having witnesses subpoenaed and ordering the production of documents material to an investigation conducted by the Office; and attending proceedings and deliberations relating to the granting or revocation of parole, extended supervision, or probation.

As it relates to investigations, specify that the ombudsperson may investigate complaints, policies or practices of the Department, any action by the Department that may be contrary to law or rule, procedures and practices that may lessen the risk that objectionable actions by the Department may occur in the future, and any other action by the Department that has been alleged to be unreasonable, unfair, oppressive, or inconsistent with any policy or judgment of the Department.

Specify that the ombudsperson is required to create a complaint form and provide sufficient copies and self-sealing envelopes to state correctional institutions for distribution to prisoners and juveniles in areas where they regularly visit. In addition, specify the following: such forms must also be provided upon request and on the Department's website; all complaint forms must be immediately forwarded to the Office; no individual other than an authorized employee of the Office may open an envelope that contains a complaint form; and the ombudsperson then must review each complaint form and determine whether to make a recommendation regarding the complaint directly to the state correctional institution where the prisoner or juvenile is housed, the Governor, the Legislature, or other party, or make no recommendation. Further, specify that no operator of a state correctional institution may open, preview, or screen mail addressed from the Office to a prisoner or juvenile unless they have reason to believe the mail contains contraband or is not a document from the Office, in which case the operator may open and inspect the mail in the presence of the prisoner or juvenile to whom it was addressed, but may only inspect the document to the extent necessary to determine whether it contains contraband or is not a document from the Office.

Specify that the Office of the Ombudsperson for Corrections would be attached to the Department of Corrections, under the direction and supervision of an ombudsperson. The ombudsperson would be nominated by the Governor, with the advice and consent of three-fourths of members elected to the Senate confirmed, and could be removed only by the Governor for just cause. Specify that the ombudsperson for the Office of the Ombudsperson for Corrections is an unclassified position for which salaries must be set by the appointing authority (the Governor), subject to statutory restrictions and the state compensation plan. Funding for the ombudsperson salary was calculated to be \$78,021 annually, which is the minimum salary in the Executive Salary Group 2 range (\$78,021 to \$128,752). The additional 10.0 positions would be program and policy chief positions.

Information in the possession of the Office that relates to a client complaint or investigation could be disclosed only at the discretion of the ombudsperson or his or her designated representative. If the information relates to a client, named witness, or a prisoner or juvenile who is not a client, it could only be disclosed if: (1) disclosure is authorized in writing by the client, named witness, prisoner, or juvenile (or his or her legal guardian, if applicable); or (2) disclosure is made pursuant to a lawful order of a court of competent jurisdiction.

Specify that, if the ombudsperson makes a recommendation regarding a complaint directly to the state correctional institution where the prisoner or juvenile is housed, the warden or superintendent of the institution must respond within 30 days and include what actions they have taken as a result of the recommendations and why they are taking or not taking those actions. Further, specify that, if the ombudsperson has reason to believe that any public official or employee has acted in a manner warranting criminal or disciplinary proceedings, the ombudsperson may refer the matter to the appointing authorities.

Specify that, at the request of the Governor at any time, the ombudsperson must report to the Governor on any matter over which he or she has authority. In addition, on or before December 31 of each year, the ombudsperson must submit a report of his or her findings and recommendations for improvements to policies and practices at state correctional institutions and the results of investigations conducted by the Office to the Governor, the Chief Clerk of each house of the Legislature for distribution, and the Secretary of Corrections.

According to the Administration, the recommendation for 11.0 staff members is based on the Minnesota Ombudsperson Office (approximately 1.0 FTE per 2,200 inmates).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. CAPITAL DEVELOPMENT STAFFING AND INSTITUTION MAINTENANCE STAFFING [LFB Paper 247]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$1,716,100	8.00	-\$1,265,900	- 6.00	\$450,200	2.00

Governor: Provide \$832,400 in 2025-26, \$883,700 in 2026-27, and 8.0 positions annually to create additional staffing for repair and maintenance projects and capital projects. Specifically, provide: (a) \$671,700 in 2025-26, \$704,200 in 2026-27, and 6.0 positions annually to improve the timeliness in responding to repair and maintenance requests at institutions; and (b) \$160,700 in 2025-26, \$179,500 in 2026-27, and 2.0 positions annually to support the management of the Department's capital projects. The 6.0 repair and maintenance positions would include: 3.0 electricians (to be allocated, one each, to the Racine Youthful Offender Correctional Facility, Prairie du Chien Correctional Institution, and Chippawa Valley Correctional Treatment Facility); 2.0 HVAC refrigeration specialists-advanced (to be allocated, one each, to Oshkosh Correctional Institution and Oregon Correctional Institution); and 1.0 electronics technician security-senior (to be allocated to Jackson Correctional Institution). The 2.0 capital development positions would be facilities management specialist 2 positions (to provide services departmentwide).

While the Department of Administration's Division of Facility Development staff are responsible for project management duties during the design and construction phases, Corrections facility staff are responsible for the life cycle of a capital project, including conception at the

facility level and prioritization of correctional projects. In addition, the Department has increased the volume of projects submitted from 125 in 2019 to over 600 active projects (including small, all-agency, and enumerated) in 2025.

Joint Finance/Legislature: Modify funding and positions to provide: (a) \$132,700 in 2025-26 and \$147,300 in 2026-27 for 1.0 electrician position; and (b) \$80,400 in 2025-26 and \$89,800 in 2026-27 for 1.0 facilities management specialist four-year project position. Specify that the electrician position would be assigned to Prairie du Chien Correctional Institution.

Veto by Governor [C-10]: Delete non-statutory language that requires the electrician position to be allocated to a specific institution.

[Act 15 Vetoed Section: 9108(1)]

12. AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE TEAM

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,188,000	6.00	- \$1,188,000	- 6.00	\$0	0.00

Governor: Provide \$605,200 in 2025-26, \$582,800 in 2026-27, and 6.0 positions annually to create and operate an ADA compliance team. According to the Administration, the team would provide more effective and consistent applications of the ADA across all institutions and standardize assignment of ADA responsibilities at the institutions. Positions would include 1.0 attorney and 5.0 program and policy analysts-advanced. A portion of funding in 2025-26 would be for one-time costs, including the purchase of five vehicles for central office ADA staff travel (\$125,000).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. VICTIM SERVICES STAFFING

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$886,000	5.00	- \$886,000	- 5.00	\$0	0.00

Governor: Provide \$481,700 in 2025-26, \$404,300 in 2026-27, and 5.0 positions annually to improve services provided by the Office of Victim Services and Programs and to phase in a new regional approach to providing victim services. Currently, there is a victim services specialist position assigned to DCC Region 3 (Milwaukee County) to support victims and to establish local connections to victim service providers and regional correctional facilities and staff. However, no

other regions in the state have a dedicated specialist and, as a result, victims in those areas do not receive the same level of services. According to the Administration, while staff in the Office of Victim Services and Programs located at the Department's central office in Madison attempt to travel across the state, when possible, to accompany victims to hearings, it is not always feasible due to staff time limitations and logistics. The provision would allow staff to shift to a regional system to provide victim services statewide, similar to the current position in Milwaukee County.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. INTERNAL AFFAIRS OFFICE STAFFING

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding	Positions	Funding	Positions
GPR	\$874,200	5.00	- \$874,200	- 5.00	\$0	0.00

Governor: Provide \$412,000 in 2025-26, \$462,200 in 2026-27, and 5.0 positions annually to the Internal Affairs Office to more promptly complete cases and provide resolution to staff under investigation. According to the Administration, staffing levels for the Office have not kept pace with expansions in the scope of the investigatory functions or increasing caseload. For example, in February, 2020, the Office first began taking case referrals, limited in scope to cases related to employees on leave due to felony charge(s). In June, 2020, the scope was expanded to all cases where the subject was a supervisor, then expanded again in late-2020 to all staff cases where there were allegations of sexual abuse and/or sexual harassment (at which time 2.0 positions were transferred from the Prison Rape Elimination Act Office to the Internal Affairs Office). Most recently, in March, 2022, the Office's scope was expanded again to include referrals for allegations of harassment and all fraternization cases. Since 2020, the Internal Affairs Office has seen the number of cases referrals increase from 201 to 422 in 2023.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. CASE TRANSCRIPTION SERVICES [LFB Paper 248]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$555,200	- \$555,200	\$0

Governor: Provide \$277,600 annually for investigatory transcribing services. During the course of an Internal Affairs Office investigation, interviews are conducted and recordings of all case interviews are contracted for transcription by a third-party vendor. The Department does not have budgeted funding specifically for investigatory transcription services. The provision would

also allow the Department to expand contracted transcription services to the Division of Adult Institutions, which also conducts investigations, but does not currently contract for transcriptions of interview recordings. Funding under the bill is comparable to costs incurred for transcription service in 2023-24.

Joint Finance/Legislature: Provision not included.

16. RISK MANAGEMENT PREMIUM REESTIMATE

GPR	\$359,000
PR	29,600
Total	\$388,600

Governor/Legislature: Provide \$179,500 GPR and \$14,800 PR annually for increased premium costs associated with liability, property, and workers compensation insurance coverage. The state's risk management program is an insurance program for state agencies administered by the Department of Administration (DOA). Each year, DOA assesses state agencies risk management premiums based generally on program costs, claims history, and risk exposure.

17. TRIBAL LIAISON POSITION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
GPR	\$156,100	1.00	-\$156,100	- 1.00	\$0	0.00

Governor: Provide \$66,900 in 2025-26 and \$89,200 in 2026-27 and 1.0 position annually to create an agency tribal liaison position. The agency tribal liaison would be responsible for working with Native American tribes and bands on behalf of the agency, as well as coordinating with the Director of Native American Affairs in the Department of Administration. [See "Administration -- Tribal Affairs and Division of Gaming."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. PRISON RAPE ELIMINATION ACT (PREA) AUDITS

GPR	\$48,000

Governor/Legislature: Provide \$48,000 in 2026-27 for federally-required PREA audits that will no longer be supported by expiring grant funding and for additional PREA compliance-related expenses. Since 2013-14, the Department has been receiving PREA Reallocation Funds from the U.S. Department of Justice Edward Byrne Memorial Justice Assistance Grant Program to achieve compliance with the PREA standards (including PREA audits). This funding source expires in September, 2026, at which point the Department will need to begin covering all PREA compliance-related expenses. Recommended funding would cover the remaining nine months of PREA compliance-related activities in 2026-27.

19. CONVERT CONTRACTED STAFF TO PERMANENT POSITIONS

	Governor (Chg. to Base) Positions	Jt. Finance/Leg. (Chg. to Gov) Positions	Net Change Positions
GPR	3.00	- 3.00	0.00

Governor: Provide an increase in position authority to convert 3.0 Bureau of Technology Management contractors to information systems technical services senior permanent positions. Reallocate \$200,700 GPR in 2025-26 and \$267,500 GPR in 2026-27 from the Department's supplies and services budget (\$163,900 in 2025-26 and \$218,400 in 2026-27 within the general program operations appropriation and \$36,800 in 2025-26 and \$49,100 in 2026-27 from the services for community corrections appropriation) to cover the difference between the contractor and permanent position costs.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Adult Facilities

1. ADULT CORRECTIONAL FACILITY POPULATIONS [LFB Paper 255]

Governor: Estimate an average daily population in adult correctional facilities (correctional institutions and centers) and contract beds of 23,584 in 2025-26 and 23,887 in 2026-27. From this projection the following table identifies the adjusted estimated distribution of this population.

	<u>February 21, 2025 Actual Population</u>	<u>Average Daily Population</u>	
		<u>2025-26</u>	<u>2026-27</u>
Institutions*	20,124	20,553	20,800
Centers	2,696	2,735	2,735
Contract Beds**	<u>275</u>	<u>296</u>	<u>352</u>
Total	23,095	23,584	23,887

* Includes inmates placed at the Wisconsin Resource Center, operated by the Department of Health Services (404 on February 21, 2025, and 412 for 2025-26 and 2026-27).

** Contract bed populations include inmates held in federal facilities, youth with adult sentences in Division of Juvenile Corrections facilities, and in Wisconsin county jails.

Joint Finance/Legislature: Reestimate the average daily population in adult correctional facilities and contract beds to 23,627 in 2025-26 and 23,930 in 2026-27. The following table

identifies the estimated distribution of this population.

	June 20, 2025 <u>Actual Population</u>	<u>Average Daily Population</u>	
		<u>2025-26</u>	<u>2026-27</u>
Institutions*	20,382	20,577	20,807
Centers	2,731	2,735	2,735
Contract Beds**	<u>310</u>	<u>315</u>	<u>388</u>
Total	23,423	23,627	23,930

* Includes inmates placed at the Wisconsin Resource Center, operated by the Department of Health Services (419 on June 20, 2025, and 412 for 2025-26 and 2026-27).

** Contract bed populations include inmates held in federal facilities, youth with adult sentences in Division of Juvenile Corrections facilities, and in Wisconsin county jails.

2. POPULATION AND INFLATIONARY COST INCREASES -- ADULT CORRECTIONAL FACILITIES [LFB Paper 255]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$78,959,500	- \$13,959,500	\$65,000,000

Governor: Provide \$32,920,600 in 2025-26 and \$46,038,900 in 2026-27 to reflect population-related cost adjustments for inmates in facilities operated by the Division of Adult Institutions, as follows: (a) \$7,183,000 in 2025-26 and \$9,600,300 in 2026-27 for food costs; (b) \$5,067,000 in 2025-26 and \$5,393,800 in 2026-27 for variable non-food costs, such as inmate wages, bedding, clothing, kitchen utensils, and other supplies; and (c) \$20,670,600 in 2025-26 and \$31,044,800 in 2026-27 for inmate non-food health services. The funding amounts for inmate health services assume that the per capita adult inmate cost will increase from an estimated \$5,825 in 2024-25 to \$6,179 in 2025-26 and \$6,554 in 2026-27. Health care costs include supplies and services, pharmaceutical costs, third party administrator costs, and contracting costs with the University Hospital, the UW Medical Foundation, Waupun Memorial Hospital, St. Agnes Hospital, and other community hospitals.

Joint Finance/Legislature: Modify funding by -\$5,987,400 in 2025-26 and -\$7,972,100 in 2026-27 to provide \$26,933,200 in 2025-26 and \$38,066,800 in 2026-27 for inflationary costs.

3. CONTRACT BED FUNDING [LFB Paper 255]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,300,400	- \$1,160,700	\$4,139,700

Governor: Provide \$2,037,000 in 2025-26 and \$3,263,400 in 2026-27 related to prison

contract beds. The Department projects a total need of 268 county jail contract beds in 2025-26 and 324 in 2026-27. In addition, the Department projects a need of 600 annual contract beds the Division of Community Corrections would use for extended supervision sanctions, and 28 annual beds the Department of Corrections would use for other purposes (inmates in federal facilities, youth with adult sentences in Division of Juvenile Corrections facilities, and temporary lock-ups of inmates from correctional centers). Base funding for the contract bed appropriation is \$26,594,900. The Department increased its contract bed rate from \$51.46 per day to \$60 per day in 2024-25.

Modify the contract bed rate from currently not to exceed \$60 per person per day to not to exceed \$80 per person per day. Specify that the new rate first applies to contracts entered into, renewed or modified on the effective date of the bill.

Joint Finance/Legislature: Modify funding by -\$766,500 in 2025-26 and -\$394,200 in 2026-27 to provide \$1,270,500 in 2025-26 and \$2,869,200 in 2026-27. Funding is associated with 861 contract beds in 2025-26 (including 283 county contract beds and 550 extended supervision sanction beds) and 934 county contract beds in 2026-27 (including 356 county contracted beds and 550 extended supervision sanction beds). Provision modifying the maximum rate not included. [See "Corrections -- Juvenile Corrections" for other contract bed funding relating to the change in the statutory daily rate charged for juveniles, including youth with adult sentences.]

4. LINCOLN CORRECTIONAL INSTITUTION (LCI) STAFFING [LFB Paper 270]

	Governor			Jt. Finance/Leg.			Net Change	
	(Chg. to Base)			(Chg. to Gov)			Net Change	
	Funding	Positions		Funding	Positions		Funding	Positions
GPR	\$45,955,400	268.40		-\$45,955,400	- 268.40		\$0	0.00

Governor: Provide \$655,500 and 7.0 positions in 2025-26 and \$45,299,900 and 268.40 positions in 2026-27 associated with operating a fenced medium-security adult male facility at the current site of Lincoln Hills School and Copper Lake School. Lincoln Correctional Institution is anticipated to open for adults by October 1, 2026, with a capacity for 575 adult males. The LCI facility is anticipated to have 10 units that house 50 individuals (25 double-bunked cells) and two units that are half single-cell restrictive housing and half double-bunked general population cells for an additional 75 individuals.

Positions would include: (a) 168.50 for security; (b) 33.00 for operations and administration purposes; (c) 30.0 for social services; (d) 29.90 health services staff; and (e) 7.0 in the business office. Staffing under the bill is intended to be comparable to other medium-security facilities with similar capacity levels. Staffing is additionally provided for a health services unit with 24 hour per day coverage, rehabilitation, education, and programming (anger management, domestic violence, Thinking for a Change, and substance use disorder) services. The Department additionally hopes to implement a work-release program for select individuals. Note that under the Governor's proposal, while the adult facility is anticipated to open October 1, 2026, funding and positions in 2026-27 reflect a full year of costs necessary to run the facility because Lincoln Hills/Copper Lake

Schools would remain operational at the site location for the first three months of the fiscal year (July to September), funded from GPR and staffed with the newly-created GPR positions. Separately, all PR positions at the juvenile correctional schools would be eliminated in 2026-27 and the juvenile population would be transferred to other facilities, including a Milwaukee Type 1 facility, by October, 2026. [See "Juvenile Corrections."]

Joint Finance/Legislature: Provision not included. The LCI facility is not anticipated to be operational as an adult facility in the 2025-27 biennium.

5. STAFFING AT CERTAIN EXISTING ADULT CORRECTIONAL FACILITIES [LFB Paper 256]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$6,385,000	32.35	-\$4,261,900	- 15.75	\$2,123,100	16.60

Governor: Provide \$2,972,900 in 2025-26, \$3,412,100 in 2026-27, and 32.35 positions annually to increase staffing at certain existing adult correctional facilities. Specifically, positions would include: (a) 16.60 healthcare-related positions at Fox Lake Correctional Institution (FLCI) (\$1,011,900 in 2025-26 and \$1,111,200 in 2026-27); and (b) 15.75 correctional officer positions at Taycheedah Correctional Institution (TCI) (7.25 positions) and Robert E. Ellsworth Correctional Center (REECC) (8.50 positions) (\$1,961,000 in 2025-26 and \$2,300,900 in 2026-27).

The recommendation for FLCI is for the health services unit. Currently, the unit has nursing staff on-site Sunday through Saturday from 6:00 a.m. to 8:30 p.m. This leaves a 9.5-hour window where no nursing staff are on-site to respond to unexpected emergencies. The recommendation would increase healthcare staffing (including nurse clinician 2/weekend positions, licensed practical nurse/weekend positions, medical assistant/associate positions, and nurse clinician 4 positions) to allow FLCI to operate 24 hours per day, seven days per week to provide better response to emergencies, restraint checks, and round-the-clock medication administration and clinical and vital sign monitoring. The recommendation for TCI is for security staff based on population increases. In March, 2024, a cell hall was reopened to house general population inmates and requires adequate staff. Additionally, TCI is currently operating a services building and a separate hall with security staff on overtime rather than with dedicated full-time employees. The recommendation for REECC is for security staff based on a housing and treatment unit currently staffed with surplus correctional officer positions. Under this structure, salary and fringe benefits are not budgeted and need to be re-approved on an annual basis.

Joint Finance/Legislature: Modify funding and positions to only provide for Fox Lake Correctional Institution's health services unit (\$1,011,900 in 2025-26, \$1,111,200 in 2026-27, and 16.60 healthcare-related positions annually).

6. FUEL AND UTILITIES

GPR	\$5,104,000

Governor/Legislature: Provide \$1,845,400 in 2025-26 and \$3,258,600 in 2026-27 associated with expected changes in prices for fuel and utilities in adult correctional facilities. Base funding for the fuel and utilities appropriation is \$29,544,600.

7. CENTRAL INTELLIGENCE GATHERING UNIT

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$4,241,400	12.00	-\$4,241,400	- 12.00	\$0	0.00

Governor: Provide \$2,031,700 in 2025-26, \$2,209,700 in 2026-27, and 12.0 positions annually to create and operate a Central Intelligence Gathering Unit. According to the Administration, the Unit would provide "more robust monitoring, tracking, and information sharing which will allow the Department to detect, stop, and seize contraband and other illegal activities at maximum-security facilities" by hiring individuals with specialized skills in data analysis, surveillance, and investigative techniques and by dedicating staff specifically for this purpose to allow for a higher level of intelligence coordination with external agencies and across internal divisions. Six positions would be allocated to the Department's central office (2.0 supervising officer 2 positions to provide intelligence oversight and coordination; 2.0 correctional sergeants to travel throughout the state and serve as K-9 handlers; 1.0 supervisor; and 1.0 liaison between the Divisions of Community Corrections and Juvenile Corrections). Of the remaining six, one supervising officer 1 position would be allocated to each maximum-security institution (Waupun, Dodge, Green Bay, Columbia, Wisconsin Secure Program Facility, and Taycheedah).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. MEDICATION ADMINISTRATION STAFFING

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,875,600	25.00	-\$2,875,600	- 25.00	\$0	0.00

Governor: Provide \$842,000 and 12.50 positions in 2025-26 and \$2,033,600 and 25.0 positions in 2026-27 to create and operate a medication administration pilot at Columbia Correctional Institution and Waupun Correctional Institution (12.50 medical assistant 2 positions at each facility). Currently, at most facilities, medications are delivered to inmates by correctional officers or sergeants, which is not considered best practice. In addition, the inmate population is aging and is more likely to need medications and have multiple conditions that require multiple medications. The pilot would direct institutional medical staff to handle medication administration.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. TECHNICAL MOBILE LABS [LFB Paper 257]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,554,800	- \$2,554,800	\$0

Governor: Provide \$1,277,400 annually to support instructor costs at six technical mobile labs. A mobile lab is a self-contained classroom inside a trailer located on institution grounds. The Department currently operates labs in the following functional areas and at the following institutions: (a) mechatronics at the Racine Youthful Offender Correctional Facility and Robert E. Ellsworth Correctional Center (one at each location); (b) computer numerical control at Racine Correctional and Kettle Moraine Correctional (one at each location); (c) welding at Taycheedah Correctional; and (d) outdoor power equipment at Redgranite Correctional. In 2023-24, instructors were contracted from Gateway Technical College, Moraine Park Technical College, and Fox Valley Technical College.

Joint Finance/Legislature: Provision not included.

10. INSTITUTIONAL REPAIR AND MAINTENANCE

GPR	\$1,375,900

Governor/Legislature: Provide \$671,700 in 2025-26 and \$704,200 in 2026-27 for repair and maintenance costs associated with services and materials for adult institutions. Base funding for institutional repair and maintenance is \$5,917,700.

11. CONVERT CERTAIN MEDICAL-RELATED LIMITED-TERM EMPLOYEES (LTES) TO PERMANENT POSITIONS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
	Funding Positions	Funding Positions	Funding Positions
GPR	\$1,142,300 16.00	- \$1,142,300 - 16.00	\$0 0.00

Governor: Provide \$568,900 in 2025-26, \$573,400 in 2026-27, and 16.0 positions annually to convert certain medical-related LTES to permanent positions. Specifically, convert: (a) 12.0 pharmacy technician LTES to 5.0 pharmacist positions, 5.0 pharmacy technician-entry positions, 1.0 intake pharmacist position, and 1.0 sterile compound pharmacist position (\$568,900 in 2025-26 and \$573,400 in 2026-27); and (b) 4.0 psychiatric advanced practice nurse practitioners (APNP) LTES to permanent positions (funded by a reallocation of funding for contracted staff).

According to the Administration, the pharmacy technician positions are responsible for the

selection, preparation, recordkeeping, inventory, and distribution of medication, and can review unopened medication returned from institutions to re-dispense to other inmates. The psychiatric APNP positions provide psychiatric assessments, prescribe medication, and manage psychotropic medication, and may collaborate with staff to coordinate patient care, develop plans for treatment, and provide education and consultation. These duties are ongoing. In addition, the Department has faced challenges in hiring and retaining medical staff into LTE positions due to below-market pay, limited benefits, and/or the 1,040 annual work hour restriction applicable to LTEs.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. BODY-WORN CAMERAS [LFB Paper 258]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$875,500	- \$582,900	\$292,600

Governor: Provide \$437,800 in 2025-26 and \$437,700 in 2026-27 for the purchase, deployment, operation, and ongoing support of body-worn cameras for restrictive housing unit staff in adult facilities and to expand the use of body-worn cameras to certain maximum-security institution general population units. The Department is currently utilizing 209 body-worn cameras. Funding would provide for the replacement of the existing 209 devices and for 415 new cameras to be used in general population at Columbia Correctional Institution, Green Bay Correctional Institution, and Waupun Correctional Institution.

Joint Finance/Legislature: Modify funding by -\$145,200 in 2025-26 and -\$437,700 in 2026-27 to provide \$292,600 in one-time funding in 2025-26 to replace existing body-worn cameras.

13. CONTROL OF HAZARDOUS ENERGY PROGRAM IMPLEMENTATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$571,500	- \$571,500	\$0

Governor: Provide \$285,800 in 2025-26 and \$285,700 in 2026-27 to implement the Occupational Safety and Health Administration's lockout/tagout (LOTO) standards at correctional centers and to provide training on the new standards. The LOTO standards address practices and procedures necessary to disable machinery and equipment in order to prevent the unexpected startup of, or unexpected release of energy from, those machines and equipment when workers perform servicing and maintenance activities. Funding would allow the Department to contract with an outside vendor to implement a LOTO program and provide three rounds of LOTO training at various correctional facilities.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. FULL FUNDING OF WISCONSIN SECURE PROGRAM FACILITY HEALTH SERVICES UNIT [LFB Paper 259]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$266,600	- \$437,200	- \$170,600

Governor: Provide \$133,300 annually to fully fund non-salary costs associated with the Wisconsin Secure Program Facility's health services unit as authorized in 2023 Wisconsin Act 19. The new health services unit is currently not in operation. The project bid came in over-budget and needs to be re-enumerated in the 2025-27 budget to have sufficient funding to re-bid. The Department anticipates the project will be completed before the end of the 2025-27 biennium.

Joint Finance/Legislature: Remove recommended non-salary full funding (-\$133,300 annually) and existing supplies and services funding (-\$85,300 annually) as the health services unit will not be operational in the 2025-27 biennium.

15. PERIMETER PATROL VEHICLE REPLACEMENT

GPR	\$66,700

Governor/Legislature: Provide \$66,700 in one-time funding in 2025-26 for the replacement of two perimeter patrol vehicles at correctional institutions. Perimeter vehicles have a maximum speed of 12 miles per hour (meaning they are not street legal) and are specifically utilized to patrol the perimeter of the facility grounds.

16. WAIVING OF COMPETITIVE HIRING PROCEDURES FOR GREEN BAY CORRECTIONAL INSTITUTION STAFF

Governor: Specify in a nonstatutory bill provision that the Director of the Bureau of Merit Recruitment and Selection within the Department of Administration's Division of Personnel Management is authorized to waive competitive hiring procedures under Chapter 230 of the statutes for a classified employee of the Green Bay Correctional Institution (GBCI) during the period in which the facility is decommissioned to allow the employee to be hired into a different position within the Department of Corrections if the employee is qualified to perform the duties of the position. Specify that the provision only be applicable if the position is assigned to a classification with either the same or a lower pay range compared to the employee's former position at GBCI.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Community Corrections

1. COST OF SERVICES INCREASE FOR THE DIVISION OF COMMUNITY CORRECTIONS AND REENTRY UNIT [LFB Paper 265]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$10,708,000	- \$6,627,800	\$4,080,200

Governor: Provide \$4,213,200 in 2025-26 and \$6,494,800 in 2026-27 for DCC and the Office of the Secretary, Reentry Unit to fund inflationary and other cost increases associated with contracted community services. Funding is associated with a 5% increase in the respective DCC and reentry budgets. According to the Administration, in recent years, contracts for services have seen cost increases ranging from 5% to 57%. For example, since last biennium, the average daily rate for contracted residential service provider beds increased by 34.5%.

Joint Finance/Legislature: Modify funding by -\$2,173,100 in 2025-26 and -\$4,454,700 in 2026-27 to provide \$2,040,100 annually for residential service provider costs in the purchased services for offenders appropriation.

2. ALTERNATIVES TO REVOCATION EXPANSION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$8,961,600	- \$8,961,600	\$0

Governor: Provide \$2,987,200 in 2025-26 and \$5,974,400 in 2026-27 to expand available options for residential community alternatives to revocation by 100 additional beds. Available options for placement in a community alternative to revocation include placement in a specialized treatment program (such as sex offender treatment or domestic violence treatment), a residential services program (halfway house), or a residential treatment center. The Department currently contracts for 426 residential community beds that the Division of Community Corrections may use for alternative to revocation placements. Individuals in alternative to revocation beds are those who have violated a condition(s) of community supervision and are being provided an alternative to reincarceration.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. ONGOING FUNDING FOR COMMUNITY REENTRY CENTERS [LFB Paper 266]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,000,000	- \$2,000,000	\$2,000,000

Governor: Provide \$2,000,000 annually to support the creation and ongoing operations of community reentry centers. Under 2023 Act 233, the Department is required to contract with at least one non-profit organization, for-profit entity, or public agency to establish a community reentry center(s) that offers individuals being released from state correctional institutions an initial point of contact for health, identification, financial, housing, employment, education, and supervision services. On June 6, 2024, the Joint Committee on Finance transferred \$4,000,000 provided in the Joint Committee on Finance's supplemental appropriation to the Department's annual community reentry centers appropriation in 2024-25 for this purpose on a one-time basis. The Department recently announced its intent to operate the first Act 233 community reentry center in Milwaukee. The proposed Milwaukee center would cost \$1.2 million in the first year of operation.

Joint Finance/Legislature: Modify funding by -\$1,000,000 annually to provide \$1,000,000 annually for the operation of the reentry center(s).

4. SUPPORTIVE HOUSING SERVICES BEDS EXPANSION [LFB Paper 267]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,190,500	- \$3,190,500	\$0

Governor: Provide \$1,063,500 in 2025-26 and \$2,127,000 in 2026-27 to expand available options for supportive housing services beds by 50 additional beds. Supportive housing beds are intended to address housing instability. Supportive housing placement is for up to 180 days; transportation, meals, and case-management services are also provided to simultaneously address residential instability and treatment needs. According to the Administration, expansion of these services could encourage more holistic support of individuals on community supervision. Funding is provided for six months in 2025-26 and for a full year in 2026-27 and thereafter and is based on the average current program rate (\$111 per day) plus an additional 5% for inflation.

Joint Finance/Legislature: Provision not included.

5. REGIONAL RECOVERY COACHES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,017,000	- \$1,017,000	\$0

Governor: Provide \$339,000 in 2025-26 and \$678,000 in 2026-27 to contract for nine community supervision regional recovery coaches around the state. According to the Administration, recovery coaches are individuals, often with lived experience with addiction and/or incarceration, who provide personal support to individuals with substance use disorder needs and aid in navigating the complexities of addiction by removing barriers to treatment, assisting with harm reduction, and providing resource connection. Funding would be provided for six months in 2025-26 and for a full year in 2026-27 and thereafter, and is based on the average cost of services from various organizations ranging from 15-minute sessions to 60-minute sessions. The coaches would focus on individual recovery for those with an identified substance use disorder.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. GLOBAL POSITIONING SYSTEM (GPS) SEX OFFENDER TRACKING

GPR	\$854,600
PR	44,900
Total	\$899,500

Governor/Legislature: Provide \$346,300 GPR and \$18,200 PR in 2025-26 and \$508,300 GPR and \$26,700 PR in 2026-27 to monitor sex offenders who are on GPS tracking. The Department is statutorily required to monitor certain sex offenders, including sex offenders on lifetime supervision (who are tracked until they are deceased). As a result, the total number of individuals tracked by the Department continues to increase.

In 2023-25, the Department had a budget for a projected GPS-monitored population of 3,396 individuals. However, as of February 1, 2025, the Department was monitoring 3,616 individuals by GPS. The recommended funding covers the costs of the individuals not budgeted for in the 2023-25 biennium, as well as a projected GPS-monitored population increase of 128 individuals by the end of 2025-26 and an additional 128 individuals by the end of 2026-27. The GPS-monitored population projections for 2025-27 are based on a three-year average of the actual number of individuals required to be on GPS tracking.

7. FULL FUNDING OF GLOBAL POSITIONING SYSTEM SEX OFFENDER TRACKING

GPR	\$310,000
PR	16,400
Total	\$326,400

Governor/Legislature: Provide \$155,000 GPR and \$8,200 PR annually to fund non-salary costs funded for a partial year in 2024-25 associated with GPS tracking.

8. WINDOWS TO WORK FUNDING

GPR

\$1,000,000

Joint Finance/Legislature: Provide \$1,000,000 in one-time funding in 2025-26 to the Becky Young community corrections; recidivism reduction community services appropriation for integration of virtual reality job training technology in existing workforce contracts. Modify statutory language under s. 301.068(3)(b) to specify services may include "education and vocational training utilizing virtual reality technologies."

Veto by Governor [B-4]: Delete the modified statutory and non-statutory language of this provision.

[Act 15 Vetoes Sections: 326 and 9108(2)]

Adult Sentencing

1. EARNED RELEASE PROGRAM CRITERIA AND ELIGIBILITY

Governor: Modify statutory language to change the name of the Wisconsin substance abuse program to the Wisconsin earned release program and to change the language of "substance abuse" to "substance use disorder" under program provisions. In addition, make the following modifications to the program:

a. *Earned Release Program Eligibility.* Modify current law to allow the Department of Corrections, rather than the sentencing court, to determine eligibility in the earned release program. In considering program eligibility, specify that the Department must consider a prior determination by the sentencing court, if applicable. Repeal statutory language that allows an inmate sentenced before July 26, 2003, to petition the sentencing court to determine earned release program eligibility. [Under the bill, the Department would be able to make program eligibility determinations for these individuals.] Remove the bifurcated sentence of imprisonment and extended supervision provisions related to earned release program eligibility [s. 973.01(3g)] and explanation of sentence regarding earned release [s. 973.01(8)(ag)].

b. *Earned Release Program - Vocational Readiness Training and Mother-Young Child Care Programs.* Expand the earned release program to include not only substance use disorder programs, but also vocational readiness training programs and the mother-young child care program. For the purposes of the Wisconsin earned release program, define "vocational readiness training program" to mean an educational, vocational, treatment, or other evidence-based training program to reduce recidivism. Specify that the Department must provide vocational readiness training programs as an eligible program for earned release at any correctional facility the Department deems appropriate. The Department must inform the sentencing court when an eligible inmate serving a bifurcated sentence has completed a substance use disorder treatment program, a vocational readiness training program, or the mother-young child care program. Upon

being informed, as under current law, the court must modify the inmate's sentence by shortening the confinement portion of a sentence and lengthening the extended supervision period by a corresponding amount. Specify that, for individuals serving an indeterminate sentence, upon successful completion of a substance use disorder treatment program, vocational readiness training program, or the mother-young child care program, the Parole Commission must parole an inmate, regardless of time served, and must require the parolee to participate in an intensive supervision program for drug abusers, as a condition of parole, if the inmate completed the substance use disorder treatment program. Separately, the Department may place intensive sanction program participants in a substance use disorder treatment program (although the Department is not required to notify the court, and the court is not required to modify the participant's sentence, in this circumstance).

c. *Administrative Rules.* Specify that the Department of Corrections must update its administrative rules to implement earned release for completion of a vocational readiness training program, including specification of eligibility to participate criteria for persons sentenced before the effective date of this provision.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. EARNED COMPLIANCE CREDIT

Governor: Establish the earned compliance credit to require a person with a qualifying offense, upon revocation of extended supervision or parole, to be given credit toward the service of his or her sentence for each day the person spent on extended supervision or parole without violating a condition or rule of extended supervision or parole, prior to the violation that resulted in the revocation. Define "qualifying offense" to mean any offense but not including: (a) a crime against life and bodily security (Chapter 940 of the statutes); (b) sexual assault of a child; (c) repeat acts of sexual assault of the same child; (d) physical abuse of a child; (e) sexual exploitation of a child; (f) trafficking of a child; (g) causing a child to view or listen to sexual activity; (h) incest with a child; (i) child enticement; (j) use of a computer to facilitate a child sex crime; (k) soliciting a child for prostitution; (l) sexual assault of a child placed in substitute care; or (m) sexual assault of a child by a school staff person or a person who works or volunteers with children.

Specify that earned compliance credit amounts must be calculated and applied by the appropriate reviewing authority (DOA's Division of Hearings and Appeals, or the Secretary of the Department of Corrections if the individual has waived a revocation hearing) when determining time remaining on a bifurcated sentence. In addition, a person released to extended supervision after service of the period of time specified by the reviewing authority is subject to all conditions and rules imposed until the expiration of the time remaining on the bifurcated sentence.

Specify that the earned release compliance credit does not apply to a person required to register as a sex offender and may only be used for the time spent in the community for qualifying offenses, if a person is serving more than one sentence. However, specify that a convicted offender made available to another jurisdiction must be credited with service of his or her Wisconsin sentence, including any earned compliance credit, for the duration of custody in the other

jurisdiction.

Specify that a person who is serving a sentence for a qualifying offense and who is in custody upon revocation of extended supervision or parole on the effective date of this provision may petition to be given earned compliance credit. Upon proper verification of the facts alleged in the petition, the earned compliance credit must be applied retroactively. If the Department is unable to determine whether credit should be given, or otherwise refuses to award retroactive credit, the person may petition the sentencing court for relief. Specify that this provision applies regardless of the sentencing date. Individuals subject to the sex offender registry remain ineligible for the earned release credit under this provision.

Modify statutory language to include the earned compliance credit to the revoked parolee tolling period provisions. Under current law, the sentence of a revoked parolee or person on extended supervision resumes running on the day he or she is received at a correctional institution, up to the total length of the original sentence, subject to sentence credit for the period of custody in a jail, correctional institution, or any other detention facility, pending revocation.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. FIREARM AND FIREARM ACCESSORY CRIMES AND OTHER PENALTIES

Governor: Create the following firearm-related offenses:

a. *Possession of Firearm Accessories that Accelerate the Rate of Fire.* Specify that no person may import, sell or offer to sell, purchase, manufacture, transfer, use, or possess a trigger crank, a bump-fire device, or any part, combination of parts, component, device, attachment, or accessory that is added after manufacture that is designed to accelerate or functions to accelerate the rate of fire of a semiautomatic firearm. Specify that a person violating this provision is guilty of a Class G felony. Note that this provision would not apply to importation, sale, purchase, manufacture, transfer, use, or possession by or under the authority of the federal government or a state or local government. No person would be subject to a penalty for violation of this provision for the first 180 days after the effective date of the provision.

b. *Undetectable Firearms; Serial Number on Firearm Components.* Specify that whoever sells, offers to sell, transfers, transports, manufactures, possesses, or goes armed with an undetectable firearm is guilty of a Class G felony. Specify that whoever sells, offers to sell, transfers, posts, provides to another, or possesses plans for manufacturing an undetectable firearm is guilty of a Class H felony. These provisions would not apply to a person who is licensed by a state or the federal government to manufacture undetectable firearms, a law enforcement officer, or armed forces or National Guard personnel while the person is on official duty.

Specify that whoever possesses a frame or a receiver of a firearm that is not attached to a firearm and that is not marked or engraved with a serial number is guilty of a Class I felony. This provision would not apply to a firearm frame or receiver manufactured before 1968, a person who is licensed by a state or the federal government to manufacture undetectable firearms, a law

enforcement officer, or armed forces or National Guard personnel while the person is on official duty.

Add these crimes to the definition of "firearm violation" under the mandatory minimum sentence for repeat firearm crimes statutes.

c. Storing a Firearm in a Residence at Which a Prohibited Person Resides. Specify that a person who resides with a person who is prohibited from possessing a firearm must store any firearm he or she possesses in a securely locked box or container or in a locked location that a reasonable person would believe to be secure or ensure that the trigger lock is engaged on the firearm, when the person is not carrying the firearm. Specify that a person violating this provision is guilty of a Class A misdemeanor for a first offense and a Class I felony for a second or subsequent offense.

d. Storing a Firearm When a Child is Present. Repeal the current statutes pertaining to leaving or storing a loaded firearm within the reach or easy access of a child and replace with statutes pertaining to the storage of a firearm if children are present. Specify that whoever resides with a child, or knows a child will be present in his or her residence, may not store or leave a firearm at his or her residence unless the firearm is in a securely locked box or container or in a locked location that a reasonable person would believe to be secure or unless a trigger lock is engaged on the firearm. This prohibition would not apply to a person who is going armed with the firearm. Specify that a person violating this provision is guilty of a Class A misdemeanor for a first offense and a Class I felony for a second or subsequent offense.

Renumber cross-references to this statute in the issuance and filing of complaints and arrest by a law enforcement officer provisions under current law.

e. Containers and Trigger Locks at Sale. Rename the "warning whenever transferring a firearm" statute to "requirements whenever transferring a firearm." Specify that upon the retail commercial sale or retail commercial transfer of any firearm, the seller or transferor must provide to the buyer or transferee a written warning block in letters not less than one-fourth inch in height (current law), and also newly require them to provide a secure, lockable container that is designed to store a firearm or a trigger lock for a firearm. The penalty for violation of this requirement would be a fine up to \$500 or imprisonment for up to 30 days or both. Note that this penalty exists in current law, but it would also apply to the new containers or locks requirement. These provisions first apply to sales and transfers that occur on the effective date of the provisions.

f. Reporting a Lost or Stolen Firearm. Specify that a person who owns a firearm and who discovers that the firearm is stolen or lost must, within 24 hours of the discovery, report the theft or loss to a law enforcement agency that has jurisdiction over the area in which the firearm was stolen or lost. If the person who has reported a theft or loss of a firearm recovers the firearm, the person must report as soon as practicable to a law enforcement agency the date on which the firearm was recovered. Specify that a person who violates these requirements is guilty of a Class A misdemeanor for a first offense and a Class I felony for a second or subsequent offense. Provide that a person who reports a firearm stolen or lost when he or she knows the report is false is guilty of violating provisions pertaining to resisting or obstructing an officer.

Specify that a law enforcement agency that receives a report of a lost or stolen firearm must: (1) create a file that includes the date on which the firearm was lost or stolen, the caliber, make, and model of the firearm, the serial number of the firearm, any distinguishing mark on the firearm, and the location at which the firearm was purchased by, or transferred to, the person making the report (if known); and (2) as soon as practicable, forward a copy of the file created to the Department of Justice for inclusion in a database available to law enforcement agencies. A law enforcement agency that receives notice that a firearm has been recovered must report to the Department of Justice the date on which it was recovered. [See "Justice -- Firearms" for information that the Department of Justice is required to make available as it relates to lost or stolen firearm reports.]

Modify the warning whenever transferring a firearm statute to specify that a written notice of reporting lost or stolen firearms and of the penalties must be included upon the retail commercial sale or retail commercial transfer of any firearm.

g. *Definitions.* Provide the following definitions:

"Major component" means the barrel, the slide or cylinder, or the frame or receiver of a firearm.

"Undetectable firearm" means any of the following: (1) a firearm that, after the removal of grips, stocks, and magazines, is not detectable by a metal detector calibrated to detect a security exemplar, as defined by federal law; or (2) a firearm if any major component of it does not generate an image that accurately depicts the shape of the component when subject to inspection by security scanners, x-ray machines, or other security devices commonly used at airports.

Specify that crimes pertaining to the possession of firearm accessories that accelerate the rate of fire and undetectable firearms; serial number on firearm components fall under the definition of "violent felony."

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. EXPUNGEMENT OF CRIMINAL RECORDS

Governor: Modify expungement of criminal records and related provisions, as follows:

a. *Expungement of Criminal Record Modifications.* Modify the current expungement statutes to remove the provisions related to differentiated treatment of persons under the age of 25, and instead provide that a court may order that a criminal case be expunged after a conviction by one of the following methods: (1) at the time of sentencing, the court may order the record expunged upon successful completion of the sentence, if the court determines that the person has not previously had a record expunged under this provision and that the person will benefit and society will not be harmed by the disposition; or (2) the person may file a petition in the county of conviction requesting the record to be expunged, if at least one year has passed since successful completion of his or her sentence, there are no criminal charges pending against the person, the

person has not previously had a record expunged under this provision, and the person has not exceeded the maximum number of petitions allowed.

Under the bill, a person has successfully completed the sentence if: (1) the person completed all periods of incarceration, parole, or extended supervision to which he or she was sentenced; (2) the person paid all fines, costs, fees, surcharges, and restitution assessed; (3) the person completed any court-ordered community services; (4) the person has not been convicted of a subsequent crime; and (5) if probation was imposed, the probation has not been revoked. Specify that if a sentence is completed involving incarceration or probation, the detaining or probationary authority must issue and forward to the court of record a certificate of discharge that indicates whether the person successfully completed his or her sentence. If the person has been incarcerated, the detaining authority must forward a copy of the certificate the Department of Corrections.

In addition, a person is ineligible for expungement if there are criminal charges pending against the person, the person has exceeded the maximum number of petitions allowed (two), or the conviction at issue: (1) is for a crime for which the maximum period of imprisonment is more than six years (Class H felony or higher); (2) is a violation of traffic crimes (Chapters 341 to 348); (3) the court ordered the record ineligible for expungement at sentencing; (4) is a violation of stalking (any class), criminal trespass to dwellings, or if the court noted in the record that the property damage was a business; or (5) is a violation of a domestic abuse temporary responding order or injunction. Current law provisions prohibiting expungement for a violent felony remain unchanged under the bill.

Provide that the court must review the petition and determine if the person is eligible. If the court determines the person is eligible, the petition is forwarded to the District Attorney. If the District Attorney requests a hearing within 90 days after reviewing the petition, the court must schedule a hearing to review the petition. If the District Attorney waives the hearing, or at least 90 days have passed, the court may review the petition with or without a hearing. If a hearing is held, the sentencing judge must be the judge to review the petition, if practicable. Specify that the court may order the record expunged if the person will benefit and society will not be harmed by the disposition. If the record is not expunged, the person may file a second petition, along with a \$100 fee to the Clerk of Circuit Court, only if two years have passed since the first petition was filed. No person may file more than two petitions per record.

Under current law, a court may expunge a criminal record if: (1) the person is under the age of 25 at the time of the commission of the offense for which the person has been found guilty; (2) the offense is not a violent felony and carries a maximum period of imprisonment of six years or less (Class H felony or less); (3) the person has not been previously convicted of a felony; and (4) the court ordered at the time of sentencing that the record be expunged upon successful completion of the sentence (if the court determines the person will benefit and society will not be harmed by the disposition). The court must order at the time of sentencing that the record be expunged upon successful completion of the sentence if the offense was for a violation of certain invasion of privacy provisions and the person was under the age of 18 at the time the crime was committed. The current law expungement provisions do not apply to certain specified crimes.

Under current law, a person has successfully completed the sentence if the person has not

been convicted of a subsequent offense and, if on probation, the probation has not been revoked and all probation conditions have been satisfied. Upon successful completion of the sentence, the detaining or probationary authority must issue a certificate of discharge which must be forwarded to the court, having the effect of expunging the record. If the person has been imprisoned, the detaining authority must forward a copy of the certificate of discharge to the Department of Corrections. Current law specifies that a court may also expunge a record for certain crimes upon motion to the court.

b. *Victim Notification and Rights.* Include expungement proceedings and hearings as events for which victims and witnesses have the right to require reasonable attempts to be made to notify the victim of hearings or court proceedings. Specifically, the District Attorney must make a reasonable attempt to notify the victim of the petition (including obtaining the victim address information from the Clerk of the Circuit Court), and must inform the victim that he or she may waive the requirement and that, if waived, the court may review the petition without a hearing. In addition, specify that the District Attorney must inform the victim of manner in which he or she may provide written statements concerning the petition and that, if the victim does not waive the hearing requirement, he or she may appear at the hearing. If the victim waives the hearing requirement, the District Attorney may inform the court that there is no objection to waiving the requirement.

c. *Employment Discrimination Due to Criminal Record.* Provide that employment discrimination because of conviction record includes, but is not limited to, requesting an applicant, employee, member, licensee, or any other individual, on an application form or otherwise, to supply information regarding a crime for which the record has been expunged. Specify that a request to supply information regarding criminal convictions must not be construed as a request to supply information regarding a crime for which the record has been expunged. Renumber current statutes related to discrimination because of an arrest record.

Specify that it is employment discrimination for an employer or licensing agency to engage in any act of employment discrimination on the basis of an expunged conviction record. Specify that this provision also applies to discrimination by licensing agencies in licensing provisions. Specify that a record for a crime expunged is not considered a conviction for employment purposes or for purposes of the issuance of a license by a licensing agency. Further, specify that it is not employment discrimination for the Law Enforcement Standards Board to refuse to certify, recertify, or allow to participate in a preparatory training program or to decertify an individual who has an expunged conviction record. These provisions would not apply to the extent that they conflict with federal law.

d. *Applicability.* The treatment of the created or modified expungement of criminal records provisions first apply to a conviction for which sentencing has occurred, but for which the record has not been ordered or expunged on the effective date of these provisions. The treatment of other provisions impacted by the bill first apply on the first day of the 13th month beginning after publication.

e. *Definitions.* For the purposes of the expungement provisions, define "record" to mean a criminal case file. The expungement provisions are intended to include the provisions of 2021

Assembly Bill 69 and Assembly Amendment 1 to Assembly Bill 69.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. IMMUNITY FOR CERTAIN CONTROLLED SUBSTANCES OFFENSES

Governor: Modify the statutory title for "Immunity from Criminal Prosecution" to add "and Revocation of Parole, Probation, or Extended Supervision." In addition, modify provisions under this title to provide that an "aider" may not have his or her parole, probation, or extended supervision revoked for the possession of drug paraphernalia, a controlled substance, controlled substance analog, or of a masking agent under the circumstances surrounding or leading to the commission of an act that qualifies a person as an aider, if the aider's attempt to obtain assistance occurs immediately after the aider believes the other person is suffering from an overdose or other adverse reaction.

Specify that no aided person may have his or her parole, probation, or extended supervision revoked under the circumstances surrounding or leading to the commission of an "aider" act if the aided person completes a treatment program as a condition of his or her parole, probation, or extended supervision or, if programming is unavailable or would be financially prohibitive, if the aided person agrees to be imprisoned in the county jail for not less than 15 days. In addition, specify that if an aided person is subject to prosecution for the possession of drug paraphernalia, a controlled substance, controlled substance analog, or of a masking agent under circumstances surrounding or leading to the commission of an act that qualifies a person as an aider, the District Attorney must offer the aided person a deferred prosecution agreement that includes the completion of a treatment program. This provision would not apply to an aided person who is on parole, probation, or extended supervision and fails to meet the above-mentioned treatment program or county jail conditions.

Under current law, an "aider" means a person who: (a) brings another person who is, or is reasonably believed to be, suffering from an overdose or other adverse reaction to a controlled substance to a fire station or healthcare facility and makes contact with staff; (b) summons and makes contact with a law enforcement officer, ambulance, emergency medical services practitioner, or other health care provider in order to assist another person who is, or is reasonably believed to be, suffering from an overdose or adverse reaction; or (c) calls "911," or where the number is not available, calls a number for an emergency medical service provider and makes contact with an individual answering the number, with the intent to obtain assistance for another person who is, or is reasonably believed to be, suffering from an overdose or adverse reaction.

This provision permanently restores the expanded immunities temporarily provided under 2017 Act 33. The provisions under Act 33 expired on August 1, 2020.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Juvenile Corrections

1. JUVENILE POPULATION ESTIMATES AND CONTRACTS FOR PLACEMENT [LFB Paper 270]

Governor: Under the Administration's recommendation, the juvenile correctional facility average daily population (ADP) is estimated to be 68 in 2025-26, 68 from July 1 to September 30, 2026, and 58 (with an additional five juveniles in state custody at contracted facilities) from October 1, 2026 to June 30, 2027, as shown in the table below. The juvenile facilities include Lincoln Hills School (LHS) (males), Copper Lake School (CLS) (females), the Mendota Juvenile Treatment Center (MJTC), and the Grow Academy, an agriculture science-based experiential education program held at a facility in Oregon, Wisconsin. Starting October 1, 2026, close LHS/CLS, and shift the juveniles to the new DOC Type 1 facility in Milwaukee, and the Racine and Milwaukee County Secure Residential Care Centers for Children and Youth (SRCCs).

SB 45/AB 50 Average Daily Population, 2025-26 and 2026-27

Facility	Average Daily Population			
	February 21, 2025	2025-26	2026-27	
			July 1 to October 1, 2026	October 1, 2026 to June 30, 2027
Lincoln Hills School	70	34	34	0
Copper Lake School	13	8	8	0
Milwaukee Type 1	0	0	0	32
Mendota Juvenile Treatment Center	27	21	21	21
Grow Academy	<u>6</u>	<u>5</u>	<u>5</u>	<u>5</u>
Subtotal Juvenile Correctional Facilities	116	68	68	58
Contracted Facilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Total Juvenile Correctional Responsibility	116	68	68	63
Other 2017 Act 185 Facilities*				
Racine SRCC Juveniles no longer at LHS	0	15	15	15
Milwaukee SRCC Juveniles no longer at LHS	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
Subtotal Other Facilities	0	0	15	20
Total	116	83	83	83

* Figures represent the number of county juveniles that would have been at LHS/CLS without the additional facilities provided by Act 185. The figures are not inclusive of all county juveniles placed at SRCCs.

Create a new GPR sum sufficient appropriation, not to exceed \$20,000,000 in each fiscal year, for payments made in accordance with contracts for placement of juveniles who are under the supervision of DOC. Provide that the appropriation is repealed on July 1, 2029, when the Dane

County Type 1 facility is expected to be completed.

Joint Finance/Legislature: Reestimate the juvenile correctional facility average daily population (ADP) at 78 in 2025-26 and 73 in 2026-27, as shown in the table below. Provision to create a new GPR sum sufficient appropriation not included.

Reestimated Average Daily Population, 2025-26 and 2026-27

Facility	Average Daily Population		
	2025-26	2026-27	
		July 1 to October 1, 2026	October 1, 2026 to June 30, 2027
Lincoln Hills School	35	30	0
Copper Lake School	7	7	7
Milwaukee Type 1	0	0	30
Mendota Juvenile Treatment Center - Male	24	24	24
Mendota Juvenile Treatment Center - Female	7	7	7
Grow Academy	<u>5</u>	<u>5</u>	<u>5</u>
Subtotal Juvenile Correctional Facilities	78	73	73
Other 2017 Act 185 Facilities*			
Racine SRCC Juveniles no longer at LHS	15	15	15
Milwaukee SRCC Juveniles no longer at LHS	<u>0</u>	<u>5</u>	<u>5</u>
Subtotal Other Facilities	15	20	20
Total	93	93	93

* Figures represent the number of county juveniles that would have been at LHS/CLS without the additional facilities provided by Act 185. The figures are not inclusive of all county juveniles placed at SRCCs.

2. MENDOTA JUVENILE TREATMENT CENTER REESTIMATE [LFB Paper 270]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$19,860,000	\$23,166,800	\$43,026,800

Governor: Provide \$9,250,900 in 2025-26 and \$10,609,100 in 2026-27 related to payments to the Department of Health Services (DHS) for juveniles placed at the Mendota Juvenile Treatment Center (MJTC). Funding for MJTC payments to DHS in 2024-25 is \$1,365,500 GPR and \$4,068,600 PR. However, DHS has increased the daily rate that is charged to the Division of Juvenile Corrections (DJC) due, in part, to the creation of 123.1 PR positions at MJTC as well as compensation increases for correctional security positions in the 2023-25 compensation plan. In 2023-24, through a passive review request submitted by the Department of Administration on behalf of Corrections and approved by the Joint Committee on Finance, DJC received an increase in expenditure authority of \$10,187,500 PR for the juvenile correctional services appropriation, including \$3,000,000 PR for increased MJTC costs, and is expected to make a similar request in

2024-25.

This PR reestimate is based on the assumption that DJC will be supporting the PR needed to staff 64 beds, instead of the 29 that DJC has contracted for in prior fiscal years. The transfer amount is also based on providing additional GPR directly to MJTC. [See "Health Services -- Care and Treatment Facilities."]

Modify statute to specify that DOC will reimburse the DHS for the cost of providing services for juveniles who are under the supervision of DOC and are placed at MJTC at a per person daily cost specified by DHS. DHS may charge DOC not more than the actual cost of providing those services. This provision is included because county SRCCs will soon be able to send juveniles to MJTC as well.

Joint Finance/Legislature: Modify by \$11,583,400 PR annually to provide \$20,834,300 PR in 2025-26 and \$22,192,500 PR in 2026-27 related to payments to DHS for juveniles placed at MJTC. Provision amending statutes not included.

3. STATUTORY DAILY RATES [LFB Paper 270]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$55,506,800	147.05	- \$34,593,300	0.00	\$20,913,500	147.05
PR	<u>- 42,363,300</u>	<u>- 297.00</u>	<u>42,363,300</u>	<u>297.00</u>	<u>0</u>	<u>0.00</u>
Total	\$13,143,500	- 149.95	\$7,770,000	297.00	\$20,913,500	147.05

Governor: Provide \$34,593,300 GPR and 147.05 GPR positions in 2025-26 and \$20,913,500 GPR, -\$42,363,300 PR, 147.05 GPR, and -297.00 PR positions in 2026-27 to: (a) maintain the statutory daily rate for secure juvenile facilities at the 2024-25 level for the 2025-27 biennium; and (b) in October, 2026, open the Milwaukee Type 1 facility and close LHS/CLS.

In the first year, program revenue costs that are the basis for the daily rate would be supplemented with \$28,119,400 GPR to the juvenile correctional services general program operations appropriation. In addition, \$6,473,900 GPR and 147.05 GPR positions (one month of funding) would be provided for the Milwaukee Type 1 facility to enable both in-class training and job shadowing at LHS/CLS for new staff before juveniles transition to the facility in October, 2026.

In the second year, provide that all PR positions at LHS/CLS would be eliminated (-\$42,363,300 PR and -297.00 PR positions in 2026-27). Instead, the first three months of position costs at LHS/CLS would be funded from GPR, which would decrease PR costs usually part of the basis for the daily rate. [See "Corrections -- Adult Facilities" for information regarding Lincoln Correctional Institution.] In addition, \$20,913,500 GPR and 147.05 GPR positions are provided for 12 months of personnel-related costs for the Milwaukee Type 1 facility.

The daily rate is also maintained at 2024-25 levels by providing \$11,583,400 GPR annually

directly to MJTC under DHS. [See "Health Services -- Care and Treatment Facilities."]

Establish the statutory daily rate at \$1,268 in 2025-26 and 2026-27 for juvenile correctional services provided or purchased by the Department that would be charged to counties and paid through counties' youth aids allocations, or paid by the state through the serious juvenile offender appropriation and contract beds appropriation. The current daily rate for 2024-25 is \$1,268. Under current law, daily rates for juvenile care in a given biennium are specified in statute by fiscal year for juvenile correctional facilities. Further, the daily rate for the juvenile correctional facilities currently includes a statutorily specified \$6 add-on to address the juvenile operations appropriation deficit.

Costs associated with secure juvenile facilities have increased substantially since 2022-23 for several reasons, including correctional security pay raises in the 2023-25 compensation plan and the creation of new positions at MJTC. The provision of GPR in the bill would offset cost increases, which would otherwise necessitate increases in the daily rate.

Joint Finance/Legislature: Modify funding by -\$34,593,300 GPR and -147.05 GPR positions in 2025-26 and \$42,363,300 PR and 297.0 PR positions in 2026-27 to provide \$20,913,500 GPR and 147.05 GPR positions in 2026-27 for the Milwaukee Type 1 facility. Specify a daily rate of \$2,501 in 2025-26 and \$2,758 in 2026-27.

Veto by Governor [C-9]: Delete the "2" of each daily rate to create a daily rate of \$501 in 2025-26 and \$758 in 2026-27.

[Act 15 Section: 327m]

[Act 15 Vetoed Section: 327m]

4. **SERIOUS JUVENILE OFFENDER FUNDING** [LFB Paper 270]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$717,300	\$57,638,500	\$58,355,800

Governor: Provide \$3,120,400 in 2025-26 and -\$2,403,100 in 2026-27 related to providing juvenile institution care, alternate care, and community supervision for serious juvenile offenders (SJO). Estimated costs are associated with the statutory daily rate for the estimated populations. The estimated ADP for the SJO population would be 88 in 2025-26 and 81 in 2026-27. Base funding for the program is \$25,204,700 GPR annually. The following ADPs for the SJO appropriation are projected for the 2025-27 biennium:

Average Daily Population

<u>Type of Care</u>	<u>Serious Juvenile Offenders</u>		
	<u>January, 2025</u>	<u>2025-26</u>	<u>2026-27</u>
Juvenile Correctional Facilities	35	43	26
Community Supervision Program	<u>38</u>	<u>45</u>	<u>55</u>
Total ADP	73	88	81
Alternate Care*	15	18	22

* A subset of the community supervision program (corrective sanctions and aftercare supervision) program that includes residential care centers, group homes, treatment foster homes, and certain supplemental living arrangements.

Joint Finance/Legislature: Modify provision by \$23,589,400 GPR in 2025-26 and \$34,049,100 GPR in 2026-27 to provide \$26,709,800 GPR in 2025-26 and \$31,646,000 GPR in 2026-27 for the serious juvenile offender program. Funding is based on juvenile facility daily rates of \$2,501 in 2025-26 and \$2,758 in 2026-27 as set by the Legislature. [The Governor's partial veto reduced these daily rates to \$501 in 2025-26 and \$758 in 2026-27.] The reestimated ADP for the SJO population is 85 in 2025-26 and 2026-27. The following ADPs for the SJO appropriation are projected for the 2025-27 biennium:

Reestimated SJO Average Daily Population

<u>Type of Care</u>	<u>Serious Juvenile Offenders</u>	
	<u>2025-26</u>	<u>2026-27</u>
Juvenile Corrections Facilities	49	49
Community Supervision Program	<u>36</u>	<u>36</u>
Total ADP	85	85
Alternate Care*	17	17

* A subset of the community supervision program (corrective sanctions and aftercare supervision) that includes residential care centers, group homes, treatment foster homes, and certain supplemental living arrangements.

5. POPULATION AND INFLATIONARY COSTS [LFB Paper 270]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- \$444,100	\$468,500	\$24,400

Governor: Provide modifications to population-related funding for juvenile corrections by \$18,700 in 2025-26 and -\$462,800 in 2026-27, as follows:

<u>Population-Related Cost</u>	<u>2025-26</u>	<u>2026-27</u>
Food	\$28,600	-\$209,000
Variable Non-Food*	-5,600	-59,200
Variable Non-Food Health	<u>-4,300</u>	<u>-194,600</u>
Total	\$18,700	-\$462,800

*Such as clothing, laundry, and personal items.

Joint Finance/Legislature: Modify funding by \$300 in 2025-26 and \$468,200 in 2026-27 to provide \$19,000 in 2025-26 and \$5,400 in 2026-27, as follows:

Reestimated Population-Related Costs

<u>Population-Related Cost</u>	<u>2025-26</u>	<u>2026-27</u>
Food	\$28,900	\$6,400
Variable Non-Food*	-5,600	-13,700
Variable Non-Food Health	<u>-4,300</u>	<u>12,700</u>
Total	\$19,000	\$5,400

*Such as clothing, laundry, and personal items.

6. YOUTH WITH ADULT SENTENCES CONTRACT BED FUNDING [LFB Paper 270]

GPR	\$19,877,900

Joint Finance/Legislature: Based on reestimated populations and daily rates as set by the Legislature (\$2,501 in 2025-26 and \$2,758 in 2026-27), increase the Division of Adult Institutions contract bed funding by \$9,000,900 in 2025-26 and \$10,877,000 in 2026-27 for youth with adult sentences. [The Governor's partial veto reduced these daily rates to \$501 in 2025-26 and \$758 in 2026-27.]

7. AGE OF JUVENILE JURISDICTION

Governor: Modify current law, first applicable to acts committed on the day after publication of the bill, to specify that persons who have not attained the age of 18 years are subject to the procedures specified in the Juvenile Justice Code and, on being adjudicated delinquent, subject to an array of dispositions under that code including placement in a juvenile correctional facility. Similarly, modify from 17 to 18 the age at which a person who is alleged to have violated a civil law or municipal ordinance is subject to the jurisdiction and procedures of the circuit court or, if applicable, the municipal court. Specify that the provisions would become effective on January 1, 2026.

Under current law, a person 17 years of age or older who is alleged to have violated a criminal law is subject to adult procedures and sentencing under the Criminal Code, which may include a sentence of imprisonment in the Wisconsin state prisons. Subject to certain exceptions, a person under 17 years of age who is alleged to have violated a criminal law is subject to the

procedures specified in the Juvenile Justice Code and, on being adjudicated delinquent, is subject to an array of dispositions under that code including placement in a juvenile correctional facility. [For information on funding provided to counties associated with the age of juvenile jurisdiction, see "Children and Families -- Juvenile Justice."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

COURT OF APPEALS

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$26,365,200	\$25,883,500	\$25,883,500	\$25,883,500	\$25,883,500	- \$481,700	- 1.8%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	75.50	75.50	75.50	75.50	75.50	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	- \$481,700

Governor/Legislature: Adjust funding for standard budget adjustments as shown in the following table.

2025-26

Full Funding of Cont. Pos. Salary/Fringe	-\$360,500
Full Funding of Lease/Directed Moves	<u>114,500</u>
Total	-\$246,000

2026-27

Full Funding of Cont. Pos. Salary/Fringe	-\$360,500
Full Funding of Lease/Directed Moves	<u>124,800</u>
Total	-\$235,700

Biennial Total	-\$481,700

DISTRICT ATTORNEYS

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$135,273,200	\$170,180,500	\$152,422,900	\$152,422,900	\$152,422,900	\$17,149,700	12.7%
PR	<u>7,861,800</u>	<u>7,333,900</u>	<u>11,569,300</u>	<u>11,569,300</u>	<u>11,569,300</u>	<u>3,707,500</u>	47.2
TOTAL	\$143,135,000	\$177,514,400	\$163,992,200	\$163,992,200	\$163,992,200	\$20,857,200	14.6%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	460.80	544.30	502.80	502.80	502.80	42.00
PR	<u>38.50</u>	<u>27.30</u>	<u>46.80</u>	<u>46.80</u>	<u>46.80</u>	<u>8.30</u>
TOTAL	499.30	571.60	549.60	549.60	549.60	50.30

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$5,185,600	0.00	-\$1,958,200	0.00	\$3,227,400	0.00
PR	<u>1,358,100</u>	<u>- 4.20</u>	<u>0</u>	<u>0.00</u>	<u>1,358,100</u>	<u>- 4.20</u>
Total	\$6,543,700	- 4.20	-\$1,958,200	0.00	\$4,585,500	- 4.20

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>PR</u>	<u>Total</u>
2025-26			
Turnover Reduction	-\$1,468,700	\$0	-\$1,468,700
Removal of Noncontinuing Elements	0	-430,300	-430,300
Full Funding of Cont. Pos. Salary/Fringe	3,966,200	1,114,500	5,080,700
Night and Weekend Differential	<u>95,300</u>	<u>0</u>	<u>95,300</u>
Total	\$2,592,800	\$684,200	\$3,277,000

	<u>GPR</u>	<u>PR</u>	<u>Total</u>
2026-27			
Turnover Reduction	-\$1,468,700	\$0	-\$1,468,700
Removal of Noncontinuing Elements	0	-440,600	-440,600
Full Funding of Cont. Pos. Salary/Fringe	3,966,200	1,114,500	5,080,700
Night and Weekend Differential	<u>95,300</u>	<u>0</u>	<u>95,300</u>
Total	\$2,592,800	\$673,900	\$3,266,700
Biennial Totals	\$5,185,600	\$1,358,100	\$6,543,700

In addition, reduce authorized positions by 4.20 PR annually under the removal of noncontinuing elements standard budget adjustment.

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Modify funding under the turnover reduction standard budget adjustment by -\$979,100 GPR annually, resulting in total turnover of -\$2,447,800 GPR annually. Total adjustments to funding for standard budget adjustments are shown in the following table.

	<u>GPR</u>	<u>PR</u>	<u>Total</u>
2025-26			
Turnover Reduction	-\$2,447,800	\$0	-\$2,447,800
Removal of Noncontinuing Elements	0	-430,300	-430,300
Full Funding of Cont. Pos. Salary/Fringe	3,966,200	1,114,500	5,080,700
Night and Weekend Differential	<u>95,300</u>	<u>0</u>	<u>95,300</u>
Total	\$1,613,700	\$684,200	\$2,297,900
	<u>GPR</u>	<u>PR</u>	<u>Total</u>
2026-27			
Turnover Reduction	-\$2,447,800	\$0	-\$2,447,800
Removal of Noncontinuing Elements	0	-440,600	-440,600
Full Funding of Cont. Pos. Salary/Fringe	3,966,200	1,114,500	5,080,700
Night and Weekend Differential	<u>95,300</u>	<u>0</u>	<u>95,300</u>
Total	\$1,613,700	\$673,900	\$2,287,600
Biennial Totals	\$3,227,400	\$1,358,100	\$4,585,500

2. RESTORE TURNOVER [LFB Paper 275]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,937,400	- \$2,937,400	\$0

Governor: Provide \$1,468,700 annually to restore the turnover reduction applied in standard budget adjustments. The District Attorneys indicate that historically, the District Attorneys have been able to meet the budgeted turnover reduction due to retirement of experienced workers, and that in recent biennia those cost savings have not materialized.

Joint Finance/Legislature: Provision not included.

3. PAY PROGRESSION [LFB Paper 276]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$8,758,700	- \$2,771,400	\$5,987,300

Governor: Provide \$2,932,900 in 2025-26 and \$5,825,800 in 2026-27 to support pay progression for ADAs and deputy district attorneys (DDAs). The ADA and DDA pay progression plan is merit-based and consists of 17 hourly salary steps, with each step equal to one-seventeenth of the difference between the lowest annual salary (\$76,378 as of June 30, 2024) and the highest annual salary (\$158,122 as of June 30, 2024). The value of one hourly salary step equals \$4,805 annually. Notwithstanding the creation of a 17-step hourly salary pay progression plan, the supervising DAs are authorized to: (a) deny annual salary increases to individual ADAs and DDAs; and (b) increase the salary of individual ADAs and DDAs by up to 10% per year. Funding would be approximately equal to one step at the beginning of each year of the biennium based on the salaries of both existing and proposed new and converted GPR positions.

Joint Finance/Legislature: Modify funding by -\$942,200 in 2025-26 and -\$1,829,200 in 2026-27 to provide \$1,990,700 in 2025-26 and \$3,996,600 in 2026-27 for pay progression. Funding is intended to fund one step on July 1, 2025, and on July 1, 2026. Funding for pay progression is provided on a one-time basis. Ongoing funding would be provided in the 2027-29 biennium as a standard budget adjustment.

4. CONVERTED PROSECUTOR POSITIONS [LFB Paper 277]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$8,536,400	36.50	- \$8,536,400	- 36.50	\$0	0.00
PR	- 1,886,000	- 7.00	1,886,000	7.00	0	0.00
Total	\$6,650,400	29.50	- \$6,650,400	- 29.50	\$0	0.00

Governor: Provide \$4,128,900 GPR and -\$943,000 PR in 2025-26, \$4,407,500 GPR and -\$943,000 PR in 2026-27, and 36.5 GPR and -7.0 PR positions annually. Of the total, 8.0 GPR positions would be provided to convert funding for certain prosecutor positions from program revenue to general purpose revenue. These positions include two 0.5 (1.0 total) ADA positions in Fond du Lac County, 1.0 ADA position in Milwaukee County and 1.0 ADA position in Outagamie County. Also, these positions include 5.0 PR positions that are associated with reductions in available federal funding from the Violence Against Women Act.

The remaining 28.5 positions are associated with converting positions from federal American Rescue Plan Act funding to GPR. The federally-funded positions and 1.0 PR position in Milwaukee County are not in the agency's base budget. The positions would be distributed as shown in the table below.

**Existing GPR Prosecutor Positions and Bill Positions
By County (Includes Elected District Attorneys)**

<u>County</u>	<u>Existing GPR Positions</u>	<u>Conversions Under the Bill</u>		<u>Resulting Prosecutor Position Authority</u>
		<u>Converted PR Positions</u>	<u>Converted FED Positions</u>	
Adams	2.0	-	-	2.0
Ashland	2.6	-	-	2.6
Barron	4.0	-	-	4.0
Bayfield	1.7	-	-	1.7
Brown	16.0	1.0	2.5	19.5
Buffalo	1.2	-	-	1.2
Burnett	2.0	-	-	2.0
Calumet	3.0	-	-	3.0
Chippewa	6.0	-	-	6.0
Clark	2.0	-	-	2.0
Columbia	6.0	-	-	6.0
Crawford	1.0	-	-	1.0
Dane	28.0	1.0	2.0	31.0
Dodge	5.0	-	-	5.0
Door	2.0	-	-	2.0
Douglas	5.0	-	-	5.0
Dunn	5.0	-	-	5.0
Eau Claire	10.0	1.0	1.0	12.0
Florence	0.6	-	-	0.6
Fond du Lac	8.0	1.0	1.5	10.5
Forest	2.0	-	-	2.0
Grant	2.0	-	-	2.0
Green	3.0	-	-	3.0
Green Lake	2.0	-	-	2.0
Iowa	2.0	-	-	2.0
Iron	1.0	-	-	1.0
Jackson	3.0	-	-	3.0
Jefferson	6.0	-	0.5	6.5
Juneau	3.0	-	-	3.0
Kenosha	18.0	-	-	18.0
Kewaunee	1.5	-	-	1.5
La Crosse	10.0	-	0.5	10.5
Lafayette	1.5	-	-	1.5
Langlade	3.0	-	-	3.0
Lincoln	3.0	-	-	3.0
Manitowoc	7.0	-	0.5	7.5
Marathon	13.0	-	1.0	14.0
Marinette	3.0	-	-	3.0
Marquette	1.6	-	-	1.6
Milwaukee	90.0	2.0	12.5	104.5

<u>County</u>	<u>Existing GPR Positions</u>	<u>Conversions Under the Bill</u>		<u>Resulting Prosecutor Position Authority</u>
		<u>Converted PR Positions</u>	<u>Converted FED Positions</u>	
Monroe	5.0	-	0.5	5.5
Oconto	2.0	-	-	2.0
Oneida	3.0	-	-	3.0
Outagamie	11.0	1.0	1.0	13.0
Ozaukee	5.0	-	-	5.0
Pepin	0.8	-	-	0.8
Pierce	3.0	-	-	3.0
Polk	4.0	-	-	4.0
Portage	6.0	-	-	6.0
Price	1.5	-	-	1.5
Racine	20.0	-	-	20.0
Richland	1.8	-	-	1.8
Rock	15.0	-	0.5	15.5
Rusk	2.0	-	-	2.0
Sauk	7.0	-	1.0	8.0
Sawyer	3.0	-	-	3.0
Shawano/Menominee	4.0	-	-	4.0
Sheboygan	9.5	-	-	9.5
St. Croix	7.0	-	0.5	7.5
Taylor	1.5	-	-	1.5
Trempealeau	2.0	-	-	2.0
Vernon	2.0	-	-	2.0
Vilas	2.0	-	-	2.0
Walworth	6.0	-	-	6.0
Washburn	2.0	-	-	2.0
Washington	6.4	-	1.0	7.4
Waukesha	17.0	1.0	1.5	19.5
Waupaca	4.0	-	-	4.0
Waushara	2.6	-	-	2.6
Winnebago	12.0	-	0.5	12.5
Wood	<u>6.0</u>	<u>-</u>	<u>-</u>	<u>6.0</u>
Total	460.8	8.0	28.5	497.3

Specify that assistant District Attorneys in project positions on the day before the effective date of the bill that were funded by the American Rescue Plan Act may be appointed to the permanent equivalent of those positions. Specify that the transferred employees would maintain the same state employment rights and status that they currently enjoy. In addition, specify that none of the transferred employees who have attained permanent status in class are required to serve a probationary period.

Joint Finance/Legislature: Provision not included.

5. ADDITIONAL GPR PROSECUTOR POSITIONS [LFB Paper 277]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. To Base)		(Chg. To Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$8,636,600	47.00	-\$742,400	- 5.00	\$7,894,200	42.00

Governor: Provide \$3,701,400 GPR in 2025-26, \$4,935,200 GPR in 2026-27, and 47.0 GPR positions annually, to provide additional ADAs. These positions are intended, in combination with converted federal positions, to provide approximately 70% of the total number of ADAs indicated by the workload analysis of the Wisconsin District Attorneys Association as being necessary to permit prosecutors, on average, to address their caseload and work 40-hour weeks (109 multiplied by 0.7, minus 28.5, equals 47.8). The Administration indicates that placement of positions would be left to the discretion of the State Prosecutors Office.

Joint Finance/Legislature: Modify funding by -\$393,800 in 2025-26 and -\$348,600 in 2026-27 and -5.0 positions annually to provide \$3,307,600 in 2025-26 and \$4,586,600 in 2026-27 and 42.0 positions annually. New GPR positions have an anticipated start date of October 1, 2025. Funding includes pay progression in 2026-27. Specify that the additional ADAs be apportioned as indicated in the table below to increase staffing for each county to approximately 80%, based on the WDAA workload analysis.

<u>County</u>	<u>Additional ADA Positions</u>	<u>County</u>	<u>Additional ADA Positions</u>
Brown	7.0	Oconto	0.5
Burnett	0.5	Oneida	0.5
Columbia	1.0	Outagamie	2.0
Crawford	0.5	Saint Croix	1.5
Dane	1.0	Shawano/Men.	2.0
Eau Claire	2.0	Trempealeau	1.0
Fond du Lac	4.0	Vilas	0.5
Grant	1.5	Walworth	1.0
Kenosha	2.5	Waukesha	6.0
Manitowoc	2.0	Waupaca	1.0
Marinette	0.5	Wood	<u>2.0</u>
Monroe	1.5	Total	42.0

[Act 15 Section: 9110(1)]

6. DISTRICT ATTORNEY INFORMATION TECHNOLOGY PROGRAM [LFB Paper 278]

Governor: Provide \$3,705,000 GPR in 2025-26 and \$3,465,000 GPR in 2026-27 and 1.0 GPR position annually to support the District Attorney Information Technology (DAIT) program under the Department of Administration, which provides IT hardware, software, and legal subscription services to the District Attorneys, Assistant District Attorneys, and other District Attorney office staff. Funding is intended to cover the cost of hardware, software, and legal

subscription services and to upgrade the prosecutor technology for case tracking system. The total amount includes \$2,000,000 in 2025-26 and \$1,500,000 in 2026-27 in one-time funding to upgrade the prosecutor technology for case tracking system. The other resources provided are for ongoing supplies and services as well as salary and fringe benefits for the newly-created technical services specialist position to serve as the head of DAIT security operations and support cybersecurity for the District Attorneys. [See "Administration -- Information Technology."]

Joint Finance/Legislature: Modify funding by -\$890,200 GPR in 2025-26 and -\$1,032,300 GPR in 2026-27 and -1.0 GPR position annually to provide \$2,814,800 in 2025-26 and \$2,432,700 in 2026-27 to support the District Attorney Information Technology (DAIT) program. Funding includes: (a) \$2,000,000 GPR in 2025-26 and \$1,500,000 GPR in 2026-27 in one-time funding to upgrade the prosecutor technology for case tracking system; (b) \$659,400 GPR in 2025-26 and \$777,300 GPR in 2026-27 for supplies and services; and (c) \$155,400 GPR annually for DAIT per capita costs attributable to 42.0 newly-created ADA positions.

7. SUPPLIES AND SERVICES [LFB Paper 279]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$466,200	- \$425,400	\$40,800

Governor: Provide \$233,100 annually to support the costs of various Department of Administration (DOA) assessments including charges for personnel services, financial services, DOA overhead, and risk management premiums. As part of the District Attorneys salaries and fringe benefits appropriation, \$927,100 annually is allocated to supplies and services. Payments for special prosecutors (\$259,700 in 2023-24) are made from the appropriation's supplies and services allocation.

Joint Finance/Legislature: Modify funding by -\$212,700 annually to provide \$20,400 annually to increase support for supplies and services costs of the District Attorneys.

8. COUNTY-FUNDED POSITION SUPPORT [LFB Paper 280]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$356,200	- \$356,200	\$0

Governor: Provide \$212,800 in 2025-26 and \$143,400 in 2026-27 on a one-time basis to fund the DA county-funded PR positions authorized where salary and fringe benefit costs are in excess of the county funding provided. The District Attorneys indicate that this expense is currently absorbed by the state.

Joint Finance/Legislature: Provision not included.

9. COMPENSATION FOR SPECIAL PROSECUTORS [LFB Paper 279]

Governor: Provide that the special prosecutor rate be the amount paid to an SPD private bar attorney assigned a case on the date the approval was made. This rate is currently set at \$100 per hour for time spent related to the case and \$50 per hour for travel. Separately, the bill would modify the rate at which Public Defender private bar attorneys are compensated for violent felonies from \$100 to \$125 per hour. [See "Public Defender."] Current law provides that if a judge appoints a special prosecutor to perform the duties of a District Attorney, the special prosecutor compensation is the amount paid to an SPD private bar attorney for a case assigned between December 1, 1992, and July 29, 1995, which was \$50 per hour for time spent in court; \$40 per hour for time spent out of court, excluding travel, related to a case; and \$25 per hour for time spent in travel related to a case if any portion of the trip is outside the county in which the attorney's principal office is located or if the trip requires traveling a distance of more than 30 miles, one way, from the attorney's principal office.

Joint Finance/Legislature: Provision not included.

10. ADDITIONAL DEPUTY DISTRICT ATTORNEY APPOINTMENTS

Governor: Provide that the district attorney of any prosecutorial unit having a population of 200,000 or more but less than 750,000 may appoint up to four DDAs. Under current law, prosecutorial units having a population between 200,000 and 750,000 may appoint three DDAs. This statutory change would allow three additional counties, based upon 2024 population estimates, to each appoint an additional DDA.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. SURPLUS POSITION FUNDING [LFB Paper 281]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$30,200	- \$30,200	\$0

Governor: Provide \$14,400 in 2025-26 and \$15,800 in 2026-27 to increase the salary and fringe benefits budget to support the use of surplus positions. Funding would be provided to the salary adjustments appropriation. District Attorney offices use surplus positions on a temporary, short-term basis for circumstances such as staff taking a leave of absence. The District Attorneys indicate that historically, the District Attorneys have been able to meet the surplus position costs due to the existence of position vacancies, and that in recent biennia those cost savings have not materialized.

Joint Finance/Legislature: Provision not included.

12. MILWAUKEE ASSISTANT DISTRICT ATTORNEYS

	Funding	Positions
PR	\$2,349,400	12.50

Joint Finance/Legislature: Provide \$984,400 in 2025-26 and \$1,365,000 in 2026-27 and 12.5 positions annually for Milwaukee assistant district attorneys, funded with revenue from fines and forfeitures collected by Milwaukee County for violations of state traffic laws. [See "Board of Commissioners of Public Lands."]

EDUCATIONAL COMMUNICATIONS BOARD

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$13,549,400	\$12,842,800	\$12,645,100	\$12,645,100	\$12,645,100	-\$904,300	- 6.7%
PR	<u>31,271,600</u>	<u>31,235,900</u>	<u>31,558,900</u>	<u>31,558,900</u>	<u>31,558,900</u>	<u>287,300</u>	0.9
TOTAL	\$44,821,000	\$44,078,700	\$44,204,000	\$44,204,000	\$44,204,000	-\$617,000	- 1.4%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	25.94	25.94	25.94	25.94	25.94	0.00
PR	<u>25.56</u>	<u>25.56</u>	<u>25.56</u>	<u>25.56</u>	<u>25.56</u>	<u>0.00</u>
TOTAL	51.50	51.50	51.50	51.50	51.50	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Legislature: Adjust funding for standard budget adjustments as shown in the following table.

GPR	\$224,500
PR	<u>273,100</u>
Total	\$497,600

	<u>GPR</u>	<u>PR</u>	<u>Total</u>
2025-26			
Full Funding of Cont. Pos. Salary/Fringe	\$19,300	\$117,900	\$137,200
Reclassification/Pay Progression	11,100	23,000	34,100
Overtime	73,500	12,000	85,500
Night and Weekend Differential	8,700	3,400	12,100
Full Funding of Lease/Directed Moves	<u>-500</u>	<u>-25,700</u>	<u>-26,200</u>
Total	\$112,100	\$130,600	\$242,700
2026-27			
Full Funding of Cont. Pos. Salary/Fringe	\$19,300	\$117,900	\$137,200
Reclassification/Pay Progression	11,100	27,500	38,600
Overtime	73,500	12,000	85,500
Night and Weekend Differential	8,700	3,400	12,100
Full Funding of Lease/Directed Moves	<u>-200</u>	<u>-18,300</u>	<u>-18,500</u>
Total	\$112,400	\$142,500	\$254,900
Biennial Totals	\$224,500	\$273,100	\$497,600

2. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$1,258,000	\$125,300	- \$1,132,700

Governor: Reestimate debt service funding by -\$595,400 in 2025-26 and -\$662,600 in 2026-27. Base level funding is \$2,406,700 annually.

Joint Finance/Legislature: Reestimate debt service by \$62,700 in 2025-26 and \$62,600 in 2026-27.

3. SUPPLIES AND SERVICES 5% INCREASE

GPR	\$4,000
PR	<u>14,200</u>
Total	\$18,200

Governor/Legislature: Provide \$2,000 GPR and \$7,100 PR annually to increase the following appropriations' supplies and services funding by 5%: \$1,200 GPR annually for general program operations (with base appropriation funding of \$3,479,300 GPR annually), \$800 for transmitter operations (base funding \$16,000 GPR); and \$7,100 PR annually for emergency weather warning system operations (base funding of \$153,000 PR).

4. FUEL AND UTILITIES REESTIMATE

GPR	- \$100

Governor/Legislature: Provide -\$14,800 in 2025-26 and \$14,700 in 2026-27 to reestimate the Board's fuel and utilities budget to reflect anticipated changes in prices and statistically normal weather conditions. Base level funding is \$872,700 annually.

5. EMERGENCY WEATHER WARNING SYSTEM FUNDING [LFB Paper 285]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$323,000	-\$323,000	\$0
PR	<u>-323,000</u>	<u>323,000</u>	<u>0</u>
Total	\$0	\$0	\$0

Governor: Provide \$161,300 GPR in 2025-26 and \$161,700 GPR in 2026-27 and a corresponding -\$161,300 PR in 2025-26 and -\$161,700 PR in 2026-27 to convert the ECB emergency weather warning system appropriation from PR to GPR.

The emergency weather warning system receives weather information from the National Weather Service. Wisconsin has 13 radio towers constructed with federal funding; ECB is responsible for maintenance and repairs of these towers. Additionally, Wisconsin built or leased 15 more transmitter towers to fill gaps in unserved areas. Under current law, DOA may collect fees from state agencies for operation of the emergency weather warning system, which are deposited in a PR appropriation for the operation of the system by ECB. However, DOA no longer collects these fees from agencies following a transition to voice over internet protocol (VOIP) phone systems. In the 2023-25 biennium, ECB used other PR revenue transferred from DOA for the emergency weather warning system. The bill would renumber the appropriation for fees collection, remove the PR funding, and provide the same amount of GPR funding to convert it to a GPR appropriation for operation of the system by ECB.

Joint Finance/Legislature: Provision not included.

ELECTIONS COMMISSION

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$10,426,200	\$15,062,700	\$10,746,200	\$10,746,200	\$10,746,200	\$320,000	3.1%
FED	2,401,000	2,496,600	1,966,800	1,966,800	1,966,800	- 434,200	- 18.1
PR	946,200	867,200	934,400	934,400	934,400	- 11,800	- 1.2
SEG	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$13,773,600	\$18,426,700	\$13,647,600	\$13,647,600	\$13,647,600	- \$126,000	- 0.9%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	25.75	35.75	25.75	25.75	25.75	0.00
FED	7.25	7.25	3.25	3.25	3.25	- 4.00
PR	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>0.00</u>
TOTAL	36.00	46.00	32.00	32.00	32.00	- 4.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Legislature: Adjust funding for standard budget adjustments as shown in the following table.

	Funding	Positions
GPR	- \$67,400	0.00
FED	- 434,200	- 4.00
PR	<u>- 95,000</u>	<u>0.00</u>
Total	- \$596,600	- 4.00

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
2025-26				
Removal of Noncontinuing Elements	\$0	-\$176,800	\$0	-\$176,800
Full Funding of Cont. Pos. Salary/Fringe	-73,000	15,900	-51,700	-108,800
Reclassification/Pay Progression	37,700	9,100	6,000	52,800
Full Funding of Lease/Directed Moves	<u>1,600</u>	<u>-1,000</u>	<u>-1,800</u>	<u>-1,200</u>
Total	-\$33,700	-\$152,800	-\$47,500	-\$234,000

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
2026-27				
Removal of Noncontinuing Elements	\$0	-\$303,000	\$0	-\$303,000
Full Funding of Cont. Pos. Salary/Fringe	-73,000	15,900	-51,700	-108,800
Reclassification/Pay Progression	37,700	6,700	6,000	50,400
Full Funding of Lease/Directed Moves	<u>1,600</u>	<u>-1,000</u>	<u>-1,800</u>	<u>-1,200</u>
Total	-\$33,700	-\$281,400	-\$47,500	-\$362,600
Biennial Totals	-\$67,400	-\$434,200	-\$95,000	-\$596,600

In addition, reduce authorized positions by 4.00 annually under the removal of noncontinuing elements standard budget adjustment.

2. OFFICE OF ELECTION TRANSPARENCY AND COMPLIANCE

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,993,000	10.00	-\$1,993,000	- 10.00	\$0	0.00

Governor: Provide \$925,600 in 2025-26, \$1,067,400 in 2026-27, and 10.0 positions annually to create and operate an Office of Election Transparency and Compliance under the direction of a policy initiatives advisor appointed in the classified service by the administrator or interim administrator of the Elections Commission. Office duties would include: performing research and assisting the Commission's legal staff in presenting information to the members of the Commission regarding sworn complaints filed under statute pertaining to violations of election law (as directed by the Commission by resolution); providing assistance and research to the Commission concerning procedures at polling places, election processes, and elections systems relating to state and federal accessibility requirements; responding to public records requests in accordance with state law; and responding to public inquiries and legislative inquiries and requests for information and assistance.

Funding would include: (a) \$575,600 in 2025-26 and \$767,400 in 2026-27 in salaries and fringe benefits for 10.0 positions to staff the Office; (b) \$300,000 annually for post-election audits of voting equipment and polling place accessibility and database audits; and (c) \$50,000 in 2025-26 for one-time purchase of computers and office supplies. Position authority would include: (a) 1.0 policy initiatives advisor; (b) 4.0 program and policy analysts; (c) 2.0 information systems (IS) data services senior positions; (d) 1.0 IS systems development senior position; (e) 1.0 legislative liaison; and (f) 1.0 communications specialist senior position.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. GRANTS TO LOCAL GOVERNMENTS FOR ELECTION COSTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,400,000	- \$1,400,000	\$0

Governor: Provide \$900,000 in 2025-26 and \$500,000 in 2026-27 for grants to municipalities for election administration expenses. Specifically, provide: (a) \$400,000 in 2025-26 to allow the Elections Commission to award grants to counties and municipalities for the purchase of election supplies and equipment, including electronic poll books (also called "Badger Books"); and (b) \$500,000 annually for grants to municipalities for election administration expenses. Create a biennial election administration; local aids appropriation in the Elections Commission for these purposes.

The Administration indicates that the grants would be distributed in a manner as determined by the Commission. Statute would not specify eligibility, application, or distribution criteria for either grant program. Given that the created appropriation is biennial, the Commission could choose to distribute different amounts of funding in each year of the biennium (for example, more in the year of a general election and less in a year without a general election).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. INFORMATION TECHNOLOGY COSTS [LFB Paper 290]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$477,000	- \$165,000	\$312,000
FED	50,000	- 50,000	0
PR	<u>0</u>	<u>83,200</u>	<u>83,200</u>
Total	\$527,000	- \$131,800	\$395,200

Governor: Provide \$238,500 GPR annually and \$50,000 FED in 2025-26 for information technology costs. Funding would include: (a) \$156,000 GPR annually for hosting and maintaining the Clerk Training and Learning Management System ("ElectEd") and the Elections Commission's website; (b) \$25,000 GPR annually and \$50,000 FED in 2025-26 for a subscription-based customer support web portal, through vendor Zendesk, that the agency uses to track election questions more accurately; (c) \$15,900 GPR annually to maintain address validation software ("Smarty Streets") which is used by local election officials; and (d) \$41,600 GPR annually for ongoing multifactor authentication technology costs to protect the security of the voter registration system.

Joint Finance/Legislature: Modify funding to provide \$156,000 GPR annually for hosting and maintaining the Clerk Training and Learning Management System and the Elections Commission's website, and \$41,600 PR annually to the elections security and maintenance

appropriation for multifactor authentication technology.

5. CONVERT FEDERAL PROJECT POSITIONS TO FEDERAL PERMANENT POSITIONS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$479,800	4.00	-\$479,800	- 4.00	\$0	0.00

Governor: Provide \$176,800 in 2025-26, \$303,000 in 2026-27, and 4.0 positions annually to convert 4.0 project positions into permanent positions for ongoing elections administration and elections security infrastructure efforts. The current project positions assist with statewide voter registration system security and provide elections security support and training to local elections officials. The project positions are authorized until November 11, 2025, at which point the positions cannot be extended any further (s. 230.27(1) of the statutes specifies that no project position may exist for more than four years). The Commission indicates that the job responsibilities of the 4.0 positions would not change and the need for the permanent positions extends beyond the current biennium as "election security is an ongoing effort with ever-changing threats and corresponding solutions that need to be maintained indefinitely."

Funding would be provided from the Commission's federal Help America Vote Act (HAVA) Election Security grant. As of February 14, 2025, the Commission had approximately \$5.6 million in HAVA funding available. The Commission indicates that Wisconsin's HAVA funding would not be depleted until approximately May, 2028 (the estimation includes expenditures related to the 4.0 positions). Note that a corresponding amount of funding and positions was removed from the Commission's base budget as a standard budget adjustment for noncontinuing elements.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. FUNDING FOR LIMITED-TERM EMPLOYEES [LFB Paper 291]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$416,200	-\$416,200	\$0

Governor: Provide \$138,800 for 8.0 limited-term employees (LTEs) in 2025-26 and \$277,400 to hire an additional 4.0 LTEs (12.0 total) in 2026-27 to assist the Commission in administering and enforcing Wisconsin election law. According to the Commission, the agency's workload and responsibilities have increased without additional permanent positions in recent years. The Commission currently has 4.0 LTEs that assist staff with WisVote customer service, document preparation and case material organization for litigation and administrative hearings, administrative support in tracking and resolving complaints, records management, and

coordination of the agency's public education information program, among other duties. Funding would include costs related to the existing 4.0 LTEs, which are not currently funded.

Joint Finance/Legislature: Provision not included.

7. FUNDING FOR ELECTRONIC REGISTRATION INFORMATION CENTER COSTS [LFB Paper 292]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$156,800	- \$81,400	\$75,400

Governor: Provide \$78,400 annually for Electronic Registration Information Center (ERIC) costs associated with: (a) an increase in ERIC membership dues (\$37,700 annually); and (b) mailing costs for eligible but unregistered individuals (\$40,700 annually).

The Elections Commission is statutorily required [s. 6.36(1)(ae)] to join ERIC, a consortium of states that shares data to improve voter registration databases. Member states are provided reports to identify voters who may have moved, voters who may have died, duplicate voter records, and voters who appear to be eligible to vote but are not registered. The membership agreement requires states to contact voters in the latter category (eligible but not registered) once every two years, ahead of the fall general election. While the Commission was recently granted an exemption by ERIC from this requirement, it is still required to conduct voter outreach.

Joint Finance/Legislature: Modify funding by -\$40,700 annually to provide \$37,700 annually for ERIC membership dues.

8. VOTER IDENTIFICATION TRAINING APPROPRIATION MODIFICATION

Governor: Modify the voter identification training appropriation to broaden the language so that funds may be used for all elections training purposes, rather than just voter identification training. The modified appropriation would be titled, "County and municipal clerk training" and funds would be used for training of county and municipal clerks concerning the administration of elections as outlined in Chapters 5 through 10 and 12 of the statutes, including voter identification requirements provided in 2011 Act 23. The Commission indicated that voter identification training is generally incorporated into various training programs conducted by staff, rather than being regularly offered as a stand-alone training. In 2024-25, the annual voter identification training appropriation is budgeted \$82,600 GPR.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. FUNDING FOR COMMISSIONER PER DIEMS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$25,600	- \$25,600	\$0

Governor: Provide \$12,800 annually for Commissioner per diems. Under current law, a member of the Elections Commission receives a per diem of \$115 for each day on which the member attends or participates by audio or video conference call in a meeting of the Commission. According to the Elections Commission, the current budget for Commissioner per diems covers approximately three meetings per year for six commissioners; however, current law requires the Commission to meet at least quarterly. Funding under the bill is based on an estimated 22 meetings per year, which represents the average number of meetings per calendar year from 2021 through 2024. In 2024, the Commission met 26 times.

Joint Finance/Legislature: Provision not included.

10. INCREASE FUNDING FOR ACCESSIBILITY REVIEW AND SUPPLY PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$19,400	- \$19,400	\$0

Governor: Provide \$9,700 annually for the Accessibility Review and Supply Program. The program ensures that polling places are accessible to individuals with disabilities, undertakes outreach efforts with organizations that work with and represent voters with disabilities, and reports identified compliance issues to municipalities. In addition, the Elections Commission purchases and distributes accessibility-related supplies (such as wireless doorbells, lighted magnifying glasses, curbside voting signs, and threshold ramps) to assist local elections and municipal officials with necessary polling place modifications.

The increase in funding would constitute a 20% increase in base funding for the Accessibility Review and Supply Program, which has not been increased since the 2017-19 biennial budget (\$48,300 annually). The increase reflects a broader range of products provided, an increase in shipping costs for accessibility-related supplies to be shipped from Madison to other parts of the state, and increases in wages for temporary staff or contractors (who conduct polling place reviews) since 2019.

Joint Finance/Legislature: Provision not included.

11. INCREASE SPENDING AUTHORITY FOR MATERIALS AND SERVICES APPROPRIATION [LFB Paper 293]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$16,000	- \$16,000	\$0

Governor: Provide \$8,000 annually for the materials and services appropriation to offset increased mailing and printing costs of documents. Currently, the annual appropriation is budgeted \$1,000. The Commission had a 2023-24 year-end balance of approximately \$25,000, which would be sufficient to fund the increase.

Joint Finance/Legislature: Provision not included.

12. CLOSED MEETINGS FOR IT SECURITY ISSUES

Governor: Modify current law to specify that the Ethics Commission and Elections Commission may vote to convene in closed session when considering information technology (IT) security issues affecting IT systems over which the agency has jurisdiction or exercises responsibility. The Elections Commission ensures compliance with federal and state election laws, provides support for local election officials, conducts extensive voter outreach, and maintains statewide voter registration and election data. [See "Ethics Commission."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. VOTER REGISTRATION MODIFICATIONS

Governor: Require municipal clerks or their agents to promptly add the names of qualified electors who register late in person to the statewide official registration list. Modify current law provisions related to filing registration forms to create an exception for electronic registration and specifically require that such records be maintained by the Commission and made available for inspection by the municipal clerk, clerk's agent, or board of election commissioners. In addition, modify current law provisions related to the information clerks are required to record to include an indication that information was verified in lieu of proof of residence for an elector who registers by electronic application.

Under current law, an elector who registers to vote electronically is not required to provide proof of residence if, at the time of registration, the elector provides the number of a current and valid operator's license or identification card issued by the Department of Transportation, together with the elector's name and date of birth, and the Commission is able to verify the information using the electronic system.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. RECOUNT FEES AND PARTIAL RECOUNT PETITIONS

Governor: Modify the appropriation for recount fees from an annual to a continuing PR appropriation. Under current law, the Elections Commission is required to reimburse counties for the actual costs of conducting a recount. The appropriation is funded by fees collected from the candidate that filed the recount petition.

In addition, modify statutes to provide that a candidate must be an aggrieved party in order to petition for an additional partial or full recount after an initial partial recount is completed.

Under current law, any candidate voted for in an election who is an aggrieved party may petition for a full or partial recount of votes in the jurisdiction or the office that the candidate seeks. "Aggrieved party" under current law means a candidate who trails the leading candidate by no more than 40 votes (for elections at which 4,000 or fewer votes are cast for the office that the candidate seeks), or a candidate who trails the leading candidate by no more than 1 percent of the total votes cast for the office (for elections at which more than 4,000 votes are cast for that office). Also under current law, the opposing candidate, or any voter or other interested party (including a municipality if on a referendum question) may similarly file a petition for recount in any or all of the remaining wards or municipalities in the jurisdiction or district. The petition must be filed no later than 5:00 p.m. two days after the Board of Canvassers completes the final recount.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. REIMBURSEMENT FOR SPECIAL PRIMARY AND ELECTION COSTS

Governor: Require the Elections Commission to reimburse counties and municipalities for costs incurred in the administration of special primaries and special elections for state or federal office. Create a sum sufficient GPR appropriation to provide reimbursements.

As a sum sufficient appropriation, the Commission would be authorized to spend any amount necessary for reimbursements, subject to the following restrictions. Costs would be eligible for reimbursement if the Commission determined: costs are reasonable; rates did not exceed the rates paid for similar costs at a primary or election that is not a special primary or election; and, in the case where the election coincides with a primary or election that is not a special primary or election, the cost does not exceed the amount that would be incurred if the primaries or elections did not coincide. Only the following costs would be reimbursable: (a) rental payments for polling places; (b) election day wages paid to election officials working at the polls; (c) costs for the publication of required election notices; (d) printing and postage costs for absentee ballots and envelopes; (e) costs for the design and printing of ballots and poll books; (f) purchase of ballot bags or containers, including ties or seals for chain of custody purposes; (g) costs to program electronic voting machines; (h) purchase of memory devices for electronic voting machines; (i) wages paid to conduct a county canvass; and (j) data entry costs for a statewide voter registration system. The bill would incorporate the provisions of 2021 Assembly Bill 21/Senate Bill 21.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration

pursuant to Joint Finance Motion #4.)

16. AUTOMATIC VOTER REGISTRATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$215,900	- \$215,900	\$0

Governor: Provide \$195,100 in 2025-26 and \$20,800 in 2026-27 to register all eligible electors as soon as practicable using the process described below.

Agreement with DOT. Require the Commission and the Department of Transportation (DOT) to revise the existing agreement between the agencies relating to matching voter information to provide for the electronic transfer of information to facilitate the registration of all eligible electors. The Department would be required to begin transferring information no later than the first day of the ninth month after the effective date of the bill.

The agreement must provide for the transfer of the following, no less often than weekly: (a) the full name of each individual who holds a current operator's license or identification card issued by DOT; (b) the individual's name history, current address, address history, date of birth, and license or identification card number; (c) a copy of the document the individual provided as proof of citizenship; (d) a statement indicating that DOT verified the citizenship; and (e) the most recent date that each item of information was provided or obtained by DOT.

Require that the application forms for a license or identification card inform the applicant that information will be made available to the Elections Commission and allow the applicant to elect not to share the information. Specify that the Commission maintain the confidentiality of all information obtained from DOT and only use the information for the purpose of registrations. Further, specify that this provision would not preclude DOT from sharing this information with the Commission for the current law purposes of online voter registration or for any other purpose other than automatic voter registration. [See "Transportation -- Motor Vehicles."]

Assistance from DOA. Require the Department of Administration to assist with information technology systems development to facilitate the registration of eligible electors.

List Maintenance. Require the Commission to compare the information from DOT with the voter registration list and use all feasible means to facilitate the registration of eligible electors based on the following procedures:

a. Enter each individual's name on the registration list, provided that the Commission has obtained from reliable sources the required information and the individual appears to be eligible to vote but is not registered. Attempt to obtain from reliable sources the necessary information required to complete an individual's registration. Attempt to contact the individual if necessary to obtain the information needed to complete registration. Under current law, municipal and county clerks, rather than the Commission, are responsible for maintaining the voter registration list.

b. Mail a notice to each individual added to the registration list. The notice must be printed in English, Spanish, and other languages spoken by a significant number of state residents, as determined by the Commission. The notice must inform the individual that his or her name has been added to the registration list, provide the individual's current address, inform the individual that he or she may request to be deleted and provide instructions for doing so, provide instructions for notifying the Commission of a change in name or address, and provide instructions for obtaining a confidential listing.

c. Attempt to contact electors to resolve discrepancies if the information from DOT does not match the voter registration list. If the Commission is unable to contact the elector, the information in the registration list would be maintained.

d. If a name is removed from the registration list or the status of the elector is changed from eligible to ineligible, other than to remove a duplicate entry or change the status of a deceased individual to ineligible, mail a notice of the change by first class postcard informing the person that he or she may apply to be added again if the person is a qualified elector.

e. If the status of the elector is changed from eligible to ineligible and the elector's name or residence has not changed, the Commission may not change the individual's name to eligible status unless the Commission verifies eligibility and the elector wishes to change his or her status to eligible.

f. In addition, any individual may file a request with the Commission to be excluded or deleted from the registration list and may later revoke the request. The Commission must ensure that an individual who has filed a request to be excluded or deleted from the list is excluded or removed and is not added at a later time unless the request is revoked.

Report to Legislature. No later than July 1, 2027, require the Commission to report the following to the appropriate standing committees of the Legislature and to the Governor: (a) progress in implementing a system to ensure the complete and continuous registration of all eligible electors, including the operability and utility of information integration with DOT; and (b) an assessment of the feasibility and desirability of the integration of registration information with information maintained by other state agencies, including at a minimum the Departments of Health Services, Children and Families, Workforce Development, Revenue, Safety and Professional Services, and Natural Resources; the University of Wisconsin System; the Technical College System Board; and the technical colleges within each technical college district.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. SPECIAL ELECTION DATES FOR CERTAIN FEDERAL OFFICES

Governor: Require that a vacancy in the office of a U.S. Senator or Representative be filled as soon as practicable as follows: (a) at a special election to be held on the third Tuesday in May following the date of the vacancy with a special primary to be held concurrently with the spring primary on the third Tuesday in February (the first day for circulating nomination papers would be November 1, and the last day would be no later than 5:00 p.m. on the first Tuesday in December

preceding the primary); (b) at a special election to be held on the second Tuesday in August following the date of the vacancy with a special primary to be held on the third Tuesday in May (the first day for circulating nomination papers would be February 1, and the last day would be no later than 5:00 p.m. on the first Tuesday in March); or (c) at a special election to be held on the Tuesday after the first Monday in November following the date of the vacancy with a special primary to be held on the second Tuesday in August (timing of the circulation of nomination papers, as under current law for partisan primaries, would be April 15 preceding the general election to no later than 5:00 p.m. on June 1 preceding the partisan primary). As under current law, a vacancy filled would be for the remainder of the unexpired term. In addition, modify the definitions of "special primary" and "spring primary" to include reference to these provisions. Under the bill, a November special election would not be held in any year in which the general election is held for that office; instead, the vacancy would be filled at the partisan primary and general election.

Federal law requires states to transmit absentee ballots to military and overseas voters no later than 45 days before an election for federal office. Under current law, if a vacancy occurs in the office of a U.S. Senator or Representative prior to the second Tuesday in April in a year in which a general election is held, the vacancy must be filled at a special primary and special election. Statute does not prescribe the specific dates for such a special primary or special election. Also under current law, if the vacancy occurs between the second Tuesday in April and the second Tuesday in May of that year, the office must be filled at the partisan primary and general election.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. STUDENT PROOF OF IDENTIFICATION FOR VOTING

Governor: Modify provisions related to identification (ID) cards used for voting to: (a) specify that an expired ID card issued by an accredited university or college may be used if the student provides proof of current enrollment; and (b) require every technical college and University of Wisconsin System institution issue student ID cards that qualify as identification for the purpose of voting.

The administration indicates that the modifications to student ID requirements are intended to reflect federal case law. Under current statute, an unexpired student ID meeting certain criteria may be used for voting if the student also establishes current enrollment. However, in July, 2020, the U.S. Court of Appeals for the Seventh Circuit held that the requirement to present proof of enrollment with an unexpired identification card was unconstitutional and is, therefore, unenforceable. As a result, under current practice, if a qualifying student ID is unexpired, proof of enrollment is not required. However, if the student ID is expired, the voter must also provide a valid proof of enrollment document.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

19. HIGH SCHOOL VOTER REGISTRATION REQUIREMENT

Governor: Require the municipal clerk of each municipality to notify the school board of each school district in which the municipality is located that public high schools must be used for voter registration for enrolled students and members of the high school staff. Specify that the school board and the municipal clerk must agree on the appointment of at least one qualified elector at each high school (the special school registration deputy), and the municipal clerk must review the duties and responsibilities of the position with the appointee.

Under the bill, students and staff may register at the high school on any day that classes are regularly held. The school registration deputies must promptly submit completed registration forms to the appropriate municipal clerk, at which time, the municipal clerk must add the eligible electors to the registration list. The registration form must be filed in such a way that when a student attains the age of 18 years old, the student is automatically registered to vote. If a registration form is rejected by the municipal clerk, the registrant must be notified of the rejection, along with the reason(s) for the rejection. If applicable, a rejected registrant may reapply.

The bill specifies that the principal of any private high school or of any applicable tribal school may request that the municipal clerk appoint a special school registration deputy in the same manner as public schools. The clerk must appoint a special school registration deputy if the clerk determines that the school has a substantial number of students residing in the municipality. These provisions would reinstate prior law (repealed under 2011 Act 240).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

20. TEMPORARY IDENTIFICATION CARDS FOR VOTING -- VALID PERIOD

Governor: Extend from 60 to 180 days the period for which identification card receipts issued by the Department of Transportation for the purposes of voting remain valid as a temporary identification card. [See "Transportation -- Motor Vehicles."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

21. EARLY CANVASSING OF ABSENTEE BALLOTS

Governor: Authorize municipal clerks and municipal boards of election commissioners to begin canvassing absentee ballots the day before an election. Under current law, absentee ballots may not be canvassed until election day.

The early canvassing of absentee ballots would be subject to the following requirements: (a) prior to early canvassing, the municipality must notify the Elections Commission in writing and must consult with the Commission concerning administration; (b) early canvassing may be conducted only between 7:00 a.m. and 8:00 p.m. on the day before the election, and ballots may not be tallied until after polls close on election day; (c) members of the public must have the same

right of access to a place where absentee ballots are being canvassed early as is provided under current law for canvassing absentee ballots on election day; (d) when not in use, equipment used and the areas where programmed media and absentee ballots are stored must be secured with tamper-evident security seals in a double-lock location; (e) subject to criminal penalty as a Class I felony, no person may act in any manner that would give him or her the ability to know or provide information on the results from the ballots before the close of polls on election day; and (f) certain notices must be provided before each election at which the municipality intends to early canvass absentee ballots. The bill specifies that certain actions required to canvass absentee ballots, such as tallying the returns for each office, may not be completed prior to election day. In addition, for procedures related to an absentee ballot request for a sequestered juror, require the municipal clerk or agent of the clerk to deliver properly completed ballots to the election inspectors of the proper ward or election district (instead of the polling place).

Modify voting and recording absentee ballot law to specify that, when the inspectors open the ballot envelope and announce the name or identification serial number of the absentee elector, it must be done in the same room where votes are being cast or in the place where absentee ballots are being canvassed early (under current law, only the former is a location option). In addition, modify absentee voting procedure law to specify that the ballot must be returned so that it is delivered to the election inspectors of the proper ward or election district (under current law, the ballot must be returned so that it is delivered to the polling place). Finally, modify statutes relating to testing of equipment, requirements for programs, and ballots to remove the language "either at the polling place or at a central counting station" and to replace the language "not more than 10 days prior to the election day on which the equipment is to be utilized" with "not more than 10 days prior to the day on which the equipment is to be utilized in an election" to effectuate the proposed early canvassing of absentee ballot provisions.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

22. CENTRAL COUNTING AT COUNTY SEAT

Governor: Specify that proceedings at each central counting location must be under the direction of the municipal clerk or an election official designated by the clerk, unless the central counting location is at the county seat, in which case the proceedings must be under the direction of the county clerk or an official designated by the county clerk.

Under current law, proceedings at a central counting location at the county seat are under the direction of the municipal clerk, or an election official designated by the clerk, unless the municipal clerk delegates the responsibility to supervise the location to the county clerk.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

23. IN-PERSON ABSENTEE VOTING

Governor: Eliminate the restriction on how soon a person may complete an absentee ballot in person. Under current law, an individual may complete an absentee ballot in person no earlier than 14 days before the election.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

24. RESIDENCY REQUIREMENT FOR VOTING

Governor: Specify that an otherwise eligible voter must be a resident of Wisconsin and of the municipality where the elector is voting for 10 consecutive days before an election, rather than for 28 days as under current law, and may submit an application form no sooner than nine days before an election, rather than no sooner than 27 days as under current law.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

25. VOTER BILL OF RIGHTS

Governor: Create a statutory "voter bill of rights" and require that municipal clerks and boards of election commissioners post it at each polling place. The bill of rights would inform voters that they have the right to: (a) vote if registered and eligible to vote; (b) inspect a sample ballot before voting; (c) cast a ballot if in line when the polling place closes or, if voting by in-person absentee ballot on the last day for which such voting is allowed, when the municipal clerk's office closes; (d) cast a secret ballot; (e) get help casting a ballot if disabled; (f) get help voting in a language other than English as provided by law; (g) get a new ballot, up to three ballots in all, if the voter makes a mistake on the ballot and has not yet cast the ballot; (h) cast a provisional ballot as provided by law; (i) have the voter's ballot counted accurately; (j) vote free from coercion or intimidation; and (k) report any illegal or fraudulent election activity.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

26. NON-ENGLISH SAMPLE BALLOTS

Governor: Specify in statute that if any jurisdiction provides voting materials in one or more languages other than English, the Elections Commission must post on its website the sample ballots for that jurisdiction in each such language.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

EMPLOYEE TRUST FUNDS

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$25,800	\$20,200	\$20,200	\$20,200	\$20,200	- \$5,600	- 21.7%
SEG	128,234,400	158,011,500	198,618,200	198,618,200	198,618,200	70,383,800	54.9
TOTAL	\$128,260,200	\$158,031,700	\$198,638,400	\$198,638,400	\$198,638,400	\$70,378,200	54.9%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
SEG	287.20	291.20	286.20	286.20	286.20	- 1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$497,200	- \$957,800	- \$460,600

Governor: Adjust funding annually for standard budget adjustments as shown in the following table.

Turnover Reduction	-\$718,400
Full Funding of Cont. Pos. Salary/Fringe	1,390,700
Overtime	45,800
Night and Weekend Differential	72,500
Full Funding of Lease/Directed Moves	<u>-542,000</u>
Total	\$248,600
Biennial Total	\$497,200

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$478,900 annually. Standard budget adjustments total -\$230,300 annually, as shown in the table below.

Turnover Reduction	-\$1,197,300
Full Funding of Cont. Pos. Salary/Fringe	1,390,700
Overtime	45,800
Night and Weekend Differential	72,500
Full Funding of Lease/Directed Moves	<u>-542,000</u>
Total	-\$230,300
Biennial Total	-\$460,600

2. RETIRED EMPLOYEES BENEFIT SUPPLEMENT REESTIMATE [LFB Paper 106]

GPR	- \$5,600

Governor/Legislature: Reduce estimated expenditures by \$700 in 2025-26 and \$4,900 in 2026-27 to reflect decreased amounts necessary to pay benefit supplements for retirees who first began receiving annuities before October 1, 1974. These supplements were authorized by Chapter 337, Laws of 1973, 1983 Wisconsin Act 394, and 1997 Wisconsin Act 26. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths. Current base level funding for the appropriation is \$12,900.

3. PENSION ADMINISTRATION SYSTEM FUNDING AND REPORT [LFB Paper 300]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$28,400,000	\$42,600,000	\$71,000,000

Governor: Provide \$14.2 million annually for pension administration system (PAS) implementation, to replace existing information technology systems used to administer Wisconsin Retirement System benefits. Specifically, funding would support software, vendor project management services, documentation, testing, implementation, integration, training, warranty, and support for the PAS. The pension administration system is anticipated to replace several legacy systems, including systems for issuing benefit payments, administering disability and duty disability benefits, storing retirement account information, calculating retirement benefits, and producing retirement system statistics. The Department is currently in the process of selecting a PAS vendor and contract negotiations are expected to begin in the spring or summer of 2025. The Department's PAS consultant, Linea Solutions, assisted with the development of a cost estimate for the project. The total cost of implementation of the PAS is estimated at \$67.2 million to \$82.1 million over a five- to seven-year implementation period. Based on this estimate, the bill would provide \$14.2 million annually during the 2025-27 biennium.

Repeal a provision that requires ETF to submit an annual report before July 1 to the Secretary of the Department of Administration and the Joint Committee on Finance on ETF's progress in modernizing its business processes and integrating its information technology systems.

Instead, specify that, when ETF submits its biennial budget request, it must provide a report that includes the following: (a) details of expenditures incurred under the automated operating system appropriation through the most recent fiscal year; (b) details of expenditures anticipated under the automated operating system appropriation during the upcoming fiscal biennium; (c) the estimated impact of base year expenditure authority and additional funding requests made for the automated operating system appropriation on required contribution rates (including contribution rates for retirement, health insurance, long-term care insurance, income continuation insurance, life insurance, and other insurance) and sick leave conversion rates during the upcoming fiscal biennium; and (d) an updated progress report and timelines for ETF's anticipated progress on modernizing its business processes and integrating its information technology systems.

Joint Finance/Legislature: Modify funding by \$56.8 million in 2025-26 and -\$14.2 million in 2026-27 to provide \$71.0 million in 2025-26 for PAS implementation to replace existing information technology systems used to administer Wisconsin Retirement System benefits. Provisions modifying statute not included.

4. SERVICE LEVELS TO MEET MEMBER DEMAND [LFB Paper 301]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$353,600	2.00	-\$353,600	- 2.00	\$0	0.00

Governor: Provide \$155,500 in 2025-26 (\$138,300 for salaries and fringe benefits and \$17,200 for supplies and services), \$198,100 in 2026-27 (\$184,300 for salaries and fringe benefits and \$13,800 for supplies and services), and 2.0 trust fund specialist positions annually to expand the service capacity of ETF to meet growth since the early 2010s in the number of employers and members (retirees and inactive members in particular). Demand has also increased due to the addition of Milwaukee County and the City of Milwaukee to the Wisconsin Retirement System under 2023 Act 12. Additionally, the Department anticipates a compounded increase in demand for its services as it transitions members to a new online portal associated with the forthcoming insurance and pension administration systems. The Department would assign the positions to the call center to manage the anticipated increase in volume and length of calls.

Joint Finance/Legislature: Provision not included.

5. OFFICE OF INTERNAL AUDIT

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
SEG	\$264,400	1.00	-\$264,400	- 1.00	\$0	0.00

Governor: Create an Office of Internal Audit (OIA) attached to ETF. Require the ETF Board to: (a) appoint an internal auditor in the classified service that would direct and supervise

the Office; and (b) develop and implement policies, principles, and directives for the OIA, and determine the qualifications of and appoint staff in the classified service for the Office. The internal auditor and appointed staff would report directly to the Board.

Provide \$115,300 in 2025-26 (\$106,700 for salary and fringe benefits and \$8,600 for supplies and services), \$149,100 in 2026-27 (\$142,200 for salary and fringe benefits and \$6,900 for supplies and services), and 1.0 auditor-advanced project position annually.

Specify that the OIA would provide independent assurance that the public employee trust fund assets controlled by ETF are safeguarded for the fulfillment of benefit commitments. Specify that the internal auditor may review any ETF activity, information, or record that relates to the administration of the public employee trust fund. Require the internal auditor to: (a) under the direction of the Board and in accordance with the policies, principles, and directives determined by the Board, plan and conduct audit activities, including external audits, risk assessments, research projects, and management reviews; and (b) monitor ETF's compliance with applicable legal requirements and contracts entered into by ETF and the Board.

Specify that the individual holding the position of internal auditor and the individuals holding positions as staff internal auditors in ETF on the day before the effective date of the subsections may continue to serve in those positions until an internal auditor and internal auditor staff are appointed. Currently, 4.0 positions are assigned to the OIA, including the internal auditor and three staff under the supervision of the internal auditor.

The 1.0 auditor-advanced position would work within the OIA to address increased demand for OIA services, including third-party administrator contract compliance audits, internal reviews focused on ETF staff oversight of external vendors, and reviews of the implementation of the insurance administration system and pension administration system IT modernization projects. Under the proposal, the position would be a four-year project position.

Currently, the internal auditor reports to the Secretary of ETF, and the internal audit staff report to the internal auditor.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. SUPPORT FOR ACTUARIAL FUNCTIONS [LFB Paper 302]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Position	
	Funding	Position	Funding	Position	Funding	Position
SEG	\$261,900	1.00	-\$261,900	- 1.00	\$0	0.00

Governor: Provide \$114,200 in 2025-26 (\$105,600 for salary and fringe benefits and \$8,600 for supplies and services), \$147,700 in 2026-27 (\$140,800 for salary and fringe benefits and \$6,900 for supplies and services), and 1.0 accountant-advanced position annually, which would function as an actuarial analyst, to provide a dedicated employee with actuarial expertise.

The actuarial analyst position is intended to improve accuracy in actuarial duties relating to retirement and insurance programs administered by ETF for state and local employees and would be responsible for: ensuring accurate data is maintained and utilized for actuarial valuations; providing leadership in actuarial functions and projects; managing the work of consulting actuaries; providing support for actuarial research and analysis; and overseeing data quality of financial data in support of ETF's data management program.

Joint Finance/Legislature: Provision not included.

7. POSITION DELETION

	Funding	Position
SEG	- \$155,600	- 1.00

Joint Finance/Legislature: Delete 1.0 trust fund specialist-advanced position and associated funding of \$77,800 annually from ETF's administration appropriation [s. 20.515(1)(w)]. The position has been vacant for more than 12 months.

8. HEALTH INSURANCE WAITING PERIOD

Governor: Specify that state employers must pay the employer contribution toward health insurance premiums for an employee other than a limited-term employee beginning on the first day of the second month after the date on which the person begins employment with the state. Under current law, state employers begin paying the employer contribution on the first day of the third month after the date on which the person begins employment. The bill would not modify current law with respect to limited-term employees, requiring that employers begin to contribute toward health insurance premiums on the first day of the seventh month after the date on which the employee first becomes a WRS participant.

In relation to this provision, compensation reserves for the 2025-27 biennium for state employee salaries and fringe benefits assume increases of \$3,249,100 GPR in 2025-26 and \$3,476,500 GPR in 2026-27 associated with the reduced health insurance waiting period. [See "Compensation Reserves."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. REHIRED ANNUITANTS

Governor: Specify that a Wisconsin Retirement System (WRS) participant who retires on or after the effective date of the bill would have a break-in-service requirement of 30 days between termination of employment and again working for a WRS employer (as an employee or contractor) to qualify for an annuity or lump sum payment. Further, specify that a rehired annuitant, including an annuitant who retired between July 2, 2013, and the effective date of the bill, could provide employee services without suspending annuity payments and without resuming participation in the WRS if: (a) at the time of terminating employment, the individual does not have an agreement to return to employment or enter into a contract with a WRS employer; and (b) the individual elects on a form provided by ETF to not become a participating WRS employee. Specify that, no later

than 60 days after the effective date of the bill, a WRS participant who already has a suspended annuity could make an irrevocable election to continue the suspension by notifying ETF on a form provided by the agency. In addition, eliminate obsolete statutory provisions relating to rehired annuitants hired in critical positions, which applied only during the public health emergency declared by the Governor on March 12, 2020.

Under current law, any WRS participant who retires on or after July 2, 2013, has a break-in-service requirement of 75 days between termination of employment and becoming a participating employee with a WRS employer. This separation from WRS employment must occur for an individual who applied for an annuity or lump sum payment to continue to qualify for an annuity or to retain the lump sum payment. Also under current law, any WRS participant who retires on or after July 2, 2013, must suspend their annuity and become a participating WRS employee if they are employed in covered employment, or enter into a contract with a WRS employer, and are expected to work at least two-thirds of what is considered full-time employment by ETF.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. DOMESTIC PARTNER BENEFITS ADMINISTERED BY ETF

Governor: Specify that, under Chapter 40 of the statutes (Public Employee Trust Fund), a WRS participant may register a domestic partnership with ETF, defined as a relationship between two individuals that satisfies all of the following: (a) each individual is at least 18 years old and otherwise competent to enter into a contract; (b) neither is married to, or in a domestic partnership with, another individual; (c) they are not biologically more closely related than would be allowed by law in the case of marriage; (d) they consider themselves to be members of each other's immediate family; (e) they agree to be responsible for each other's basic living expenses; and (f) they share a common residence. [Domestic partnerships are not defined in terms of the gender or sex of the partners and may, therefore, be between members of the opposite sex or members of the same sex.] Repeal the statutory provision excluding domestic partners from the standard sequence for deferred compensation survivorship benefits. Repeal statutory provisions excluding domestic partners and children of domestic partners from health insurance coverage; duty disability benefits; and domestic relations orders issued by a court assigning all or part of a participant's accumulated assets held in a deferred compensation plan to a domestic partner or former domestic partner to satisfy a family support obligation. Specify that the provisions relating to the standard sequence for deferred compensation survivorship benefits and the treatment of duty disability death benefits would first apply to a surviving domestic partner of a participant who dies on the effective date of the bill.

Under 2017 Act 59, statutory Chapter 40 domestic partnership registrations were closed to new applications, effective September 23, 2017, and the following Chapter 40 benefits that had been extended to domestic partners were discontinued: health insurance coverage for domestic partners and their dependent children (health insurance coverage was continued for domestic partner survivors of employees or retirees whose date of death occurred prior to January 1, 2018);

inclusion in the standard sequence for deferred compensation survivorship benefits; authority for a court to issue a domestic relations order assigning all or part of a participant's accumulated assets held in a deferred compensation plan to a domestic partner or former domestic partner to satisfy a family support obligation; option to purchase long-term care insurance policies through the Group Insurance Board; and duty disability survivorship benefits (unless the date of the disability occurred prior to January 1, 2018).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

EMPLOYMENT RELATIONS COMMISSION

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$1,917,600	\$3,336,600	\$1,965,700	\$1,965,700	\$1,965,700	\$48,100	2.5%
PR	291,200	291,200	291,200	291,200	291,200	0	0.0
TOTAL	\$2,208,800	\$3,627,800	\$2,256,900	\$2,256,900	\$2,256,900	\$48,100	2.2%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	6.00	23.50	6.00	6.00	6.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	\$48,100

Governor/Legislature: Adjust funding for standard budget adjustments as shown in the following table.

2025-26

Full Funding of Cont. Pos. Salary/Fringe	\$24,200
Full Funding of Lease/Directed Moves	-800
Total	\$23,400

2026-27

Full Funding of Cont. Pos. Salary/Fringe	\$24,200
Full Funding of Lease/Directed Moves	500
Total	\$24,700

Biennial Total	\$48,100

2. COLLECTIVE BARGAINING MODIFICATIONS AND POSITIONS

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,370,900	17.50	-\$1,370,900	- 17.50	\$0	0.00

Governor: Provide \$1,370,900 (\$1,265,900 for salaries and fringe benefits and \$105,000 for supplies and services) and 17.5 positions in 2026-27 to WERC's general program operations appropriation to support expanded administration and oversight of collective bargaining functions for public sector employees.

Specify that, on January 1, 2027, 17.5 FED positions (15.0 attorney-confidential positions, 1.5 legal support staff-confidential positions, and 1.0 legal associate position) in the Division of Personnel Management (DPM) and the incumbent employees holding these positions would be transferred to the Wisconsin Employment Relations Commission's GPR general program operations appropriation. Specify that an employee transferred under this provision would retain the employment rights and status equivalent to what they had in their DOA position immediately prior to the transfer, and that the employee would not be required to serve a probationary period. [See "Department of Administration -- Personnel Management."]

Frontline Workers. Define "frontline worker" to mean an employee who the Commission finds has regular job duties that: (a) include interacting with members of the public or with large populations of people; or (b) directly involve the maintenance of public works.

Specify that municipal frontline workers, and municipal employees in a collective bargaining unit that contains a frontline worker, may collectively bargain over wages, hours, and conditions of employment. The bill would amend statutory provisions relating to methods for peaceful settlement of disputes currently applicable to municipal transit employees (mediation, grievance arbitration, voluntary impasse resolution, and interest arbitration) to include collective bargaining units containing frontline workers. Under current law, only municipal public safety employees and certain municipal transit employees are able to collectively bargain over wages, hours, and conditions of employment.

Specify that state frontline workers, and state employees in a collective bargaining unit that contains a frontline worker, may collectively bargain over the following matters to the point of impasse: (a) wage rates, the assignment and reassignment of classifications to pay ranges, determination of an incumbent's pay status resulting from position reallocation or reclassification, and pay adjustments upon temporary assignment of classified employees to duties of a higher classification or downward reallocations of a classified employee's position; (b) fringe benefits consistent with prohibited subjects of bargaining; (c) hours; and (d) conditions of employment. Under current law, only state public safety employees are able to collectively bargain to the point of impasse over (a), (b), (c) and (d). [Statutes regarding settlement of state employee disputes under grievance arbitration and mediation generally reference collective bargaining agreement disputes and labor disputes. These statutes would apply to collective bargaining units containing frontline workers.]

Provide that the Commission may place frontline workers in a collective bargaining unit with employees who are not frontline workers if the Commission determines it is appropriate. Specify that, if the Commission places frontline workers in a collective bargaining unit with employees who are not frontline workers, the collective bargaining unit would be treated as if all employees in the unit are frontline workers. Under the bill, the Commission may not determine that a public safety employee or municipal transit employee is a frontline worker, may not place public safety employees in a collective bargaining unit with employees who are not public safety employees, and may not place municipal transit employees in a collective bargaining unit with employees who are not municipal transit employees.

Pension Contributions. Under the bill, state and municipal employees in collective bargaining units containing frontline workers could bargain over the employer "pickup" of employee-required pension contributions. Under current law and under the bill, state and municipal employers are prohibited from paying employee-required retirement contributions on behalf of a public safety employee if the employee first becomes an employee of the state or municipality on or after July 1, 2011. The bill does not amend these prohibitions or create similar language that would apply to collective bargaining units containing frontline workers. Under the bill, as under current law, bargaining units composed of municipal public safety employees are prohibited from bargaining over any terms of the legacy retirement systems of the City of Milwaukee and Milwaukee County, including the contribution rates, pension benefit calculation, and factors used to calculate a pension benefit under the systems. The bill does not amend these provisions to prohibit bargaining over such terms for bargaining units containing frontline workers.

Health Care Coverage. Under the bill, state employees in collective bargaining units containing frontline workers could bargain over fringe benefits, consistent with prohibited subjects of bargaining. Under current law and under the bill, state public safety employees have the right to collectively bargain over fringe benefits such as health insurance. Also under the bill, municipal employees in collective bargaining units containing frontline workers could bargain over fringe benefits. However, prohibited subjects of collective bargaining for municipal public safety employees, transit employees, and frontline workers would include all costs and payments associated with health care coverage and the design and selection of health care coverage plans by the municipal employer, and the impact of such costs, payments, and the design and selection of the health care coverage plans on the wages, hours, and conditions of employment of the employee, except for whether or not to provide health care coverage and the employee premium contribution. Under current law, municipal public safety employees have the right to collectively bargain over health insurance premiums and coverage, but are prohibited from collectively bargaining over other costs and payments associated with health care coverage plans and the design and selection of health care coverage plans.

Union Dues Provisions. Amend the definition of "fair-share agreement" for municipal employment relations to include an agreement between a municipal employer and a labor organization that represents a frontline worker, which would require all or any of the employees in the collective bargaining unit containing a frontline worker to pay their proportionate share of the cost of the collective bargaining process and contract administration measured by the amount of dues uniformly required of all members. Under current law, the definition of "fair-share agreement" only applies to such agreements between a municipal employer and a labor

organization that represents public safety or transit employees. Amend the definition of "fair-share agreement" for state employment relations to include an agreement between a state employer and a labor organization that represents a frontline worker, which would require all of the employees in the collective bargaining unit containing a frontline worker to pay their proportionate share of the cost of the collective bargaining process and contract administration measured by the amount of dues uniformly required of all members. Amend the definition of "maintenance of membership agreement" for state employment relations to include an agreement between a state employer and a labor organization that represents a frontline worker, which would require all of the employees in the collective bargaining unit containing a frontline worker whose dues were being deducted from earnings at the time the agreement took effect to continue to have dues deducted for the duration of the agreement, and which would also require that dues will be deducted from the earnings of all such employees who are hired on or after the effective date of the agreement. Under current law, the definitions of "fair-share agreement" and "maintenance of membership agreement" only apply to such agreements between a state employer and a labor organization that represents public safety employees.

Election of Representatives. Specify that the representative for any collective bargaining unit containing state or municipal employees must be chosen by a vote constituting the majority of the employees who are voting in the election. Under current law, the representative of a collective bargaining unit that does not contain public safety or municipal transit employees must be chosen by a vote constituting at least 51% of the total membership of the unit. The bill would extend the standard that currently applies to electing representatives for collective bargaining units that contain public safety or municipal transit employees to all state and municipal collective bargaining units, regardless of the types of employees represented.

Annual Certification. Repeal the requirement that the Commission conduct an annual election to certify the representative of each collective bargaining unit that contains state or municipal employees who are not public safety or municipal transit employees.

Right to Consultation. Provide that general state and municipal employees who are not in a collective bargaining unit containing a frontline worker have the right to have their employer consult with them, through a representative of their own choosing, with no intention of reaching an agreement, with respect to wages, hours, and conditions of employment. Specify that the right to be consulted may be exercised either when the employer proposes or implements policy changes affecting wages, hours, or conditions of employment or, if no changes are proposed or implemented, at least quarterly.

State Employers. For the purposes of state employment labor relations, define "employer" to mean the State of Wisconsin, including an authority, and define "authority" to mean: the Wisconsin Aerospace Authority, Health and Educational Facilities Authority, Bradley Center Sports and Entertainment Corporation, UW Hospitals and Clinics Authority, Wisconsin Housing and Economic Development Authority, Fox River Navigational System Authority, Wisconsin Economic Development Corporation, or Lower Fox River Remediation Authority. Under the bill, employees of these entities would have the same collective bargaining rights as employees of state agencies.

Under current law and under the bill, responsibility for state employer functions is assigned to the Department of Administration's Division of Personnel Management for all collective bargaining units other than those of the UW System and the charter school established by UW-Parkside. The Board of Regents of the UW System and the Chancellor of UW-Madison are responsible for state employer functions relating to UW System and UW-Madison employee collective bargaining units. The governing board of the charter school established by UW-Parkside is responsible for state employer functions relating to the collective bargaining unit containing instructional staff employed by the Board of Regents of the UW System who provide services for the charter school.

State Employees. For the purposes of state employment labor relations, include in the definition of "employee" faculty (including faculty who are supervisors or management employees but excluding faculty holding a limited appointment and deans) and academic staff of the University of Wisconsin System and the University of Wisconsin-Madison. Specify that a "program assistant" or "project assistant" means a graduate student enrolled in the University of Wisconsin System who is assigned to conduct research, training, administrative responsibilities, or other academic or academic support project or programs, except for regular preparation of instruction materials.

Create four new collective bargaining units, such that both the University of Wisconsin System and the University of Wisconsin-Madison would have a bargaining unit for faculty and a bargaining unit for academic staff.

Miscellaneous Provisions. Provide that a collective bargaining agreement may modify, waive, or replace any of the provisions of s. 118.22 of the statutes relating to renewal of teacher contracts as they apply to teachers in the collective bargaining unit, but neither the employer nor the bargaining agent for the employees would be required to bargain such modification, waiver, or replacement. Require that, if a school board wishes to increase the total base wages of its general municipal employees (those that are not in a collective bargaining unit containing a frontline worker) by a greater percentage than the change in the consumer price index, it must adopt a resolution to that effect, and the resolution may not take effect unless it is approved in a referendum called for that purpose. Specify that actions taken under statutory provisions relating to State Superintendent interventions in low-performing school districts and schools must be consistent with applicable collective bargaining agreements. Specify that the responsibility of a school board of a common or union high school district to establish rules scheduling the hours of a normal school day does not eliminate a school district's duty to bargain with its employees' collective bargaining representative over any calendaring proposal which is primarily related to wages, hours, or conditions of employment. Modify school district annual reporting requirements regarding payroll and related benefit costs to reflect the right of employees to collectively bargain.

Require a long-term care district, with respect to a newly-hired employee, to abide by the terms of a collective bargaining agreement between a county and a collective bargaining unit that is in effect and covers an individual on the date the individual begins employment with the district until the agreement expires or until adoption of a collective bargaining agreement with the district that covers the individual, whichever occurs first, if: (a) the county that previously employed the individual had participated in creating the district; (b) at the time of the offer, the county had not

withdrawn or been removed from the district; and (c) the individual while employed by the county performed duties relating to the same or a substantially similar function for which the individual is offered employment by the district.

Initial Applicability. For employees who are covered by a collective bargaining agreement that contains provisions inconsistent with the provisions of the bill, those bill provisions would first apply on the day on which the agreement expires or is terminated, extended, modified, or renewed, whichever occurs first.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. LOCAL GOVERNMENT EMPLOYEE GRIEVANCE PROCEDURE MODIFICATIONS

Governor: Require that any civil service system that is established under any provision of law, and any grievance procedure established between June 30, 2011, and October 1, 2011, must contain: (a) a grievance procedure that addresses employee terminations, employee discipline, and workplace safety; and (b) a just cause standard of review for employee terminations, including a refusal to renew a teaching contract with a teacher employed by a school board, technical college district board, cooperative educational service agency board, or county children with disabilities education board.

Require that any grievance procedure created by a local governmental unit between June 30, 2011, and October 1, 2011, must contain a provision indicating that the grievant is entitled to representation throughout the grievance process, and a provision indicating that the employer must pay all fees and costs associated with the grievance process, except for fees and costs for representation. Specify that, with regard to the current requirement that a grievance procedure include a hearing before an impartial hearing officer, the hearing officer must be from the Employment Relations Commission.

Under current law, in provisions that are codified in general municipality law pursuant to 2011 Act 10, the statutes require a local governmental unit (a political subdivision of the state, a special purpose district in the state, an agency or corporation, of a political subdivision or special purpose district, or a combination or subunit of any of the foregoing) that did not have a civil service system on June 29, 2011, to establish a grievance system no later than October 1, 2011. To comply with the required grievance system, a local governmental unit could establish either: (a) a civil service system under any provision authorized by law, to the greatest extent practicable, if no specific provision for the creation of a civil service system applies to that local governmental unit; or (b) a grievance procedure. Any civil service system that is established under any provision of law, and any grievance procedure that is created under the above provisions, must contain at least all of the following provisions: (a) a grievance procedure that addresses employee terminations; (b) employee discipline; and (c) workplace safety. The statutes do not specify that a just cause standard of review be applied to employee terminations. If a local governmental unit creates a grievance procedure under these provisions, the procedure must contain at least all of the following elements: a written document specifying the process that a grievant and an employer must follow;

a hearing before an impartial hearing officer; and an appeal process in which the highest level of appeal is the governing body of the local governmental unit.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

ENVIRONMENTAL IMPROVEMENT FUND

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$13,398,000	\$210,602,000	\$10,518,300	\$10,518,300	\$10,518,300	- \$2,879,700	- 21.5%
SEG	9,000,000	8,500,000	8,500,000	8,500,000	8,500,000	- 500,000	- 5.6
TOTAL	\$22,398,000	\$219,102,000	\$19,018,300	\$19,018,300	\$19,018,300	- \$3,379,700	- 15.1%
BR		\$725,900,000	\$732,250,100	\$732,250,100	\$732,250,100		

FTE Position Summary
Positions for the Environmental Improvement Fund program are provided under the Departments of Administration and Natural Resources.

Budget Change Items

1. LEAD SERVICE LINE REPLACEMENT FUNDING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$200,000,000	- \$200,000,000	\$0

Governor: Provide \$200,000,000 in 2025-26 in a new continuing appropriation in the safe drinking water loan program of the Environmental Improvement Fund (EIF) to allocate to projects involving forgivable loans (grants) for replacing private lead service lines connected to public water systems. Create a legislative finding and determination that the prevalence of lead service lines in connection to public water systems poses a public health hazard and that processes for reducing lead entering drinking water from such pipes requires additional treatment of wastewater. Further, declare it is in the public interest, and the public policy of the state, to assist private users of public water systems in replacing lead service lines.

Water service lines, also known as laterals, connect a building to the water mains in the street, and carry drinking water from the public water system to the individual building. Water service lines were often constructed with lead as late as the 1980s in some areas. Lead in water

service lines can leach into drinking water and damage the health of people drinking the water. In general, maintenance or replacement of the portion of the lateral that extends from the water main to the curb stop is the responsibility of the public water system, and the remaining portion of the lateral that extends from the curb stop to the building is the responsibility of the property owner.

The current safe drinking water loan program provides financial assistance to local governments that own public water systems or to the private owner of a community water system that serves a local government. Beginning in 2016-17, federal law authorized the state to use a portion of capitalization grant proceeds for principal forgiveness for private lead service line replacements. Since 2016-17, the state has awarded \$197 million in principal forgiveness for private lead service line replacements. All funds came from federal sources and were administered by municipalities. Currently, the Infrastructure Investment and Jobs Act (IIJA) provides an annual capitalization grant for lead service line replacement through 2026-27. For the 2025-27 biennium, Wisconsin is expected to receive \$83,278,000 each year under this program. Of this, 49%, or \$40,806,200, would be available for principal forgiveness each year. The remaining 51% would be available as low-interest loans to municipalities.

Additionally, municipalities may administer programs approved by the Public Service Commission to provide grants or loans to water utility customers for costs of replacing the property owner's side of a lead service line. The bill would authorize utilities to provide grants that would cover 100% of the cost of lead service line replacements. [See "Public Service Commission."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. REVENUE OBLIGATION BONDING AUTHORITY [LFB Paper 305]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$725,900,000	\$6,350,100	\$732,250,100

Governor: Increase revenue obligation bonding authority by \$725,900,000 for the clean water fund and safe drinking water loan program within the EIF. The clean water fund program provides low-interest loans to municipalities for planning, designing, constructing or replacing a wastewater treatment facility, or for nonpoint source pollution abatement or urban storm water runoff control projects. The safe drinking water loan program provides financial assistance to municipalities for the planning, design, construction, or modification of public water systems.

State revenue obligation bonds are issued to pay a required state match to the federal capitalization grant for each program. Federal law requires states to provide a 20% match to receive most capitalization grants and a 10% match for certain supplemental grants provided through the IIJA. Debt service payments are made from loan repayments.

Under current law, the program is authorized to issue up to \$2,597,400,000 in revenue obligation bonds. The bill would increase that amount to \$3,323,300,000. In the EIF biennial

finance plan published in late 2024, the Departments of Administration (DOA) and Natural Resources (DNR) indicated this level of bonding would be required to support capitalization grant matches and other financial assistance estimated through the 2027-29 state fiscal biennium.

Joint Finance/Legislature: Increase revenue obligation bonding authority for the EIF by an additional \$6,350,100, from \$2,597,400,000 to \$3,329,650,100, to meet state match requirements for four years and increase loan capacity.

[Act 15 Section: 325]

3. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$2,796,000	- \$83,700	- \$2,879,700
SEG	<u>- 500,000</u>	<u>0</u>	<u>- 500,000</u>
Total	- \$3,296,000	- \$83,700	- \$3,379,700

Governor: Reestimate GPR general obligation debt service by -\$534,000 in 2025-26 and -\$2,262,000 in 2026-27. This includes adjustments of: (a) -\$557,500 in 2025-26 and -\$1,743,200 in 2026-27 for the clean water fund; and (b) \$23,500 in 2025-26 and -\$518,800 in 2026-27 for the safe drinking water loan program.

In addition, delete \$500,000 EIF SEG in 2026-27 from the annual appropriation for clean water fund debt service. Annual clean water fund SEG debt service would be \$4,500,000 in 2025-26 and \$4,000,000 beginning in 2026-27.

Joint Finance/Legislature: Reestimate GPR general obligation debt service by an additional -\$83,900 in 2025-26 and \$200 in 2026-27. This includes adjustments of -\$67,500 in 2025-26 and -\$3,400 in 2026-27 for clean water fund debt service and -\$16,400 in 2025-26 and \$3,600 in 2026-27 for safe drinking water loan program debt service. Retain the deletion of \$500,000 EIF SEG in 2026-27 for clean water fund debt service.

The debt service modifications are reflected in the following table.

Environmental Improvement Fund Debt Service

		2025-26			2026-27		
	Base	Change to Base	Change to Bill	Total	Change to Base	Change to Bill	Total
Clean Water Fund							
GPR	\$3,337,600	-\$625,000	-\$67,500	\$2,712,600	-\$1,746,600	-\$3,400	\$1,591,000
SEG	<u>4,500,000</u>	<u>0</u>	<u>0</u>	<u>4,500,000</u>	<u>-500,000</u>	<u>0</u>	<u>4,000,000</u>
Subtotal	\$7,837,600	-\$625,000	-\$67,500	\$7,212,600	-\$2,246,600	-\$3,400	\$5,591,000
Safe Drinking Water Loan Program							
GPR	<u>\$3,361,400</u>	<u>\$7,100</u>	<u>-\$16,400</u>	<u>\$3,368,500</u>	<u>-\$515,200</u>	<u>\$3,600</u>	<u>\$2,846,200</u>
Total	\$11,199,000	-\$617,900	-\$83,900	\$10,581,100	-\$2,761,800	\$200	\$8,437,200

ETHICS COMMISSION

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$2,067,800	\$8,495,400	\$2,412,800	\$2,412,800	\$2,412,800	\$345,000	16.7%
PR	<u>1,086,400</u>	<u>72,400</u>	<u>1,327,900</u>	<u>1,327,900</u>	<u>1,327,900</u>	<u>241,500</u>	22.2
TOTAL	\$3,154,200	\$8,567,800	\$3,740,700	\$3,740,700	\$3,740,700	\$586,500	18.6%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	4.70	27.00	4.70	4.70	4.70	0.00
PR	<u>3.30</u>	<u>0.00</u>	<u>3.30</u>	<u>3.30</u>	<u>3.30</u>	<u>0.00</u>
TOTAL	8.00	27.00	8.00	8.00	8.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$7,600	- \$9,200	- \$1,600
PR	<u>9,800</u>	<u>- 6,300</u>	<u>3,500</u>
Total	\$17,400	- \$15,500	\$1,900

Governor: Adjust funding annually for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>PR</u>	<u>Total</u>
Full Funding of Cont. Pos. Salary/Fringe	-\$9,400	-\$5,200	-\$14,600
Reclassification/Pay Progression	<u>13,200</u>	<u>10,100</u>	<u>23,300</u>
Total	\$3,800	\$4,900	\$8,700
Biennial Totals	\$7,600	\$9,800	\$17,400

Joint Finance/Legislature: Modify reclassification and semiautomatic pay progression by -\$9,200 GPR and -\$6,300 PR in 2025-26. Total adjustments to funding for standard budget adjustments are shown in the following table.

	<u>GPR</u>	<u>PR</u>	<u>Total</u>
2025-26			
Full Funding of Cont. Pos. Salary/Fringe	-\$9,400	-\$5,200	-\$14,600
Reclassification/Pay Progression	<u>4,000</u>	<u>3,800</u>	<u>7,800</u>
Total	-\$5,400	-\$1,400	-\$6,800
2026-27			
Full Funding of Cont. Pos. Salary/Fringe	-\$9,400	-\$5,200	-\$14,600
Reclassification/Pay Progression	<u>13,200</u>	<u>10,100</u>	<u>23,300</u>
Total	\$3,800	\$4,900	\$8,700
Biennial Totals	-\$1,600	\$3,500	\$1,900

2. ACT 126 RESOURCES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
	Funding Positions	Funding Positions	Funding Positions
GPR	\$4,734,600 19.00	-\$4,734,600 - 19.00	\$0 0.00

Governor: Provide \$2,509,800 in 2025-26, \$2,224,800 in 2026-27, and 19.0 positions annually to the Commission's general programs operations GPR appropriation to manage estimated caseload increases resulting from 2023 Act 126, which takes effect on July 1, 2025. Act 126 requires that campaign finance committees and conduits register and report directly to the Ethics Commission rather than local filing officers. This change is estimated by the agency to add at least 30,500 registrants for the Commission to process; a responsibility previously managed by local filing officers.

Under current law, while campaign finance committees and conduits are required to register, they are exempt from filing reports with the Commission if the entity's total of accepted contributions, expenditures, and incurred debt does not exceed \$2,500 in aggregate during a calendar year. The Commission estimates that 75% of new registrants will fall under this exemption, resulting in an estimated total of approximately 7,600 new active registrants (those that file reports). In comparison, the Commission currently is responsible for advising, auditing, and performing other duties for 1,293 active registrants. Every candidate for an elected office, regardless of state or local position, is required to have a candidate committee.

Before Act 126, only party committees, legislative campaign committees, political action committees, independent expenditure committees, conduits, and candidate committees for state offices were required to register and file campaign finance reports with the Ethics Commission. Under Act 126, committees for county elected offices, municipal elected offices, school district board members, recalls for local elected offices, and local or school district referendum questions will also register and file required reports with Ethics Commission, rather than their respective

local filing officer such as a county clerk, municipal clerk, or school district clerk.

Under the bill, the Commission's position authority would increase from 8.0 FTE to 27.0 FTE through the addition of the following positions:

Ethics Specialists (13). These specialists would administer campaign finance, lobbying, and ethics laws; advise registrants on how to register and file reports; conduct audits for each registrant; and provide administrative support to local campaign offices. Currently, the Commission has four ethics specialists.

Attorneys (3). One of the attorneys is recommended to perform a supervisory role, with the other two being classified as attorneys. These attorneys would revise and draft administrative rules, negotiate and draft settlement agreements resulting from audit findings, ensure training materials are accurate, and file civil lawsuits to enforce laws administered by the Commission. Currently, the Commission has one attorney.

Trainers (2). One permanent position and one two-year project position are recommended to conduct training sessions across Wisconsin's 72 counties for local candidates, clerks, and election offices. The Commission plans to hold 80 in-person sessions in the first year of the biennium, decreasing this number by half in subsequent years while expanding online training offerings. Funding would also be provided for travel and per diem expenses for trainers.

Office Management Specialist (1). This position would handle budgetary responsibilities, procurement, accounts receivable, and serve as a liaison between the Commission and other agencies.

Bill funding includes \$285,000 for one-time construction and relocation costs within the state-owned Department of Administration building at 101 E. Wilson Street, as well as one-time purchase of equipment as follows: (a) \$102,000 for construction (modifications to space); (b) \$110,000 for moving and purchasing new furniture; and (c) \$83,000 for office equipment for new and current staff (including computers and printers). Additionally, funding includes the cost of rent, which is estimated to increase \$64,700 annually from \$46,500 to \$111,200, and the cost to provide a \$10,000 increase in salary for the Assistant Administrator to account for the expanded workload and supervisory responsibilities.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. LOBBYING PROGRAM ADMINISTRATION AND REVENUE

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$1,023,800	3.30	-\$1,023,800	- 3.30	\$0	0.00
PR	<u>- 1,023,800</u>	<u>- 3.30</u>	<u>1,023,800</u>	<u>3.30</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Provide \$511,900 GPR and 3.3 GPR positions annually to the Commission's general program operations GPR appropriation and repeal the Commission's lobbying administration PR appropriation (-\$511,900 PR and -3.3 PR positions annually) to discontinue direct reliance on program revenue for lobbying regulation. Specify that all collected lobbying fees be deposited to the general fund. Under the bill, the Commission's GPR appropriation for general program operations would fund all costs of lobbying regulation. The Commission estimates that sometime in the next two to four years the lobbying PR appropriation will be in a deficit without an increase to statutory lobbying fees. Under 2021 Act 58 (the 2021-23 biennial budget act), principal lobbyist registration fees were increased from \$375 to \$385, and lobbyist authorization fees from \$125 to \$135 beginning on July 1, 2021. The previous increase to lobbyist fees was under 1995 Act 27.

State and federal district court cases have ruled that it is unconstitutional under the First Amendment to the U.S. Constitution to impose a lobbying fee that amounts to a tax, and that lobbying fees may only be imposed to offset the costs of regulating lobbying activity. [Moffett v. Killian, 360 F. Supp. 228 (D. Conn. 1973); Georgia State AFL-CIO v. State of Georgia Ethics Commission, United States District Court, Northern District of Georgia (September, 1995); Common Cause, Inc., v. State of Indiana, Marion Superior Court (September, 1996); and Vermont Society of Association Executives v. Milne (2001).]

Under current law, the PR appropriation for lobbying administration receives revenue from fees charged by the Commission for lobbyist licenses, principal registrations, verified statements of exemption, lobbyist authorizations, and registrations of interest in legislative proposals. Under the bill, the Commission's GPR general program operations appropriation would increase by \$511,900 and 3.3 positions annually. Base funding for the appropriation is currently \$808,900 GPR with 4.7 GPR positions.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. CAMPAIGN FINANCE INFORMATION WEBSITE CONTINUATION [LFB Paper 310]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$347,000	- \$315,000	\$32,000
PR	<u>0</u>	<u>238,000</u>	<u>238,000</u>
Total	\$347,000	- \$77,000	\$270,000

Governor: Provide \$196,000 in 2025-26 and \$151,000 in 2026-27 on a one-time basis to the Commission's general program operations GPR appropriation for an extension of the maintenance agreement for the Commission's new campaign finance information system. Funding would include \$135,000 annually to complete the website by the end of the biennium and extend the Commission's two IT contract positions to configure and maintain the website. The Commission was approved to work with a vendor to construct a new campaign finance information

system during the last biennium, which would include a build phase in 2023-24 and a two-year maintenance phase in 2024-25 and 2025-26. Unanticipated events delayed the build phase until 2024-25 and the recommendation would extend the maintenance phase through the 2025-27 biennium at the previously approved rate (\$135,000 annually).

Funding would also include the costs of reconciling duplicated data in the old system (\$20,000 in 2025-26) and the creation of an online payment page for campaign finance filing fees (\$40,000 in 2025-26 and \$15,000 2026-27).

Under current law (Chapter 11 of the Wisconsin Statutes), the Ethics Commission is required to maintain a campaign finance reporting system that publicly displays all contributions, disbursements, and obligations received, made, and incurred by a candidate committee or conduit required to register, in order to promote transparency in campaign financing. The current campaign finance information system website used by the Ethics Commission was built in 2008.

Joint Finance/Legislature: Modify funding by -\$180,000 GPR and \$119,000 PR in 2025-26, and -\$135,000 GPR and \$119,000 PR in 2026-27. Funding would not be provided for an already-completed deduplication project (\$20,000 in 2025-26), an online payment page for campaign finance filing fees (\$40,000 for implementation in 2025-26 and \$15,000 in 2026-27 as ongoing for maintenance), and the unspecified item (\$1,000 annually). The annual PR funding would be from a revenue balance in the Ethics Commission's PR general program operations appropriation.

5. CONTINUING IT CONTRACTOR POSITION [LFB Paper 310]

GPR	\$314,600

Governor: Provide \$164,800 in 2025-26 and \$149,800 in 2026-27 to the Commission's general program operations GPR appropriation for continuing one IT contract position to administer the Commission's reporting applications. Under 2023 Act 19, the Commission received one-time funding to hire an IT contractor to supplement the increased workload for the previously authorized IT contractor while the new website was created. The contractor currently configures and maintains the lobbying, campaign finance, and statements of economic interests reporting applications. The bill would fund the contractor on an ongoing basis for \$149,800 annually with an additional one-time cost of \$15,000 in 2025-26 for replacing the current staff's monitors and renewing software licensing.

Joint Finance/Legislature: Specify that funding be provided on a one-time basis.

6. CLOSED MEETINGS FOR IT SECURITY ISSUES

Governor: Modify current law to specify that the Ethics Commission and Elections Commission may vote to convene in closed session when considering information technology (IT) security issues affecting IT systems over which the agency has jurisdiction or exercises responsibility. The Ethics Commission maintains and operates reporting applications for campaign finance, lobbying activities and registrations, and statements of economic interests from state employees and elected officials. [See "Elections Commission."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

FINANCIAL INSTITUTIONS

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
PR	\$41,983,000	\$47,214,400	\$43,214,400	\$43,214,400	\$43,214,400	\$1,231,400	2.9%
SEG	<u>1,931,600</u>	<u>1,990,400</u>	<u>2,020,400</u>	<u>2,020,400</u>	<u>2,020,400</u>	<u>88,800</u>	4.6
TOTAL	\$43,914,600	\$49,204,800	\$45,234,800	\$45,234,800	\$45,234,800	\$1,320,200	3.0%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
PR	138.54	146.10	138.54	138.54	138.54	0.00
SEG	<u>3.00</u>	<u>2.90</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>0.00</u>
TOTAL	141.54	149.00	141.54	141.54	141.54	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- \$59,200	- \$444,800	- \$504,000
SEG	<u>88,800</u>	<u>0</u>	<u>88,800</u>
Total	\$29,600	- \$444,800	- \$415,200

Governor: Adjust funding annually for standard budget adjustments as shown in the following table.

	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Turnover Reduction	-\$333,600	\$0	-\$333,600
Full Funding of Cont. Pos. Salary/Fringe	435,600	46,600	482,200
Full Funding of Lease/Directed Moves	<u>-131,600</u>	<u>-2,200</u>	<u>-133,800</u>
Total	-\$29,600	\$44,400	\$14,800
Biennial Totals	-\$59,200	\$88,800	\$29,600

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Modify funding under the turnover reduction standard budget adjustment by -\$222,400 PR annually, resulting in total turnover of -\$556,000 PR annually. Total adjustments to funding for standard budget adjustments are shown in the following table.

	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Turnover Reduction	-\$556,000	\$0	-\$556,000
Full Funding of Cont. Pos. Salary/Fringe	435,600	46,600	482,200
Full Funding of Lease/Directed Moves	<u>-131,600</u>	<u>-2,200</u>	<u>-133,800</u>
Total	-\$252,000	\$44,400	-\$207,600
Biennial Totals	-\$504,000	\$88,800	-\$415,200

2. DEPARTMENT OPERATIONS [LFB Paper 315]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$2,500,000	- \$1,250,000	\$1,250,000

Governor: Provide \$1,250,000 annually for the Department's central duties including: (a) the maintenance and upgrade of critical information technology infrastructure, financial examiner travel and training costs, and accreditation costs (\$1,161,400); and (b) limited-term-employee salary and fringe costs (\$88,600). These costs are not in base funding due, in part, to historical reductions to the agency's budget.

Joint Finance/Legislature: Modify funding by -\$625,000 annually to provide \$625,000 annually for department operations.

3. ALTERNATE DATA STORAGE SITE [LFB Paper 316]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$687,900	- \$202,500	\$485,400

Governor: Provide \$485,400 in 2025-26 and \$202,500 in 2026-27 to establish an alternate information systems and data storage site for the purposes of disaster recovery and continuity of

business operations to meet standards of the Division of Enterprise Technology (DET) in the Department of Administration (DOA). The site would be located in the DET Milwaukee Data Center. Funding in 2025-26 includes one-time hardware and software implementation costs.

Joint Finance/Legislature: Modify funding by -\$202,500 in 2026-27 to provide \$485,400 in 2025-26 for an alternate data storage site.

4. DIVISION OF CORPORATE AND CONSUMER SERVICES MODERNIZATION PROJECT [LFB Paper 317]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$606,600	- \$606,600	\$0

Governor: Provide \$606,600 in 2026-27 on a one-time basis to maintain and modernize critical Division of Corporate and Consumer Services applications including those for the Corporations Bureau fulfillment system, its generic online form repository, and its charitable organizations management system.

Joint Finance/Legislature: Provision not included.

5. DIVISION OF BANKING - MORTGAGE BANKING RESOURCES [LFB Paper 318]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$412,300	2.46	- \$412,300	- 2.46	\$0	0.00

Governor: Provide \$176,700 in 2025-26 and \$235,600 in 2026-27 and 2.46 positions annually (1.5 consumer credit examiners, 0.5 financial examiner supervisor, and 0.46 financial specialist) to allow Wisconsin to increase audit hours to participate in networked supervision with other state financial regulators, which allows a licensee to be audited once by one state instead of multiple times by each state in which the licensee does business. The 0.46 financial specialist position would be provided to make a full-time position from an existing 0.54 position.

Joint Finance/Legislature: Provision not included.

6. DIVISION OF SECURITIES RESOURCES [LFB Paper 319]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$395,500	2.00	-\$395,500	- 2.00	\$0	0.00

Governor: Provide \$169,500 in 2025-26 and \$226,000 in 2026-27 and 2.0 positions annually (one securities examiner and one attorney) to investigate securities scams, investment schemes, and other financial threats, including those involving elder financial abuse, and assist with an increase in active investigations by the Division of Securities. Currently, the Division has four securities examiners, two attorneys, and one paralegal.

Joint Finance/Legislature: Provision not included.

7. OFFICE OF CREDIT UNIONS RESOURCES [LFB Paper 318]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$367,800	2.00	-\$367,800	- 2.00	\$0	0.00

Governor: Provide \$157,100 in 2025-26 and \$210,700 in 2026-27 and 2.0 positions annually (1.0 financial examiner and 1.0 financial examiner – advanced) in the Office of Credit Unions (OCU) to meet its duties of examining and supervising Wisconsin's state-chartered credit unions. The Department indicates that there has been an increase in the number of Wisconsin credit unions that exceed \$1 billion in assets, a threshold that requires annual regulatory examinations to maintain federal insurance coverage. State law requires OCU to examine other credit unions every 18 months. In addition, as credit union asset size increases, so does the time required for OCU to review credit union operations.

Joint Finance/Legislature: Provision not included.

8. ACHIEVING A BETTER LIFE EXPERIENCE SAVINGS ACCOUNT PROGRAM

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$320,500	1.10	-\$320,500	- 1.10	\$0	0.00
SEG	<u>- 30,000</u>	<u>- 0.10</u>	<u>30,000</u>	<u>0.10</u>	<u>0</u>	<u>0.00</u>
Total	\$290,500	1.00	-\$290,500	- 1.00	\$0	0.00

Governor: Provide \$137,400 PR and -\$12,900 SEG in 2025-26 and \$183,100 PR and -\$17,100 SEG in 2026-27 and 1.1 PR and -0.1 SEG positions annually for administering and

supervising the state's Achieving a Better Life Experience (ABLE) Program authorized under 2023 Act 267. The ABLE program provides tax-exempt savings accounts to pay qualified expenses for an individual with disabilities, including education, housing, and transportation costs. Of the 1.1 PR positions, the converted 0.1 PR position (which would make a 1.0 position with an existing 0.9 SEG position in the college savings program) would supervise the other 1.0 PR policy initiatives advisor position. Of the funding provided, \$45,000 in 2026-27 is for ABLE marketing materials.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. TRANSFER TO THE SECRETARY OF STATE

Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-REV - \$758,300	\$758,300	\$0

Governor: Increase the annual transfer of revenue from the Department's general program operations appropriation to the Secretary of State from \$150,000 under current law to \$502,900 in 2025-26 and \$555,400 in 2026-27 and each year thereafter. [See "Secretary of State."]

Under current law, with some exceptions, all moneys received by the Department, other than 88 percent of moneys received by the Office of Credit Unions and the Department's Division of Banking, is credited to the Department's general program operations appropriation, and any balance at the close of a fiscal year transfers to the general fund. Annually, \$150,000 of the amounts received under this appropriation is transferred to the Secretary of State. This provision would reduce the amount transferred to the general fund by an additional \$352,900 in 2025-26 and \$405,400 in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled Amount	Percent
SEG	\$250,800	\$263,400	\$263,400	\$263,400	\$263,400	\$12,600	5.0%

FTE Position Summary
There are no state authorized positions for the Fox River Navigational System.

Budget Change Item

1. FOX RIVER NAVIGATIONAL SYSTEM AUTHORITY OPERATING SUPPORT

SEG	\$12,600

Governor/Legislature: Provide \$6,300 conservation fund SEG annually to increase funding for property upkeep and services on the Fox River lock system. Funding would be used to support operational costs, such as insurance, and to purchase fuel and construction materials. The amount represents a 5% increase to supplies and services funding that is applied to certain state operations appropriations. The state transfer to the Fox River Navigational System Authority (FRNSA) is funded from the water resources account of the conservation fund, which is primarily supported by fuel taxes attributed to motorboats.

GENERAL FUND TAXES

OVERVIEW -- GENERAL FUND TAX CHANGES

The following table shows the general fund tax changes recommended by the Governor and by the Joint Committee on Finance/Legislature (included in Act 15), along with their fiscal effects in the 2025-27 biennium. The table does not include tax law changes that are estimated to have a minimal effect or that are estimated to only have a fiscal effect outside of the 2025-27 biennium. The table also does not include changes to expenditures of refundable tax credits, because those are paid from appropriations rather than recorded as reductions in tax revenue [see "General Fund Taxes -- Refundable Tax Credits and Other Payments"].

2025-27 General Fund Tax Changes -- Estimated Biennial Fiscal Effects of Budget

	<u>2025-27 Governor</u>	<u>2025-27 Jt. Finance/Leg.</u>	<u>Change to Governor</u>
Income and Franchise Taxes			
Create 9.8% Tax Bracket	\$1,297,700,000	\$0	-\$1,297,700,000
Limit MAC for Manufacturers	792,300,700	0	-792,300,700
Retirement Income Exclusion	0	-695,000,000	-695,000,000
Expand Second Tax Bracket	0	-643,000,000	-643,000,000
IRC Update -- TCJA	487,800,000	0	-487,800,000
Limit Capital Gains Exclusion	420,100,000	0	-420,100,000
Increase Personal Exemption	-225,900,000	0	225,900,000
Interactive Effects	98,300,000	33,000,000	-65,300,000
Universal Changing Station Credit	-15,900,000	0	15,900,000
Exclusion for Cash Tips	-13,600,000	0	13,600,000
Limit Private School Tuition Deduction	13,000,000	0	-13,000,000
Expand LIHTC	-8,700,000	0	8,700,000
Limit Dividends Received Deduction	6,400,000	0	-6,400,000
Flood Insurance Premiums Credit	-800,000	0	800,000
Expand Disability Income Subtraction	-520,000	0	520,000
Increase Adoption Expenses Deduction	-180,000	-160,000	20,000
Subtotal -- Income and Franchise Taxes	\$2,850,000,700	-\$1,305,160,000	-\$4,155,160,700
General Sales and Use Tax			
Expand Residential Electricity Exemption	-\$155,600,000	-\$178,700,000	-\$23,100,000
Exemption for Over-the-Counter Medicine	-70,575,000	0	70,575,000
Exemption for Diapers/Hygiene Products	-35,270,000	0	35,270,000
Exemption for Insurers	0	-18,900,000	-18,900,000
Sales Tax on Marijuana	13,300,000	0	-13,300,000
Exemption for Renewable Energy Storage	-7,700,000	0	7,700,000
Exemption for Breastpumps	-1,312,500	0	1,312,500
Exemption for Gun Safety Equipment	-1,245,000	0	1,245,000
Exemption for Planning/Counseling Services	-1,110,000	0	1,110,000
Repeal Exemption for Farm-Raised Deer	210,000	0	-210,000
Subtotal -- General Sales and Use Tax	-\$259,302,500	-\$197,600,000	\$61,702,500

	<u>2025-27</u> <u>Governor</u>	<u>2025-27</u> <u>Jt. Finance/Leg.</u>	<u>Change to</u> <u>Governor</u>
Excise Taxes			
Create Marijuana Excise Taxes	\$56,700,000	\$0	-\$56,700,000
Increase Tax on Vapor Products	41,400,000	0	-41,400,000
Increase Tax on Little Cigars	<u>4,995,000</u>	<u>0</u>	<u>-4,995,000</u>
Subtotal -- Excise Taxes	\$103,095,000	\$0	-\$103,095,000
Public Utility Taxes			
Telephone Company Tower Exemption	-\$1,500,000	\$0	\$1,500,000
Revenue Enhancements			
Extend DOR Project Positions	\$75,775,000	\$75,775,000	\$0
Alcohol Permit Fees Deposited in DAB	<u>0</u>	<u>-300,000</u>	<u>-300,000</u>
Subtotal -- Revenue Enhancements	\$75,775,000	\$75,475,000	-\$300,000
Total General Fund Tax Changes	\$2,768,068,200	-\$1,427,285,000	-\$4,195,353,200

The following table shows the estimated fiscal effects of the general fund tax changes that were recommended by the Joint Committee on Finance/Legislature and enacted under 2025 Act 15, by year.

2025-27 General Fund Tax Changes under Act 15

	<u>2025-26</u>	<u>2026-27</u>	<u>2025-27</u> <u>Biennium</u>
Income and Franchise Taxes			
Retirement Income Exclusion	-\$395,000,000	-\$300,000,000	-\$695,000,000
Expand Second Tax Bracket	-323,000,000	-320,000,000	-643,000,000
Interactive Effects	18,000,000	15,000,000	33,000,000
Increase Adoption Expenses Deduction	-80,000	-80,000	-160,000
General Sales and Use Tax			
Expand Residential Electricity Exemption	-\$55,200,000	-\$123,500,000	-\$178,700,000
Exemption for Insurers	-8,000,000	-10,900,000	-18,900,000
Revenue Enhancements			
Extend DOR Project Positions	\$32,475,000	\$43,300,000	\$75,775,000
Alcohol Permit Fees Deposited in DAB	<u>-150,000</u>	<u>-150,000</u>	<u>-300,000</u>
Total General Fund Tax Changes	-\$730,955,000	-\$696,330,000	-\$1,427,285,000

Income and Franchise Taxes

1. CREATE INDIVIDUAL INCOME TAX RATE OF 9.8%

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	\$1,297,700,000	- \$1,297,700,000	\$0

Governor: Beginning in tax year 2025, create a new individual income tax bracket with a marginal rate of 9.8%. Specify that the bracket would apply to taxable income exceeding \$1 million for single, head-of-household, and married-joint filers, and exceeding \$500,000 for married-separate filers. Provide that the new rate and bracket schedule would be indexed for inflation annually in the same manner as applies to the rates and brackets under current law. Update various cross references to reflect the new top marginal rate. Increase estimated individual income tax collections by \$719,300,000 in 2025-26 and \$578,400,000 in 2026-27.

Under prior law for tax year 2025, taxable income is subject to the marginal rate and bracket schedule shown in Table 1.

TABLE 1

Prior Law Tax Rate and Bracket Schedule, Tax Year 2025

<u>Tax Rate</u>	<u>Income Tax Brackets by Filing Status</u>		
	<u>Single and Head-of-Household</u>	<u>Married-Joint</u>	<u>Married-Separate</u>
3.50%	\$0 to \$14,680	\$0 to \$19,580	\$0 to \$9,790
4.40%	14,680 to 29,370	19,580 to 39,150	9,790 to 19,580
5.30%	29,370 to 323,290	39,150 to 431,060	19,580 to 215,530
7.65%	323,290 and over	431,060 and over	215,530 and over

Under the bill, taxable income would be subject to the marginal rate and bracket schedule shown in Table 2.

TABLE 2

Proposed Tax Rate and Bracket Schedule under the Governor's Budget, Tax Year 2025

<u>Tax Rate</u>	<u>Income Tax Brackets by Filing Status</u>		
	<u>Single and Head-of-Household</u>	<u>Married-Joint</u>	<u>Married-Separate</u>
3.50%	\$0 to \$14,680	\$0 to \$19,580	\$0 to \$9,790
4.40%	14,680 to 29,370	19,580 to 39,150	9,790 to 19,580
5.30%	29,370 to 323,290	39,150 to 431,060	19,580 to 215,530
7.65%	323,290 to 1,000,000	431,060 to 1,000,000	215,530 to 500,000
9.80%	1,000,000 and over	1,000,000 and over	500,000 and over

Under current law, no house of the Legislature may pass a bill that increases any of the rates of the income tax unless the bill is approved by two-thirds of those members present and voting. However, this provision does not apply if the Legislature passes a joint resolution requiring a statewide advisory referendum on the question of whether the Legislature should authorize the proposed tax increase and a majority of voters voting at the referendum vote to approve the tax increase. The bill would specify that these provisions do not apply to the proposed 9.8% rate.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. MAC LIMIT FOR MANUFACTURERS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	\$792,300,700	- \$792,300,700	\$0

Governor: Limit the amount of qualified production activities income (QPAI) from manufacturing activities a claimant may use as the basis for claiming the nonrefundable manufacturing and agriculture tax credit (MAC), as described below. The limit would not apply to income derived from agricultural activities.

Under current law, the MAC can be used under the corporate income/franchise tax and the individual income tax. Under both taxes, the MAC equals 7.5% of the claimant's eligible QPAI derived from manufacturing land and depreciable property or agricultural real property and improvements in Wisconsin.

For business owners that file under the individual income tax, the MAC may only be used to offset tax imposed on eligible manufacturing or agricultural income. It cannot be used to offset the tax on other sources of income earned by the claimant. The amount of income on which the MAC is calculated must be reduced by the amount of QPAI that is claimed under the credit for taxes paid to another state. Pass-through entities, such as partnerships, limited liability companies

(LLCs), and tax-option (S) corporations, may not claim the MAC. Instead, the credit computed by those entities can pass through to these entities' respective partners, members, or shareholders based on the amount of QPAI generated by the pass-through entities. Partnerships, LLCs, and S corporations that elect to be taxed at the entity level may not claim the MAC (and neither may the owners). Trusts and estates may pass the credit through to their beneficiaries based on the income allocable to each. Insurance companies cannot claim the credit. For corporations, the amount of eligible QPAI that can be claimed in computing the credit is the lesser of: (a) the eligible QPAI determined under the MAC provisions; (b) income apportioned or allocated to Wisconsin; or (c) income determined as taxable under state combined reporting provisions. The MAC can only be used to offset the net tax of the corporation that generated the credit. The MAC cannot be shared with other members of a combined group. Unlike individual filers, C corporations may compute and use the MAC to reduce tax liability without respect to the source of taxable income.

Under current law, there is no maximum amount of MAC that can be claimed in a tax year. The bill would limit the amount of QPAI from manufacturing activities a claimant may use to compute the MAC to no more than \$300,000 per tax year. This provision would effectively provide for a maximum MAC claim of \$22,500 for income derived from manufacturing activities. For example, a sole proprietor or a C corporation could only claim a total of \$22,500 on their own manufacturing income. Under the bill, a pass-through entity would be able to compute the credit up to a maximum of \$22,500, and pass through that amount in the aggregate to its partners, members, or shareholders. Because an individual can own an interest in multiple pass-through entities, an individual would be able to claim a maximum of \$22,500 for each pass-through business in which the individual has an ownership interest, such that an individual could potentially claim more than \$22,500 in the aggregate.

The provision would first apply for taxable years beginning after December 31, 2024. The Administration estimates that the provision would increase state tax revenues by \$418,459,900 in 2025-26 and \$373,840,800 in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. IRC UPDATE - TCJA

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	\$487,800,000	- \$487,800,000	\$0

Governor: Update references to the Internal Revenue Code (IRC) under the individual income and corporate income/franchise taxes to adopt certain provisions of the Tax Cuts and Jobs Act of 2017 (TCJA), P.L. 115-97, for taxable years beginning after December 31, 2024. The bill would adopt the following TCJA items: (a) loss limitation for taxpayers other than corporations; (b) accounting rules for accrual method taxpayers; (c) limitation on the deduction for business interest; (d) limitation on the deduction for entertainment, amusement, and recreation expenses; (e) limitation on the deduction of Federal Deposit Insurance Corporation (FDIC) premiums; and

(f) modification of the limitation on the deduction for highly paid individuals. The revenue effect of each item is shown in the table below. According to the Administration, state adoption of these provisions would increase state income and franchise tax revenues by \$237,400,000 in 2025-26 and \$250,400,000 in 2026-27.

**2025-27 Biennium Fiscal Effect
(Millions)**

<u>TCJA Provision</u>	<u>2025-26</u>	<u>2026-27</u>
Loss limitation for taxpayers other than corporations	\$46.6	\$48.7
Accounting rules for accrual method taxpayers	1.2	1.2
Limitation on the deduction for business interest	159.4	169.7
Limitation on the deduction for entertainment, amusement, and recreation	16.5	16.9
Limitation on the deduction for FDIC premiums	10.1	10.3
Modification of the limitation for highly paid individuals	<u>3.6</u>	<u>3.6</u>
Total	\$237.4	\$250.4

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. LIMIT CAPITAL GAINS EXCLUSION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	\$420,100,000	- \$420,100,000	\$0

Governor: Limit the current law exclusion for 30% of an individual's net long-term, nonfarm capital gain as follows, beginning in tax year 2025. Prohibit an individual with federal adjusted gross income (AGI) above the following thresholds from claiming the exclusion: (a) \$400,000 for single and head-of-household filers, estates, and trusts; (b) \$533,000 for married-joint filers; and (c) \$266,500 for married-separate filers. However, if an individual's federal AGI, less 30% of the capital gains otherwise eligible for the exclusion, is below the applicable AGI threshold listed above, the individual's exclusion would be reduced by the amount by which their federal AGI exceeds the applicable threshold amount. The Administration estimates that the limitation on the capital gains exclusion would increase individual income tax collections by \$242,500,000 in 2025-26 and \$177,600,000 in 2026-27.

For example, consider a single filer with federal AGI of \$450,000, including net long-term, nonfarm capital gains of \$200,000. Subtracting 30% of the \$200,000 in gains (\$60,000) yields an adjusted federal AGI of \$390,000, which is below the threshold at which single filers can no longer claim the exclusion under the proposal. In this scenario, the filer could claim the 30% exclusion of \$60,000, reduced by the amount by which their federal AGI of \$450,000 exceeds the applicable threshold of \$400,000 (\$50,000), resulting in an allowable exclusion of \$10,000.

Under current law, a capital gains exclusion is provided for 60% of the net capital gain from the sale of farm assets and 30% of the net capital gain from the sale of other assets, provided those assets are held more than one year or are acquired from a decedent. Gains from assets held one year or less are fully taxed. The Governor's recommendation would not limit the net capital gain exclusion: (a) for filers electing to be taxed at the entity level; or (b) from the sale of farm assets.

[This provision was inadvertently not included in the bill. An amendment would be needed to incorporate into the bill the Governor's intent to limit the exclusion on capital gains.]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. INCREASE PERSONAL EXEMPTION [LFB Paper 328]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	-\$225,900,000	\$225,900,000	\$0

Governor: Increase to \$1,200 (from \$700) the personal exemption for each taxpayer, their spouse (if a married-joint filer), and each dependent of the taxpayer, beginning in tax year 2025. Update various current law statutory references to reflect the increased personal exemption amount. Decrease estimated individual income tax collections by \$112,400,000 in 2025-26 and \$113,500,000 in 2026-27.

Under current law, a personal exemption of \$700 is provided for each taxpayer, spouse (if a married-joint filer), and dependent of the taxpayer. There is an additional \$250 personal exemption for taxpayers who are at least age 65 by the close of the tax year. This provision would not change the \$250 additional exemption amount.

Joint Finance/Legislature: Provision not included.

6. UNIVERSAL CHANGING STATIONS CREDIT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	-\$15,900,000	\$15,900,000	\$0

Governor: Create a nonrefundable income and franchise tax credit, beginning in tax year 2025, equal to 50% of the amount the claimant paid during the taxable year to install a universal changing station. No claimant could claim a credit of more than \$5,125 in a taxable year. According to the Administration, it is intended that the \$5,125 limitation on claims would apply to a claimant regardless of the number of universal changing tables installed or the number of businesses the claimant owns which install them. It is estimated that this provision would reduce income and franchise tax revenues by \$5,300,000 in 2025-26 and \$10,600,000 in 2026-27.

A "claimant" would mean a sole proprietor, a partner of a partnership, a member of an LLC, a shareholder of an S corporation, a C corporation, and an insurance company. However, to be eligible for the credit, the claimant must have employed no more than 30 full-time employees and have had gross receipts that did not exceed \$1,000,000 in the preceding taxable year. "Full-time employee" would mean an individual who is employed for at least 30 hours per week for 20 or more calendar weeks during a taxable year.

The bill would define a "universal changing station" as a powered and height-adjustable adult changing table that is either floor mounted or wall mounted with a safety rail and can be used by an individual with a disability of either sex and the individual's care provider for personal hygiene and that the changing table: (a) can lower to a height of 8 inches and raise to a height of 34 inches; (b) is at least 31 inches wide by 72 inches long; and (c) supports at least 350 pounds. No credit could be claimed unless the universal changing station is installed in a single-occupant restroom that measures at least 8 feet by 10 feet, with adequate space for a wheelchair and a care provider to maneuver; is equipped with a waste receptacle, a toilet, a lavatory, a soap dispenser, and a paper towel dispenser; and complies with accessibility standards under the federal Americans with Disabilities Act. The bill would not require the universal changing stations credit to be added back to income for tax state purposes.

Partnerships, LLCs, and S corporations would not be able to claim the credit, but the eligibility for, and the amount of, the credit would be based on the amounts paid by the entity. A partnership, LLC, or S corporation would have to compute the amount of credit that each of its partners, members, or shareholders may claim and provide that information to each of them. Partners, members, and shareholders could claim the credit in proportion to their ownership interests. The Department of Revenue (DOR) would be authorized to administer both credits, and take any action, conduct any proceeding, and proceed as authorized under state income and franchise tax laws. State tax provisions related to timely claims, the treatment of losses and credits following a change of ownership, assessments, refunds, appeals, collection, interest, and penalties would apply to the universal changing stations credit. Any credit amounts that were not used to offset state tax liability in the year claimed could be carried-forward to offset state tax liability in the following 15 taxable years.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. EXCLUDE CASH TIPS FROM TAXATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	-\$13,600,000	\$13,600,000	\$0

Governor: Beginning in tax year 2025, create an individual income tax exclusion for amounts received as cash tips by an employee from the customers of the employee's employer. Update various statutory references to reflect the proposed exclusion. [A technical amendment would be necessary to accomplish the Administration's intent that the provision only apply to tips

received in the physical form of cash.] Decrease individual income tax collections by an estimated \$6,700,000 in 2025-26 and \$6,900,000 in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. LIMIT PRIVATE SCHOOL TUITION DEDUCTION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	\$13,000,000	-\$13,000,000	\$0

Governor: Limit the current law deduction for tuition expenses paid for a student to attend an eligible institution, beginning in tax year 2025. Prohibit individuals with Wisconsin AGI at or above the following thresholds from claiming the deduction: (a) \$100,000 for single and head-of-household filers; (b) \$150,000 for married-joint filers; and (c) \$75,000 for married-separate filers. Increase individual income tax collections by an estimated \$6,500,000 annually, beginning in 2025-26.

Under current law, an individual may deduct up to \$4,000 per year per pupil enrolled in kindergarten through grade eight, and \$10,000 per year per pupil enrolled in grades nine through twelve. The pupil must be a dependent of the claimant for federal income tax purposes and must be enrolled in kindergarten or grades one through twelve of a private school (as defined in state law) which meets all the criteria for a private school. The deduction is not allowed if the tuition expenses are paid using a distribution from a 529 account. Under current law, the deduction is not limited based on the taxpayer's AGI.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. STATE LOW-INCOME HOUSING TAX CREDIT INCREASE [LFB Paper 386]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	-\$8,700,000	\$8,700,000	\$0

Governor: Increase the limit on the total amount of state low-income housing credits that may be certified by the Wisconsin Housing and Economic Development Authority (WHEDA) from \$42 million to \$100 million. Maintain requirements that to be eligible for a state housing credit, qualified low-income housing developments must be allocated the federal low-income housing tax credit and financed with tax-exempt bonds that are subject to the federal volume cap. However, authorize WHEDA to waive, in the Authority's federally required Qualified Action Plan (QAP), the requirements of tax-exempt bond financing and federal credit allocation, to the extent that WHEDA anticipates that sufficient tax-exempt private activity bond volume cap under federal

law will not be available to finance low-income housing projects in any year. [See "Wisconsin Housing and Economic Development Authority."]

Provisions of 2017 Act 176 created a state nonrefundable low-income housing tax credit (LIHTC). The credit is claimable against the state individual income tax, the corporate income/franchise tax, and the insurance premiums tax. WHEDA awards the credit as a match to the federal 4% low-income housing tax credit, which provides a credit equal to 4% of the cost of a project each year for 10 years, generally equal to at least 30% of the present value of construction costs associated with a project. Properties receiving state and federal housing tax credits must reserve at least 20% of units for households with incomes below 50% of county median income, or 40% of units for households with average incomes below 60% of county median income, for at least 30 years. Credits are awarded through a competitive application process, whereby WHEDA assigns scores to the applications based on criteria laid out in the Authority's QAP. Awards are limited to \$1.2 million per project. WHEDA is also required by law to give preference to developments located in municipalities with populations fewer than 150,000.

Under the current program, WHEDA may award up to \$7 million in state tax credits annually, claimable for six years, for a maximum program total of \$42 million annually. The bill would increase the program total to \$100 million, claimable over six years. The Administration estimates the provision would decrease state income and franchise tax revenues by \$1,450,000 in 2025-26 and \$7,250,000 in 2026-27, fully phasing in to a decrease of \$58 million in 2031-32. Combined with the \$42 million limit under current law, the credit is estimated to decrease state tax revenues by \$100 million annually beginning in 2031-32. The bill as introduced does not specify the initial applicability of changes to the credit.

Under current law, eligible projects are required to be financed with tax-exempt bonds. The bill would require eligible projects to be awarded federal low-income housing credits and be financed with certain tax-exempt bonds that are issued under the state's share of federal volume cap for private economic development or housing purposes. WHEDA could waive these requirements due to having insufficient tax-exempt private activity bonding available under the federal volume cap in a given year.

Joint Finance/Legislature: Provision not included.

10. DIVIDENDS RECEIVED DEDUCTION LIMITATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	\$6,400,000	- \$6,400,000	\$0

Governor: Specify that corporations may not use the dividends received deduction in computing a net business loss under the state corporate income/franchise tax. Under current law, in determining gross income, corporations may deduct from income dividends received from a corporation with respect to its common stock if the corporation receiving the dividends owns, directly or indirectly, during the entire taxable year, at least 70% of the total combined voting stock of the payor corporation. The bill would specify that this deduction may not be used in computing

a net business loss (which may be carried forward for use in up to 20 future tax years under current law). This provision would first apply to taxable years beginning after December 31, 2024. It is estimated that this provision would increase corporate income/franchise tax revenues by \$3,200,000 annually, beginning in 2025-26.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. CREATE FLOOD INSURANCE PREMIUMS CREDIT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	- \$800,000	\$800,000	\$0

Governor: Create a nonrefundable individual income tax credit for flood insurance premiums beginning in tax year 2025. Provide that a claimant may claim a credit equal to 10% of the amount of premiums the claimant paid during the tax year for flood insurance. "Flood insurance" would mean a flood insurance policy that covers the principal dwelling of the claimant. Specify that the credit amount could not exceed \$60 per tax year.

Specify that no flood insurance premiums credit would be allowed unless it were claimed within four years of the unextended due date of the income tax return to which the claim relates. Prohibit nonresidents and part-year residents of Wisconsin from claiming the credit. Direct that no credit would be allowed for a tax year covering a period of less than 12 months, except for a tax year that was closed because of the death of the taxpayer. Specify that current law provisions which apply to the individual income tax and relate to DOR's enforcement authority, and to assessments, refunds, appeals, collection, interest, and penalties, would also apply to this credit. Reduce individual income tax collections by an estimated \$400,000 annually, beginning in 2025-26.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. EXPAND DISABILITY INCOME EXCLUSION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	- \$520,000	\$520,000	\$0

Governor: Expand the current law exclusion for certain disability payments received by individuals under age 65 to equal up to \$5,500 (from \$5,200) per year (per disabled spouse if a married-joint filer) or the amount of disability pay reported as income, whichever is less, beginning in tax year 2025. Provide that the exclusion is also made available to otherwise eligible married-separate filers. Increase the maximum federal AGI amounts used to determine eligibility for the exclusion to be less than: (a) \$30,000 for single and head-of-household filers; (b) \$60,000 for

married-joint filers; or (c) \$60,000 of AGI combined for both spouses if a married separate filer. For filers with federal AGI above these thresholds, no exclusion would be permitted. Decrease estimated individual income tax collections by \$260,000 annually, beginning in 2025-26.

Under current law, an exclusion is provided for disability payments, other than disability payments that are paid from a retirement plan, if the individual: (a) is under the age of 65 before the close of the taxable year to which the claim for the exclusion relates; and (b) retired on disability and was permanently and totally disabled upon retirement. If the individual is married, they must choose the married-joint filing status in order to claim the exclusion. The exclusion equals up to \$100 of disability income per week, or \$5,200 per year (per disabled spouse if a married-joint filer). The exclusion is reduced dollar-for-dollar for the amount by which the taxpayer's federal AGI exceeds \$15,000 (therefore, the exclusion is eliminated for AGI above \$20,200, or \$25,400 for married-joint filers if both spouses are disabled). For purposes of the exclusion, permanently and totally disabled means an individual who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death, or which has lasted or can be expected to last for a continuous period of not less than 12 months. An individual is not considered permanently and totally disabled unless proof is furnished in such form and manner, and at such times, as DOR prescribes.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. INCREASE ADOPTION EXPENSES DEDUCTION [LFB Paper 328]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	- \$180,000	\$20,000	- \$160,000

Governor: Increase the maximum adoption expenses deduction amount to \$15,000 (from \$5,000), beginning in tax year 2025. Reduce estimated individual income tax collections by \$90,000 annually, beginning in 2025-26.

Current law allows a full-year Wisconsin resident who is an adoptive parent to claim a deduction for up to \$5,000 in aggregate of adoption expenses for each child adopted, beginning in tax year 1996. The deduction may be taken during the tax year that a final order of adoption has been entered, for adoption expenses incurred in that tax year and the two prior tax years. Allowable adoption expenses include adoption fees, court costs, and legal fees related to the adoption of a child for whom a final order of adoption is entered.

Joint Finance/Legislature: Adopt the Governor's provision, but reestimate the individual income tax revenue reduction at \$80,000 annually, beginning in 2025-26. Relative to the Administration's estimates, the estimated revenue reduction is lower by \$10,000 annually.

[Act 15 Sections: 217 and 218]

14. CREATE DEDUCTION FOR UNION DUES

Governor: Beginning in tax year 2027, create an individual income tax deduction for the amount of membership dues and expenses paid by the claimant during the taxable year to a labor organization, to the extent these amounts are not otherwise excluded under current law. "Labor organization" would mean any employee organization in which employees participate and which exists primarily for the purpose of engaging in collective bargaining with any employer concerning grievances, labor disputes, wages, hours or conditions of employment, or the promotion and advancement of the professional or occupational standards and the welfare of its members and families and any organization established for the same purposes composed of individuals or affiliates of any such employee organization. Because the provision would not apply until tax year 2027, the Administration estimates that the provision would reduce individual income tax revenues by a minimal amount in 2026-27 and \$4,000,000 annually beginning in 2027-28.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. CREATE CATASTROPHE SAVINGS ACCOUNTS

Governor: Stipulate that a person may designate an account they establish at a financial institution as a catastrophe savings account if all of the following apply to the account: (a) it is identified in the financial institution's records as a catastrophe savings account or the person, at the time the account is established, creates a record (as defined under specified provisions of state law) that the account is a catastrophe savings account and then retains this record; and (b) it is established solely to hold savings to be used for eligible withdrawals, and no deposits are made in the account other than those intended to be used for such purposes.

"Account" would mean a contract of deposit of funds between a depositor and a financial institution, which would include a checking or savings account, certificate of deposit, share account and other like arrangement, but which would not include contracts established for the deposit of funds of a partnership, joint venture, or other association for business purposes, accounts controlled by one or more persons as the duly authorized agents or trustees for a corporation, LLC, unincorporated association, or charitable or civic organization, or regular fiduciary or trust accounts where the relationship is established other than by deposit agreement. "Financial institution" would mean any organization authorized to do business under state or federal laws relating to financial institutions, including, without limitation, banks and trust companies, savings banks, building and loan associations, savings and loan associations and credit unions.

Specify that account deposits may only be withdrawn: (a) to pay for repair costs or other losses relating to damage to the account owner's property caused by a catastrophic event to the extent the costs or losses are not covered by a policy or are self-insured losses; or (b) to pay any portion of a policy's deductible relating to damage to the account owner's property caused by a catastrophic event. "Policy" would mean an insurance policy that includes coverage for loss or damage to property resulting from a catastrophic event. "Catastrophic event" would mean a tornado, hurricane, or severe storm that results in flooding, damaging hail, extreme wind, or

extremely cold temperatures.

Stipulate that, if a person who establishes an account maintains a policy providing coverage for a catastrophic event, annual account deposits could not exceed: (a) \$2,000 if the policy deductible does not exceed \$1,000; or (b) if the deductible exceeds \$1,000, the lesser of \$15,000 or twice the amount of the deductible. Provide that a catastrophe savings account could be a joint account or a marital account, each as established under specified provisions of current state law, but no individual could be an account owner of more than one catastrophe savings account.

Beginning in tax year 2025, create an individual income tax subtraction equal to any deposit made during the taxable year to a catastrophe savings account by the account owner, subject to any applicable annual deposit limit specified above. Any increase in the value of a catastrophe savings account (other than from a deposit to the account) would be excluded from taxable income, except this exclusion could not be claimed by an account owner who has made an account withdrawal for an ineligible purpose. Taxpayers would be required to add back to taxable income any amount distributed during the taxable year from a catastrophe savings account that was not used for an eligible purpose, to the extent the amount was previously subtracted from taxable income under one of the preceding provisions. The Administration estimates that individual income tax collections would decrease by a minimal amount annually.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. SUPPLEMENT TO THE FEDERAL HISTORIC REHABILITATION CREDIT

Governor: Modify the state supplement to the federal historic rehabilitation credit (state credit) as follows.

Federal law provides a 20% tax credit for qualified rehabilitation expenditures (as defined under the IRC) for certified historic structures. A "certified historic structure" is a building that is listed in the National Register of Historic Places or that is determined to be historic and will be listed in the National Register. A state credit of 20% is a supplement to, and must be claimed at the same time as, the federal credit. Qualified rehabilitation expenditures are eligible for the credit if the rehabilitated structure is located in Wisconsin and the cost of the qualified rehabilitation expenditure is at least \$50,000.

Under current state law, no person may claim the state credit without being certified by the Wisconsin Economic Development Corporation (WEDC). WEDC generally certifies a business entity to receive credits for a three-year period commencing on the initial date of certification and requires actual qualified rehabilitation expenditures be concluded within that three-year period. However, a partnership, LLC, or S corporation (pass-through entity) may not claim the credit with DOR. Instead, the credit is claimed by the partners, members, or shareholders based upon the eligible expenditures of the pass-through entity. Current law allows pass-through entities to elect, via persons holding more than 50% of the shares or capital and profits of a partnership, to be taxed at the entity level rather than requiring income to be passed through to their respective owners, members, or shareholders. However, pass-through entities that elect to pay at the entity level are

not permitted to claim the state credit.

The bill would, beginning in tax year 2026, remove the \$50,000 requirement such that certified claimants having less than that amount of qualified rehabilitation expenditures would now be able to claim the credit. Further, the bill would remove the requirement for claimants to claim the state credit at the same time as the federal credit. Instead of claiming ratably over five years, the credit would be claimed in the taxable year in which the rehabilitation work is completed. The bill would allow partnerships, LLCs, and S corporations to elect to claim the credit under the pass-through entity tax. Further, regardless of whether the election to pay tax at the entity level is made, the bill would prohibit partners, members, and shareholders of pass-through entities from making credit claims.

The bill would also repeal certain obsolete references to tax years beginning before 2014 and sunset the credit for qualified rehabilitation expenditures (which was previously repealed under federal law for expenditures paid or incurred after December 31, 2017).

The Administration did not provide an estimate for the fully phased-in cost of the modifications to the state credit. However, the Administration anticipates that the changes would cause a minimal decrease in revenues during the 2025-27 biennium. These provisions would take effect beginning in tax year 2026, and according to the Administration, claimants would not have enough time to be certified by WEDC, undertake and conclude qualified rehabilitation expenditures, and claim credits within the 2025-27 biennium.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. CREATE RETIREMENT INCOME EXCLUSION

GPR-Tax - \$695,000,000

Joint Finance/Legislature: Beginning in tax year 2025, create an individual income tax exclusion for the first \$24,000 of retirement income currently subject to state tax received by each individual who is at least 67 years of age before the close of the taxable year. For married-joint filers where both spouses have attained age 67, the maximum exclusion is \$48,000. A taxpayer who claims this exclusion may not claim any state income tax credits provided under current law in the same tax year. Nonresidents may not claim the exclusion, and part-year residents may only claim the exclusion for the portion of their income which is sourced to Wisconsin. Retirement income eligible for the exclusion includes payments or distributions received each year by an individual from a qualified retirement plan under the IRC or from an individual retirement account established under 26 USC 408. The exclusion does not apply to any retirement income which is already exempt under current law. Reduce individual income tax collections by an estimated \$395,000,000 in 2025-26 and \$300,000,000 in 2026-27.

[Act 15 Sections: 213, 214, 216, 219 thru 221, and 258]

18. EXPAND SECOND INDIVIDUAL INCOME TAX BRACKET [LFB Paper 325]

GPR-Tax - \$643,000,000

Joint Finance/Legislature: Beginning in tax year 2025, increase the amount of taxable

income subject to tax at the second marginal rate (4.40%) by: (a) \$28,150 for married-joint filers (to \$67,300); (b) \$21,110 for single/head-of-household filers (to \$50,480); and (c) \$14,070 for married-separate filers (to \$33,650). Reduce individual income tax collections by an estimated \$323,000,000 in 2025-26 and \$320,000,000 in 2026-27. The following tables display the income tax rate and bracket structure under prior law and under 2025 Act 15, respectively.

Individual Income Tax Rate and Bracket Schedule Under Prior Law, Tax Year 2025

<u>Tax Rate</u>	<u>Income Tax Brackets by Filing Status</u>		
	<u>Single and Head-of-Household</u>	<u>Married-Joint</u>	<u>Married-Separate</u>
3.50%	\$0 to \$14,680	\$0 to \$19,580	\$0 to \$9,790
4.40%	14,680 to 29,370	19,580 to 39,150	9,790 to 19,580
5.30%	29,370 to 323,290	39,150 to 431,060	19,580 to 215,530
7.65%	323,290 and over	431,060 and over	215,530 and over

Individual Income Tax Rate and Bracket Schedule Under Act 15, Tax Year 2025

<u>Tax Rate</u>	<u>Income Tax Brackets by Filing Status</u>		
	<u>Single and Head-of-Household</u>	<u>Married-Joint</u>	<u>Married-Separate</u>
3.50%	\$0 to \$14,680	\$0 to \$19,580	\$0 to \$9,790
4.40%	14,680 to 50,480	19,580 to 67,300	9,790 to 33,650
5.30%	50,480 to 323,290	67,300 to 431,060	33,650 to 215,530
7.65%	323,290 and over	431,060 and over	215,530 and over

[Act 15 Sections: 222 thru 232, 238 thru 240, and 255 thru 257]

19. TAX LAW CHANGE INTERACTIVE EFFECTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	\$98,300,000	- \$65,300,000	\$33,000,000

Governor: Increase estimated income and franchise tax collections by \$52,000,000 in 2025-26 and \$46,300,000 in 2026-27 to account for the interactive effects of proposed income and franchise tax changes under the Governor's budget. Interactive effects occur when multiple provisions affecting tax liability are adopted simultaneously.

Joint Finance/Legislature: Increase estimated individual income tax collections by \$18,000,000 in 2025-26 and \$15,000,000 in 2026-27 to reflect the interactive effects of the individual income tax changes under the Joint Finance/Legislature budget. Relative to the Governor's budget, the interactive effects are estimated to be lower by \$34,000,000 in 2025-26 and \$31,300,000 in 2026-27.

General Sales and Use Taxes

1. EXEMPTION FOR RESIDENTIAL ELECTRICITY AND NATURAL GAS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	- \$155,600,000	- \$23,100,000	- \$178,700,000

Governor: Provide an exemption from the general sales and use tax for electricity and natural gas sold for residential use during the months of May through October. This provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that this exemption would reduce state tax revenues by \$49,700,000 in 2025-26 and \$105,900,000 in 2026-27.

Under current law, sales of electricity and natural gas to residential consumers during the months of November through April are exempt from the state sales tax. Sales made in May through October are currently subject to the 5% state sales and use tax. The bill would expand the current exemption to apply to all sales of electricity and natural gas to residential consumers, regardless of the month in which the sales occurred.

Joint Finance/Legislature: Include provision. Reestimate the reduction in state tax revenues at \$55,200,000 in 2025-26 and \$123,500,000 in 2026-27. Relative to the Administration's estimates, the estimated revenue reduction is increased by \$5,500,000 in 2025-26 and \$17,600,000 in 2026-27.

[Act 15 Sections: 260 and 9437(2)]

2. EXEMPTION FOR OVER-THE-COUNTER MEDICATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	- \$70,575,000	\$70,575,000	\$0

Governor: Provide an exemption from the general sales and use tax for sales of over-the-counter-drugs. Define "over-the-counter-drug" as a drug that contains a label that identifies the product as a drug (as required by federal regulations related to over-the-counter drug product labeling), including a label that contains any of the following: (a) a drug facts panel; and/or (b) a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation.

This provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that this exemption would reduce state tax

revenues by \$29,775,000 in 2025-26 and \$40,800,000 in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. EXEMPTION FOR DIAPERS AND FEMININE HYGIENE PRODUCTS

Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax - \$35,270,000	\$35,270,000	\$0

Governor: Provide an exemption from the general sales and use tax for sales of diapers and feminine hygiene products.

Define the following terms under the general sales and use tax:

a. "Diaper" would mean an absorbent garment worn by humans who are incapable of or have difficulty controlling their bladder or bowel movements.

b. "Feminine hygiene products" would mean tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for feminine hygiene in connection with the human menstrual cycle. However, "feminine hygiene products" would not include "grooming and hygiene products."

c. "Grooming and hygiene products" would mean soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and suntan lotions and screens.

This provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that this exemption would reduce state tax revenues by \$14,850,000 in 2025-26 and \$20,420,000 in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. EXEMPTION FOR ENERGY SYSTEMS

Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax - \$7,700,000	\$7,700,000	\$0

Governor: Expand the current law exemption from the state sales and use tax to include tangible personal property used to store or facilitate the storage of electrical or heat energy produced by a solar, wind, or biogas renewable energy system.

Under current law, an exemption from the sales and use tax exists for a product that has as its power source wind energy, direct radiant energy received from the sun, or gas generated from anaerobic digestion of animal manure and other agricultural waste, if the product produces at least 200 watts of alternating current or 600 British thermal units per day. The exemption also applies to the sale of electricity or energy produced by these products, but does not apply to an uninterruptible power source that is designed primarily for computers.

The bill would modify current law so the exemption applies to solar, wind, and waste energy systems that produce usable electrical or heat energy, rather than solely to products whose power source is solar, wind, or waste energy. The bill specifies that tax exempt solar power systems, wind energy systems, and waste energy systems would include tangible personal property sold with the systems that is used primarily to store or facilitate the storage of electrical or heat energy produced by the systems. Therefore, the exemption would apply to products producing power from renewable energy sources, as well as products used to store that energy, relative to current law. The exemption would not apply for sales of tangible personal property designed for any use other than for a solar, wind, or waste energy system. Sales of an uninterruptible power source designed primarily for computers would remain taxable under the bill.

The bill would also make the following modifications to the current law exemption:

- a. Specify that, to qualify for the exemption, energy systems must continuously, rather than per day, produce at least 200 watts of alternating current or 600 British thermal units;
- b. Clarify that tax exempt energy produced by the systems includes electrical and heat energy; and
- c. Specify that the production of electrical or heat energy must come directly from sun, wind, or gas generated from anaerobic digestion of animal manure or other agricultural waste.

This provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that this exemption would reduce state tax revenues by \$3,200,000 in 2025-26 and \$4,500,000 in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. EXEMPTION FOR BREASTFEEDING EQUIPMENT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	-\$1,312,500	\$1,312,500	\$0

Governor: Provide an exemption from the general sales and use tax for breast pumps, breast pump kits, and breast pump storage and collection supplies. This provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that this exemption would reduce state tax revenues by \$562,500 in 2025-26 and \$750,000 in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. EXEMPTION FOR GUN SAFETY EQUIPMENT

Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax - \$1,245,000	\$1,245,000	\$0

Governor: Provide an exemption from the general sales and use tax for sales of gun safes, trigger locks, and gun barrel locks. Specify that the exemption for gun safes would only apply to gun safes that are specifically designed for the storage of guns and would not apply to other items used for gun storage (such as locking gun cabinets and racks). This provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that this exemption would reduce state tax revenues by \$525,000 in 2025-26 and \$720,000 in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. EXEMPTION FOR CERTAIN PLANNING AND COUNSELING SERVICES

Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax - \$1,110,000	\$1,110,000	\$0

Governor: Provide a sales and use tax exemption for landscape planning and counseling services that pertain to the restoration, reclamation, or revitalization of prairie, savanna, or wetlands, if such services are provided under a separate and optional fee distinct and identifiable from other taxable services.

Under current law, all services are exempt from the state sales and use tax unless specifically made taxable by statute. State law specifies that the sale of landscaping and lawn maintenance services is taxable, including: (a) landscape planning and counseling; (b) lawn and garden services, such as planting, mowing, spraying, and fertilizing; and (c) shrub and tree services. The bill would specify that landscaping and lawn maintenance services do not include planning and counseling services, if the planning and counseling services are provided for a separate and optional fee from any other services and the services are for the restoration, reclamation, or revitalization of prairie, savanna, or wetlands to improve: (1) biodiversity; (2) the quality of land, soils or water; or (3) other ecosystem functions.

The bill would define a "separate and optional fee" as a fee charged to receive a distinct and identifiable product if either of the following would apply.

a. The fee is in addition to fees that the seller charges for other distinct and identifiable products sold to the same buyer, the fee is separately set forth on the invoice given by the seller to the buyer, and the seller does not require the buyer to pay the fee if the buyer chooses not to receive the additional distinct and identifiable product for which the fee applies.

b. The seller charges a single amount for multiple distinct and identifiable products and offers the buyer the option of paying a lower amount if the buyer chooses not to receive one or more of the distinct and identifiable products. The separate and optional fee would have to be a single amount the seller charges for the multiple distinct and identifiable products, less the reduced amount the seller charges to the buyer because the buyer chooses not to receive one or more of the products.

According to the Administration, the bill is intended to specify that the exemption for qualifying planning and counseling services provided for a separate and optional fee would apply to tangible personal property physically transferred, or transferred electronically, to the customer in conjunction with those services. Instead, the provider of the exempt services and property would be subject to tax when they purchase the tangible personal property. [A technical amendment is needed to reflect this intent and to remove cross-references to services that are unnecessary in accomplishing the intent of this provision.]

This provision would take effect on the first day of the third month following publication of the bill. The Administration estimates that this exemption would reduce state tax revenues by \$450,000 in 2025-26 and \$660,000 in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. REPEAL EXEMPTION FOR FARM-RAISED DEER

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	\$210,000	- \$210,000	\$0

Governor: Repeal the exemption from the general sales and use tax for farm-raised deer sold to a person who is operating a hunting preserve or game farm in this state. This provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates the repeal of this exemption would increase state tax revenues by \$90,000 in 2025-26 and \$120,000 in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. SALES TAX ON MARIJUANA

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	\$13,300,000	-\$13,300,000	\$0

Governor: Provide an exemption from the general sales and use tax for sales of medical marijuana, if the purchaser holds a valid tax exemption certificated that indicates they are a member of the medical marijuana registry. The state sales and use tax would apply to retail sales of usable (recreational) marijuana.

Under current law, sales of marijuana are subject to the sales tax as tangible personal property. However, taxes generally are not collected and remitted on such sales, as marijuana is an illegal substance. The bill would legalize the sale of marijuana for medical and recreational purposes. As a result, sales tax would be collected by retailers on legal recreational marijuana sales. Retail excise taxes imposed on marijuana would be included in the sales price subject to the state sales and use tax.

The provision would take effect on the effective date of the bill. However, the Administration indicates that it did not estimate a fiscal effect until 2026-27, as it is uncertain how long it will take for marijuana permits to be issued and for legal sales to be made. The Administration estimates the sales and use tax on recreation marijuana would increase state tax revenues by \$13,300,000 in 2026-27, \$28,000,000 in 2027-28, and \$37,000,000 in 2028-29.

The legalization of the sale of marijuana, the creation of the medical marijuana registry, and the imposition of excise taxes on marijuana would be authorized under separate provisions of the bill. [For additional information, see "Marijuana-Related Provisions."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. EXEMPTION FOR INFORMATION PRODUCTS USED BY INSURERS

GPR-Tax	-\$18,900,000

Joint Finance/Legislature: Provide an exemption from the state sales and use tax for the sale of information products containing reports, statistics, records, or other data used exclusively by a certified insurance company or a licensed insurance intermediary for purposes of quoting, underwriting, determining insurability, assessing risks, setting rates, or adjusting claims. This exemption would apply to such items whether: (a) purchased by the insurance company or an affiliate; (b) transferred in tangible or digital form; or (c) charges for such items are made on a transactional basis or through a license, subscription, or similar fee for access to such items. This provision would take effect on the first day of the third month beginning after publication of the bill. This provision is estimated to reduce state sales and use tax revenue by \$8,000,000 in 2025-26 and \$10,900,000 in 2026-27.

[Act 15 Sections: 261 and 9437(1)]

Excise Taxes

1. EXCISE TAXES ON RECREATIONAL MARIJUANA

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	\$56,700,000	- \$56,700,000	\$0

Governor: Impose a wholesale excise tax on marijuana producers at a rate of 15% of the sales price on wholesale sales or transfers in this state of marijuana (including Delta-8, Delta-9, and Delta-10 with a tetrahydrocannabinols (THC) concentration of greater than 0.3% on a dry weight basis) to marijuana processors. [See "Marijuana-Related Provisions" for changes to the definition of legal marijuana.] The wholesale excise tax would also apply to a microbusiness that transfers marijuana to a processing operation within the microbusiness. Additionally, impose an excise tax on marijuana retailers at a rate of 10% of the sales price on retail sales of usable marijuana. Specify that the excise tax on retail sales would not apply to sales of usable marijuana to individuals who hold a tax exemption certificate indicating that they are members of the medical marijuana registry. Under the bill, persons liable for the excise taxes would have to pay the taxes to DOR no later than the 15th day of the month following the month in which the tax liability was incurred, along with a return, on a form prescribed by DOR.

These provisions would take effect on the effective date of the bill. However, the Administration indicates that it does not estimate a fiscal effect associated with the collection of marijuana sales and excise taxes until 2026-27, as it is uncertain how long it will take for marijuana permits to be issued and for legal sales to be made. The Administration estimates that the imposition of wholesale and retail excise taxes on marijuana would result in a phase-in of collections through 2028-29. The table below shows estimated excise tax collections from wholesale and retail marijuana taxes for both the 2025-27 and 2027-29 biennium.

Estimated Excise Taxes on Marijuana under the Governor's Budget (Millions)

	<u>2025-27 Biennium</u>		<u>2027-29 Biennium</u>	
	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>2028-29</u>
Retail Excise Tax	Minimal	\$26.8	\$56.0	\$74.1
Wholesale Excise Tax	<u>Minimal</u>	<u>29.9</u>	<u>54.7</u>	<u>69.3</u>
Total	Minimal	\$56.7	\$110.7	\$143.4

The legalization of the sale and taxation of marijuana would be authorized under separate provisions of the bill. [For additional information, see "Marijuana-Related Provisions."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. VAPOR PRODUCTS TAX

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	\$41,400,000	- \$41,400,000	\$0

Governor: Convert the vapor products tax from a unit-based tax to a price-based tax. Impose the tax at the rate of 71% of the manufacturer's established list price to distributors in this state and expand the definition of vapor products subject to tax. Specify that the tax would be imposed without diminution by volume or other discounts on domestic products. Clarify that, for vapor products imported from another country, the rate of tax is 71% of the amount obtained by adding the manufacturer's list price to the federal tax, duties, and transportation costs to the United States.

Under current law, vapor products are taxed at a rate of 5¢ per milliliter of the liquid. A taxable vapor product is defined as a noncombustible product that produces vapor or aerosol for inhalation from the application of a heating element to a liquid or other substance that is depleted as the product is used, regardless of whether the liquid or other substance contains nicotine. Under this definition, the tax on vapor products applies to a liquid or other substance that functions as part of a vapor product or is sold with a vapor product as one packaged item. Liquids sold separately from a heating element are not subject to the tax.

The bill would modify the definition of a vapor product to mean a noncombustible product that employs a heating element, power source, electronic circuit, or other electronic, chemical, or mechanical means that can be used to produce vapor from a solution or other substance, regardless of the product's shape or size or whether the product contains nicotine. A vapor product would include an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar product or device, and would include any cartridge or other container of a solution or other substance that is intended to be used with such a device, regardless of whether the solution or other substance contains nicotine. Therefore, in contrast to current law, the tax on vapor products would apply both to the vapor product device and to the liquid, whether sold separately or together.

A vapor product would not include certain products regulated as a drug or device under federal law, of which it has been determined that the health benefits outweigh the known risks. The Administration indicates the intent of this provision is to exempt products approved for smoking cessation by the federal Food and Drug Administration from the definition of taxable vapor products.

This provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that this provision would increase state tax revenues by \$15,100,000 in 2025-26 and \$26,300,000 in 2026-27. The Administration did not estimate any change to cigarette and tobacco tribal refunds as a result of this provision (at present, the state has not entered into any agreements to refund vapor products taxes to tribes).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. IMPOSE CIGARETTE TAX ON LITTLE CIGARS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	\$4,995,000	- \$4,995,000	\$0

Governor: Change the tobacco products tax imposed on little cigars to be set at the same rate as the excise tax rate currently imposed on cigarettes, as follows. Under current law, cigars are defined as any roll of tobacco wrapped in leaf tobacco or in any substance containing tobacco but does not include a cigarette. Current law makes no distinction between little cigars and other cigars for purposes of the tobacco products tax. The bill would specifically define little cigars to mean a cigar that has an integrated cellulose acetate filter and is wrapped in a substance containing tobacco. Little cigars would be enumerated in the definition of tobacco products.

Under current law, an excise tax is imposed on the sale, use, storage, offering, possession with intent to sell or remove for consumption, or other disposition of cigars, including little cigars, and pipe tobacco (including remote retail sales), at the rate of 71% of actual cost, not to exceed 50¢ per cigar or little cigar. While cigars would remain taxed at the same rate imposed under current law, the bill would impose a tax on sales of little cigars by distributors and remote retail sellers at a rate of 126 mills per little cigar (\$1.26 per 10), regardless of weight. [A mill equals one-tenth of one cent. Therefore, a rate of 126 mills per little cigar = \$2.52 per pack of 20.] For little cigars, the tax rate would be the same as that levied on cigarettes weighing not more than three pounds per thousand under current law. In addition, the cigar tax limit under current law of 50¢ per cigar or little cigar would no longer apply to the taxation of little cigars under the bill (as the new rate would be set at 12.6¢ per little cigar).

The following administrative and enforcement provisions under current law governing the taxation of cigarettes would also apply to the administration and enforcement of the tax on little cigars: (a) the imposition of an inventory tax on little cigars held in inventory for sale or resale; (b) the affixing of stamps to each package of little cigars prior to their first sale in Wisconsin to denote tax paid; (c) discounts for purchasers of tax stamps at 1.25% of the tax paid; (d) penalties, including imprisonment, for possessing little cigars for which no tax has been paid; (e) the placement of a security bond with DOR, in the amount determined by the Department, if taxes are not paid; (f) the requirement that manufacturers, distributors, and sellers of little cigars obtain a seller's permit; (g) prohibiting the transfer of stamps to another person; (h) refunds for unusable stamps; (i) the option for distributors to claim a bad debt deduction for little cigar taxes written off as uncollectible; (j) the treatment of a little cigar permittee as a preferred creditor of any tax amounts owed by a purchaser of little cigars; (k) record-keeping requirements at each level of the little cigar distribution chain; (l) the treatment as theft of any little cigar tax monies fraudulently withheld, appropriated, or otherwise used; (m) the prohibition of house to house sales of little cigars; (n) the treatment of any sale of little cigars without a permit as a public nuisance; and (o) the restriction of municipalities from adopting any little cigar regulations that are not in strict conformity with state law. The inventory tax in "a" would be calculated by multiplying the number of little cigars and the number of un-affixed stamps held in inventory by the difference between the prior tax rate and the new tax rate.

This provision would take effect on the first day of the third month beginning after publication of the bill. The Administration estimates that imposing the cigarette tax on little cigars would increase state tax revenues by \$2,115,000 in 2025-26 and \$2,880,000 in 2026-27. As noted, an inventory tax on little cigars would be imposed under the Governor's recommendations. However, the Administration did not include any revenues associated with the imposition of the inventory tax. The Administration estimates a minimal increase in tribal refunds as a result of this provision.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Public Utility Taxes

1. EXEMPTION FOR TELECOMMUNICATION TOWERS [LFB Paper 345]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Tax	-\$1,500,000	\$1,500,000	\$0

Governor: Provide an exemption from telephone company utility taxes for radio, cellular, and telecommunication towers that are used: (a) exclusively to support equipment that provides telecommunications services; or (b) as digital broadcasting equipment that is exempt from the local property tax. The exemption would also apply for local property tax purposes. Specify that this exemption would first apply to tax assessments as of January 1, 2026. Estimate a reduction in general fund tax revenues of \$1,500,000 in 2026-27.

Joint Finance/Legislature: Include provision, but modify the language of the exemption under "(b)" to specify that it would apply to towers that are used as digital broadcasting equipment for radio, television, or video service, as defined in s. 66.0420(2)(y) of the statutes. In addition, specify that the exemption under the state telephone company utility tax would first apply to tax assessments as of January 1, 2027, rather than January 1, 2026. As under the Governor's provision, the exemption from local property taxes would first apply to tax assessments as of January 1, 2026. This provision would reduce state utility tax revenue by a minimal amount beginning in 2027-28. Relative to the Governor's provision, estimated state utility tax revenues would be \$1,500,000 higher in 2026-27.

[Act 15 Sections: 212, 259, 9337(1), and 9337(2)]

2. NOTICE OF UTILITY TAXES BY CERTIFIED MAIL

Governor: Eliminate the requirement that ad valorem public utility tax notices be sent by

certified mail. Under current law, DOR must annually assess the value of property of all ad valorem public utility companies, including railroads, air carriers, pipeline companies, telephone companies, and conservation and regulation companies, for purposes of levying and collecting public utility taxes. The Department is required to provide, via certified mail, the following information: (a) a notice to each company assessed of the amount of its assessment or adjustment; (b) a notice of a scheduled hearing or presentation requested by the company; (c) any order from DOR after the requested hearing; and (d) the notice of tax due, including any reassessment of tax due. The bill would remove reference to a specific mode of communication, allowing DOR to choose how notices are provided to assessed companies. The Administration indicates that delivery by certified mail is no longer necessary, as quick and secure electronic communication alternatives are now available.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Refundable Tax Credits and Other Payments

1. HOMESTEAD CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$10,370,000	- \$3,430,000	- \$13,800,000

Governor: Decrease estimated expenditures under the homestead tax credit program by \$3,770,000 in 2025-26 and \$6,600,000 in 2026-27. Under current law, the homestead credit is provided as a property tax relief mechanism for lower-income homeowners and renters. Compared to base funding of \$37,700,000, estimated expenditures would be \$33,930,000 in 2025-26 and \$31,100,000 in 2026-27.

Joint Finance/Legislature: Decrease estimated expenditures under the homestead program by \$1,330,000 in 2025-26 and \$2,100,000 in 2026-27, relative to the Governor's estimates. Total homestead credit funding is estimated at \$32,600,000 in 2025-26 and \$29,000,000 in 2026-27.

2. EXPAND HOMESTEAD CREDIT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$147,800,000	- \$147,800,000	\$0

Governor: Increase the income level at which the homestead tax credit begins to phase out

(income threshold) to \$19,000, increase the income level above which no credit is allowed (maximum income level) to \$37,500, and reduce the rate at which the credit phases out (phase-out rate) to 7.891%. Specify that this provision would first apply beginning in tax year 2025. The maximum allowable property taxes or rent constituting property taxes would remain at \$1,460, as under current law. The following formula factors of the credit would be indexed for inflation annually, beginning in tax year 2026: (a) the income threshold; (b) the maximum income level; and (c) the maximum allowable property taxes or rent constituting property taxes. The indexing adjustment would be calculated in each year based on the percentage change in the U.S. consumer price index for all urban consumers, U.S. city average (CPI-U), as determined by the U.S. Department of Labor (USDOL). The percentage would be calculated as the change between the CPI-U for the month of August of the previous year and the CPI-U for August, 2024. The adjustment could not occur unless the percentage is a positive number. DOR would be required to annually adjust the phase-out rate (7.891% in tax year 2025) to reflect the indexed formula factors. Statutory modifications would be made to clarify the current law provisions under which a claimant cannot claim the credit if the claimant did not have earned income during the calendar year, unless the claimant or the claimant's spouse was disabled or was over the age of 61. The Administration estimates that state GPR expenditures would increase by \$71,600,000 in 2025-26, \$76,200,000 in 2026-27, and \$83,200,000 in 2027-28.

Under current law, the maximum income level is \$24,680, and the phase-out rate is 8.785%. The other formula factors of the credit under current law are as follows: (a) the maximum allowable property taxes or rent constituting property taxes is \$1,460; (b) the income threshold for the maximum credit is \$8,060; and (c) the percentage of property taxes reimbursed is 80%. These factors produce a maximum credit of \$1,168. The formula factors were last modified in tax year 2010.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. CHANGE HOMESTEAD CREDIT NAME

Governor: Change the name of the homestead credit to the "property tax and rent rebate" everywhere it appears in the current law statutes.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. VETERANS PROPERTY TAX CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$40,000,000	\$16,300,000	\$56,300,000

Governor: Increase funding for the veterans and surviving spouses property tax credit by

\$15,800,000 in 2025-26 and \$24,200,000 in 2026-27. Under current law, the credit is equal to 100% of real property taxes paid on a principal dwelling by eligible veterans and surviving spouses. A claimant cannot claim the credit if they also file a claim for the property tax/rent credit (nonrefundable), homestead credit (refundable), or farmland preservation credit (refundable) in the same tax year. Compared to base funding of \$59,700,000, total estimated funding for the credit would be \$75,500,000 in 2025-26 and \$83,900,000 in 2026-27.

Joint Finance/Legislature: Increase estimated expenditures under the veterans property tax credit program by \$7,500,000 in 2025-26 and \$8,800,000 in 2026-27, relative to the Governor's estimates. Total veterans property tax credit funding is estimated at \$83,000,000 in 2025-26 and \$92,700,000 in 2026-27.

5. PROVIDE VETERANS PROPERTY TAX CREDIT FOR 70% DISABILITY RATING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$66,500,000	- \$66,500,000	\$0

Governor: Extend eligibility for the veterans and surviving spouses property tax credit to otherwise eligible veterans with a service-connected disability rating of at least 70%, and to the unremarried surviving spouses of such veterans. The credit amount for veterans with a service-connected disability rating of less than 100% (or the eligible surviving spouse of such veterans) would be calculated by multiplying the disability rating by the amount of property taxes the claimant could otherwise claim. These provisions would first apply beginning in tax year 2025. The Administration estimates that GPR expenditures for the credit would increase by \$31,400,000 in 2025-26 and \$35,100,000 in 2026-27.

Under current law, the veterans and surviving spouses property tax credit is equal to 100% of real property taxes paid on a principal dwelling by eligible veterans and surviving spouses. An eligible veteran is a person who: (a) served on active duty in the U.S. armed forces; (b) was a resident of Wisconsin at the time of entry into that service or had been a Wisconsin resident for any consecutive five-year period after entry; (c) is a resident of Wisconsin for purposes of receiving veterans benefits; and (d) has a service-connected disability rating of 100% or a 100% disability rating based on individual employability. An eligible unremarried surviving spouse includes persons: (1) who receive federal dependency and indemnity compensation as a result of the deceased spouse's active duty service; (2) whose spouse died while on active duty in the U.S. armed forces, the National Guard, or the U.S. armed forces reserves; or (3) whose deceased spouse had a service-connected disability rating of 100% or an equivalent rating based on individual employability. For a surviving spouse to be eligible for the credit, the deceased veteran must have been a Wisconsin resident at the time of entry into service, or for any consecutive five-year period after entry into service, and must have been a Wisconsin resident at the time of their death.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. PROVIDE VETERANS PROPERTY TAX CREDIT FOR RENTERS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$23,000,000	- \$23,000,000	\$0

Governor: Expand the veterans and surviving spouses property tax credit by providing the credit to eligible renters, and specify that the provision would first apply beginning in tax year 2025. An eligible claimant could claim the credit for 100% of their rent constituting property taxes. "Rent constituting property taxes" would have the same definition as under the current law nonrefundable property tax/rent credit (generally 25% of rent if heat is not included in rent, or 20% of rent if heat is included). For married-separate filers, each spouse could claim the rent credit based on 50% of the total rent constituting property taxes paid during the taxable year for the eligible veteran's principal dwelling. The Administration estimates that state GPR expenditures would increase by \$10,900,000 in 2025-26 and \$12,100,000 in 2026-27.

Currently, a renter may claim the credit if they meet certain conditions, such as making property tax payments directly to the municipality (the landlord does not remit such payments on their behalf). Otherwise, renters are unable to claim the credit under current law.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. EARNED INCOME CREDIT REESTIMATE [LFB Papers 106 and 210]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$5,085,000	\$5,385,000	\$300,000
PR	0	- 4,904,000	- 4,904,000
Total	- \$5,085,000	\$481,000	- \$4,604,000

Governor: Decrease estimated GPR expenditures for the state earned income tax credit (EITC) by \$2,672,000 in 2025-26 and \$2,413,000 in 2026-27. Compared to base GPR funding for the EITC of \$30,000,000, estimated GPR funding would be reduced to \$27,328,000 in 2025-26 and \$27,587,000 in 2026-27.

Under current law, the state EITC is paid from two sources: (a) a sum sufficient GPR appropriation; and (b) federal funding from the Temporary Assistance to Needy Families (TANF) program. TANF funding may be used under current law to finance the refundable portion of the state EITC, while GPR is used to finance the nonrefundable portion. TANF funding for the EITC in 2025-26 and 2026-27 would be unchanged from base funding of \$65,002,000. Total EITC funding is estimated to decrease from base funding of \$95,002,000 to \$92,330,000 in 2025-26 and \$92,589,000 in 2026-27.

Joint Finance/Legislature: Increase estimated GPR expenditures for EITC claims by \$3,172,000 in 2025-26 and \$2,213,000 in 2026-27, relative to the Governor's estimates. Total GPR

funding for the EITC is estimated at \$30,500,000 in 2025-26 and \$29,800,000 in 2026-27. Decrease estimated PR-TANF expenditures by \$1,702,000 in 2025-26 and \$3,202,000 in 2026-27. Total PR-TANF funding for the EITC is estimated at \$63,300,000 in 2025-26 and \$61,800,000 in 2026-27. The TANF statutes would be modified to provide PR funding for the EITC up to these amounts.

Total EITC funding is estimated to decrease from base funding of \$95,002,000 to \$93,800,000 in 2025-26 and \$91,600,000 in 2026-27. Relative to the Governor's estimates, total funding for the EITC is increased by \$1,470,000 in 2025-26 and reduced by \$989,000 in 2026-27.

[Act 15 Section: 181]

8. EXPAND EARNED INCOME CREDIT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$44,437,700	- \$44,437,700	\$0
PR	<u>72,462,300</u>	<u>- 72,462,300</u>	<u>0</u>
Total	\$116,900,000	- \$116,900,000	\$0

Governor: Expand the state EITC for eligible claimants with one qualifying child and with two qualifying children. The percentage of the federal EITC that may be claimed as a state credit would be increased to 16% for claimants with one qualifying child and to 25% for claimants with two qualifying children, beginning in tax year 2025. The maximum credit in tax year 2025 would increase to \$692 (from \$173) for claimants with one qualifying child, and to \$1,788 (from \$787) for claimants with two qualifying children. Estimated state GPR expenditures would increase by \$22,494,200 in 2025-26 and \$21,943,500 in 2026-27. Increase PR expenditures from the TANF program by \$35,905,800 in 2025-26 and \$36,556,500 in 2026-27.

Under current law, the state EITC is provided as a percentage of the federal EITC that varies based on the claimant's number of qualifying children. The credit percentages are 4% for one qualifying child, 11% for two qualifying children, and 34% for three or more qualifying children. The state EITC is not available to taxpayers without qualifying children.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. ILLINOIS-WISCONSIN RECIPROCITY REESTIMATE [LFB Paper 106]

GPR	\$20,700,000

Governor/Legislature: Increase funding under the Illinois-Wisconsin individual income tax reciprocity agreement by \$7,200,000 in 2025-26 and \$13,500,000 in 2026-27. Compared to base funding of \$148,600,000, total funding is estimated to increase to \$155,800,000 in 2025-26 and \$162,100,000 in 2026-27.

10. EITM ZONE CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$13,769,000	\$1,107,000	\$14,876,000

Governor: Increase funding by \$2,411,000 in 2025-26 and \$11,358,000 in 2026-27 for the sum sufficient appropriation for refundable electronics and information technology manufacturing (EITM) zone tax credits (Foxconn). The estimate reflects the Administration's review of the jobs, payroll, and capital expenditure targets established under the amended contract dated April 20, 2021. Total funding would increase from base funding of \$6,332,000 to \$8,743,000 in 2025-26 and \$17,690,000 in 2026-27.

Joint Finance/Legislature: Increase funding by \$8,947,000 in 2025-26 and decrease funding by \$7,840,000 in 2026-27, relative to the Governor's funding levels. The revised estimate is based on more recent information regarding the expected timing of credit claims by Foxconn. Total funding would increase from base funding of \$6,332,000 by \$11,358,000 in 2025-26 and \$3,518,000 in 2026-27, such that total funding would be \$17,690,000 in 2025-26 and \$9,850,000 in 2026-27.

11. BUSINESS DEVELOPMENT CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$12,100,000	\$12,100,000	\$0

Governor: Reduce funding by \$6,600,000 in 2025-26 and \$5,500,00 in 2026-27 for the sum sufficient appropriation for business development tax credits to reestimate anticipated claims during the 2025-27 biennium. The reestimate reflects the Administration's projections of credit claims for economic development projects for which WEDC has entered into contracts, and is expected to enter into future contracts, to award tax credits. With the adjustments, estimated total funding would decrease from base funding of \$22,000,000 to \$15,400,000 in 2025-26 and \$16,500,000 in 2026-27. For comparison, DOR reports that credit usage for fiscal year 2024-25 through February, 2025, is \$14.4 million.

Businesses certified by WEDC can earn credits for eligible expenses for increased employment, retaining employees, employee training, capital investment, corporate headquarters location or retention in Wisconsin, investment in workforce housing, and the establishment of employee child care programs.

Joint Finance/Legislature: Increase funding by \$6,600,000 in 2025-26 and \$5,500,000 in 2026-27, relative to the Governor's estimates, to maintain total funding for the credit at the base amount (\$22,000,000). The revised estimate is based on more recent information for credits claimed and used.

12. BUSINESS DEVELOPMENT CREDIT FOR WORKFORCE HOUSING

Governor: Expand the business development credit for workforce housing as follows.

Under current law, WEDC can certify businesses to earn a credit for up to 15% of the certified business investment in workforce housing for employees, as determined by WEDC. Eligible investments may include only capital expenditures. No credit is allowed under the workforce housing credit for any amount of personal property investment or real property investment that is used to claim the capital investment portion of the business development credit. For rental properties to qualify as workforce housing, the estimated annual housing costs may not exceed, or not be expected to exceed, 30% of state median income (with certain allowable adjustments). For owner-occupied housing, the estimated annual housing cost may not exceed, or not be expected to exceed, 42% of the area median income (with certain adjustments). Income limits are the area median household income for rental properties or 140% of the area household median for owner-occupied housing.

Beginning in tax year 2025, the bill would expand the investments eligible for business development workforce housing credits to include contributions made to a third party responsible for building or rehabilitating workforce housing, including contributions made to a local revolving loan fund program. [A technical amendment would be necessary to: (a) conform with the Administration's intent to remove the requirement that the investment be for workforce housing for the claimant's employees; and (b) to maintain the limitation preventing claimants from using the same expenditures to claim both the capital investment credit and the workforce housing credit under the business development credit program.]

The Administration did not provide a cost estimate for the modifications to the business development workforce housing credit.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. JOBS CREDIT REESTIMATE [LFB Paper 106]

GPR	- \$1,000,000

Governor/Legislature: Reduce funding by \$500,000 annually for the sum sufficient appropriation for jobs tax credits to reestimate claims during the 2025-27 biennium. The reestimate reflects projections for credit claims for economic development projects for which WEDC has previously awarded tax credits. With the adjustments, estimated total funding would decrease from base funding of \$500,000 to \$0 in both years of the biennium.

Pursuant to 2015 Act 55, the refundable jobs tax credit was consolidated with the nonrefundable economic development tax credit into the refundable business development tax credit, beginning in 2016. The jobs tax credit was sunset after 2015. However, if WEDC allocated tax benefits in a contract to claimants prior to December 31, 2015, or if WEDC had entered into a letter of intent to enter into a contract before that date, claimants could continue to compute and claim the credit for as long as the contract specified. WEDC entered into contracts through tax year 2023 for businesses to earn, compute, and claim the credit. No jobs credit claims are expected

to occur in the 2025-27 biennium. However, it is possible that claims could be made into calendar year 2029, after accounting for amended return due dates.

14. INTEREST ON OVERPAYMENT OF TAXES [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$8,000,000	- \$4,000,000	\$4,000,000

Governor: Increase funding by \$4,000,000 in 2025-26 and 2026-27 for interest owed to taxpayers on the overpayment of taxes that are subsequently refunded as the result of a settlement or decision by DOR, the Tax Appeals Commission, or a court. Compared to base funding of \$1,000,000, total funding is estimated to increase to \$5,000,000 in 2025-26 and 2026-27.

Joint Finance/Legislature: Decrease funding by \$4,000,000 in 2026-27, relative to the Governor's funding levels, for interest owed to taxpayers on the overpayment of taxes. Total funding is estimated at \$5,000,000 in 2025-26 and \$1,000,000 in 2026-27.

15. ENTERPRISE ZONE CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$7,269,200	- \$23,500,000	- \$30,769,200

Governor: Increase funding by \$5,765,400 in 2025-26 and decrease funding by \$13,034,600 in 2026-27 for the sum sufficient appropriation for refundable enterprise zone tax credits to reestimate anticipated claims during the 2025-27 biennium. The reestimate reflects projections of credit claims for major economic development projects for which WEDC has, to date, contracted and amended tax credit awards. Businesses that operate in enterprise zones established by WEDC can claim tax credits for jobs created and retained, training costs, capital expenditures, and purchases from Wisconsin vendors. With the adjustments, estimated total funding would change from base funding of \$42,234,600 to \$48,000,000 in 2025-26 and \$29,200,000 in 2026-27.

Joint Finance/Legislature: Decrease funding by \$15,100,000 in 2025-26 and \$8,400,000 in 2026-27, relative to the Governor's funding levels. The revised estimate is based on more recent information from DOR for credits claimed and used, as well as awards and contract performance from WEDC. Total funding would decrease from base funding of \$42,234,600 by \$9,334,600 in 2025-26 and \$21,434,600 in 2026-27, such that total funding would be \$32,900,000 in 2025-26 and \$20,800,000 in 2026-27.

16. ENTERPRISE ZONE LIMIT AND REPEAL OF JFC APPROVAL

Governor: Modify the procedure used for designating zones under the enterprise zone tax credit program to generally conform with the law previous to 2017 Act 369, as described below.

Under current law, WEDC may designate an unlimited number of enterprise zones, with each designation subject to approval by the Joint Committee on Finance (JFC) under a 14-day passive review process. WEDC must notify the Committee in writing of its intent to designate a new enterprise zone, including a description of the new zone and the purpose for which WEDC proposes to designate the new zone. Further, the Committee must approve a zone before WEDC may designate a new enterprise zone, but WEDC may designate an unlimited number of zones, so long as each zone is so approved by the Committee.

The bill would repeal these provisions. Instead, the bill would allow WEDC to designate new zones under the enterprise zone tax credit program without the approval of the Committee, but would specify that no more than 30 zones may be designated in total (the same limit in effect prior to Act 369). The bill would restore the pre-Act 369 provision that, if WEDC revokes all certifications for tax benefits within a previously designated enterprise zone, WEDC may cancel the designation of that enterprise zone. After canceling the designation of an enterprise zone WEDC may designate a new enterprise zone subject to the proposed 30-zone limit. As of the day of introduction of the Governor's budget, there were 16 zones open under contract, of which 14 were currently active that may still be verified for additional credits. The foregoing provisions would not require WEDC to revoke a certification for tax benefits that is in effect on the effective date of the bill.

The Governor's recommendation does not include any estimated increased (or decreased) expenditures as a result of this provision.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. WAGE THRESHOLDS FOR ENTERPRISE ZONE AND BUSINESS DEVELOPMENT CREDITS

Governor: Modify the wage threshold for the enterprise zone and business development tax credit programs, as described below. Under current law, WEDC is responsible for awarding tax credits, certifying taxpayers, allocating and verifying tax credits, and performing other general administrative functions related to both the business development and enterprise zone tax credit programs. Typically, WEDC will certify a business as eligible via a contract that specifies a maximum amount of tax benefits that may be earned by the business by successfully completing specified goals.

Enterprise Zone Credit - Current Law. The refundable enterprise zone tax credit for job creation can be claimed for up to a percentage of the increase in wages resulting from creating full-time jobs based in the zone (including for services performed outside of the zone, such as positions that travel to client sites or remote workers based at the zone that perform services from outside

the zone). Specifically, the credit is an amount equal to a percentage (up to 7%, as determined by WEDC) multiplied by: (a) the number of the claimant's new full-time employees; and (b) the creditable wage amount. New full-time employees are equal to the number of employees in the zone in the taxable year minus the number of employees in the base year (or, if the difference is smaller, the new employees in the state minus base year employees in the state). The creditable wage amount is the average zone payroll minus the average eligible wage amount. The average zone payroll is the total wages of full-time employees employed in the zone in the taxable year, excluding wages in excess of \$100,000, divided by the number of full-time employees employed in the zone in the taxable year. The average eligible wage amount is currently \$22,620 for Tier I and \$30,000 for Tier II counties and municipalities. Counties and municipalities are designated as Tier I or Tier II by WEDC, based on certain economic indicators.

A similar refundable credit for job retention can be claimed for an amount equal to the percentage, up to 7% as determined by WEDC, of the claimant's zone payroll (excluding wage amounts that are over \$100,000) paid in the tax year to full-time employees who were employed in the enterprise zone and whose annual wages were greater than the average eligible wage amount (described above). To qualify for job retention credits, an eligible business must make a significant capital investment in property located inside the zone. Unless the zone is located in certain areas designated by WEDC in political subdivisions having fewer than 30,000, an eligible business must either employ 500 full-time employees in the zone or be a manufacturer with a significant supply chain in the state. Claimants may not claim a job retention credit for more than five consecutive years.

Business Development Credit - Current Law. The refundable business development tax credit can be claimed for eligible expenses for increased employment, retaining employees, employee training, capital investment, corporate headquarters location or retention in Wisconsin, investment in workforce housing, and the establishment of employee child care programs. Certified businesses can earn a refundable job creation or job retention credit for up to 10% of the amount of wages paid to an eligible employee (full-time job) in a tax year. If the employee is employed in a full-time job at the claimant's business in an "economically distressed area," as determined by WEDC, an additional credit may be awarded for up to 5% of such wages. WEDC uses the same definition for an "economically distressed area" as a "Tier I" county or municipality as under the enterprise zone tax credit program. For purposes of the credit, a "full-time job" means a nonseasonal job for which the annual pay is more than the amount determined by multiplying 2,080 by 150% of the federal minimum wage (\$22,620) and for which the person is offered retirement, health, and other benefits. Previously, state law disallowed a "full-time job" from including initial training before employment begins. However, this limitation was repealed pursuant to 2023 Act 143. Credits cannot be earned for wages over \$100,000 per year.

Governor's Recommendation. The bill would modify the enterprise zone and business development tax credit programs for contracts executed after December 31, 2025, as follows.

a. For enterprise zone job creation and job retention credits, the bill would increase the wage thresholds for creditable full-time jobs created or retained from \$22,620 for Tier I and \$30,000 for Tier II counties and municipalities to \$34,220 and \$45,390, respectively. Similarly, a "full-time job" would be defined as an individual employed in a regular, nonseasonal full-time

position for which the individual receives annual pay that is more than \$34,220 in a Tier I county or municipality or more than \$45,390 in a Tier II county or municipality and receives benefits that are not required by federal or state law. The bill would not specify what kind of benefits must be offered.

b. For the business development job creation and job retention credits, for contracts entered into after December 31, 2025, a "full-time job" would be defined to remove the 2,080 hour requirement that an individual is offered retirement, health, and other benefits and, instead, would mean a nonseasonal job for which the annual pay is more than \$34,220 (increased from \$22,620) and benefits that are not required by federal or state law. The bill would not specify what kind of benefits must be offered. [A technical amendment would be needed to conform to the Governor's intent to also increase the wage threshold for Tier II counties and municipalities to \$45,390 (from \$30,000).]

c. The bill would increase the maximum wage threshold such that zone payroll under the job creation and job retention credits for the enterprise zone tax credit programs would include wages paid to any full-time employee up to \$151,300 (rather than \$100,000) as creditable wages. For the business development job creation and job retention tax credits, the maximum wages taken into account would be limited by statute to \$151,300 per eligible employee per year.

d. Beginning on January 1, 2027, for the business development credit, and beginning in tax year 2027 for the enterprise zone credit, the wage thresholds and limits described above would be adjusted for inflation each year based on the change in the CPI-U, as determined by USDOL, for the month of August in the prior year compared to the CPI-U for the month of August in the year preceding the prior year. Further, the bill would specify that each amount so adjusted must be rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10, or, if the revised amount is a multiple of \$5, increased to the next higher multiple of \$10. [A technical amendment would be needed to: (a) conform to the Governor's intent to inflation adjust the wage amounts under "b."; and (b) clarify whether the inflation adjustment would be made to wages in each calendar year or tax year, and that the wage amounts would increase in each year of the contract.]

e. The bill would alter the definition of "full-time job" under the business development credit to reinstate the statutory limitation removed under 2023 Act 143, such that a full-time job would not include initial training before employment begins.

f. The bill would remove the limitation that a claimant cannot claim an enterprise zone job retention credit for more than five consecutive years (including for contracts executed prior to January 1, 2026).

The Administration did not estimate a fiscal effect associated with the changes to the enterprise zone and business development tax credit programs described above.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. REFUNDABLE RESEARCH CREDIT REESTIMATE [LFB
Paper 106]

GPR	\$6,500,000

Governor/Legislature: Increase funding for refundable research tax credit claims by \$2,000,000 in 2025-26 and \$4,500,000 in 2026-27. With the adjustments, estimated total funding would increase from \$25,500,000 to \$27,500,000 in 2025-26 and to \$30,000,000 in 2026-27.

The state provides research credits to businesses equal to a percentage of the increase in a business's qualified research expenses, as defined under the IRC, for research conducted in Wisconsin. Up to 25% of the amount of new credits computed may be claimed as a refundable credit. The remaining portion of the credit is nonrefundable. The amounts shown above reflect only the estimated cost of the refundable portion of research credit claims.

19. RESEARCH CREDIT FOR NUCLEAR POWER

Governor: Modify the partially refundable research tax credit to provide for enhanced credit percentages for nuclear research as follows.

Current law provides research credits to businesses equal to a percentage of the increase in a business's qualified research expenses, as defined under the IRC, for research conducted in Wisconsin. For most businesses, the credit equals 5.75% of the amount by which the claimant's qualified research expenses for the taxable year exceed 50% of the average qualified research expenses for the three taxable years immediately preceding the tax year in which the claimant claims the credit. If the taxpayer had no qualified research expenses in any of the three preceding tax years, the credit is equal to 2.875% of the claimant's qualified research expenses for that tax year. For businesses that engage in certain types of research activities, the same calculation of the credit applies, but the credit percentages are equal to 11.5% (rather than 5.75%) and 5.75% (rather than 2.875%). Research eligible for the higher credit percentages includes certain qualified research expenses incurred in designing internal combustion engines and designing and manufacturing energy efficient lighting systems, building automation and control systems, or automotive batteries for use in hybrid-electric vehicles. Up to 25% of the amount of new research credit computed may be claimed as a refundable credit. The remaining portion of the credit is nonrefundable.

The bill would, beginning in tax year 2025, provide for an enhanced credit percentage of 11.5% (rather than 5.75%) and 5.75% (rather than 2.875%) if the qualified expenses incurred are for research related to nuclear power conducted in this state. The expenses qualifying for the enhanced credit percentage would not include compensation used in computing the development zones credit. [The last year in which WEDC certified a claimant to earn a development zones credit was 2021.]

The Administration did not estimate a fiscal effect associated with the changes described above.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

20. MARIJUANA TAX REFUNDS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,900,000	- \$2,900,000	\$0

Governor: Allow DOR to enter into an agreement with federally-recognized American Indian tribes or bands in this state: (a) for the administration and enforcement of marijuana excise taxes and regulation; and (b) to provide refunds of the excise taxes imposed on marijuana sold on tribal land by, or to, enrolled members of the tribe or band residing on the tribal land. Create a new sum sufficient GPR appropriation to pay refunds to eligible tribes for marijuana excise taxes collected and provide \$2,900,000 in 2026-27 as an estimate of the amounts that would be refunded to the tribes.

The legalization of the sale and taxation of marijuana would be authorized under separate provisions of the bill. [For additional information, see "Marijuana-Related Provisions."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

21. CIGARETTE AND TOBACCO PRODUCTS TAX REFUNDS REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$100,000	- \$7,600,000	- \$7,500,000

Governor: Increase funding for cigarette and tobacco products tax refunds by \$600,000 in 2025-26 and decrease funding by \$500,000 in 2026-27 to reflect modified estimates of the sum sufficient appropriation amounts required to reimburse Native American tribes under present law. With these adjustments, estimated total funding in the cigarette and tobacco products tax refunds appropriation would equal \$25,100,000 in 2025-26 and \$24,000,000 in 2026-27, relative to base funding of \$24,500,000.

Under current law, for sales that occur on reservations or trust lands, the tribes receive a refund of 100% of the excise tax on cigarettes sold to eligible tribal members and 70% of the tax on sales to non-Native Americans under an agreement entered into between DOR and each tribe. For tobacco products or vapor products sold on reservations or trust lands, the tribes receive a refund of 100% of the tax on products sold to eligible tribal members and 50% of the tax on products sold to non-Native Americans under these agreements. Eligible tribal members must reside on the reservation or trust land of the tribe where the sale took place and be an enrolled member of the tribe.

Joint Finance/Legislature: Reestimate the amount of funding necessary to pay cigarette

and tobacco products tax refunds at \$21,400,000 in 2025-26 and \$20,100,000 in 2026-27. Compared to the Governor's recommendation, the reestimate is lower by \$3,700,000 in 2025-26 and \$3,900,000 in 2026-27.

22. OIL PIPELINE TERMINAL TAX DISTRIBUTION REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$91,400	\$691,400	\$600,000

Governor: Decrease estimated payments by \$207,800 in 2025-26 and increase estimated payments by \$116,400 in 2026-27. With these changes, oil pipeline terminal tax payments would equal \$9,092,200 in 2025-26 and \$9,416,400 in 2026-27, relative to base level funding of \$9,300,000. The oil pipeline terminal tax distribution provides payments to municipalities where oil pipeline terminal facilities are located. At present, the state has two oil pipeline terminal facilities, which are located in the City of Superior and the Village of Kronenwetter. The payment equals a proportionate share of the pipeline company's state tax payment based on the terminal facility's cost as a percentage of gross book value of the pipeline company in Wisconsin.

Joint Finance/Legislature: Reestimate the amount of GPR funding necessary to pay oil pipeline terminal tax payments at \$9,500,000 in 2025-26 and \$9,700,000 in 2026-27. Compared to the Governor's recommendation, the reestimate is higher by \$407,800 in 2025-26 and \$283,600 in 2026-27.

23. CLAIM OF RIGHT CREDIT REESTIMATE [LFB Paper 106]

GPR	\$24,000

Governor/Legislature: Increase funding for the claim of right (repayment) credit by \$12,000 in 2025-26 and 2026-27. Under current law, a refundable credit is provided if a taxpayer must repay income on which taxes were paid in the prior tax year. The credit may be claimed if the income repaid is greater than \$3,000 and the repayment amount is not subtracted from federal AGI or used in calculating the itemized deduction credit. Compared to base funding of \$135,000, total funding for the credit is estimated at \$147,000 in 2025-26 and 2026-27.

24. FILM PRODUCTION TAX CREDIT

Governor: Create the refundable film production company investment tax credit and the nonrefundable, film production services tax credit, as follows.

Film Production Services Tax Credit. Create an annual GPR sum sufficient appropriation to support the new refundable film production services credit. For taxable years beginning after December 31, 2025, a claimant would be able to claim as a credit against the individual income and corporate income/franchise taxes any of the following:

- a. A nonrefundable credit equal to 25% of the salary or wages (excluding wage amounts

that are more than \$250,000 per employee) paid by the claimant to the claimant's employees in the taxable year for services rendered in this state to produce an accredited production and paid to employees who were residents of this state at the time that they were paid. Only salary and wages paid for services rendered after December 31, 2025, and directly incurred to produce the accredited production would qualify for credits. Further, if the claimant's budgeted production expenditures are \$1,000,000 or more, the claimant would not be able to claim credit for any of the salary or wages paid to the two highest-paid employees. Unused tax credit amounts could be carried forward up to 15 years to offset future tax liabilities.

b. A refundable credit for an amount equal to 25% of the production expenditures paid by the claimant in the taxable year to produce an accredited production; and

c. A nonrefundable credit equal to the state sales and use tax that the claimant paid in the taxable year on the purchase of tangible personal property and taxable services that are used directly in producing an accredited production in this state, including all stages of production from the final script stage to the distribution of the finished production. Local sales and use taxes paid would not be eligible for the credit. Unused tax credit amounts could be carried forward up to 15 years to offset future tax liabilities.

For purposes of the film production services tax credit, a "claimant" would mean a film production company that operates an accredited production in this state, if the company owned the copyright in the accredited production or had contracted directly with the copyright owner or a person acting on the owner's behalf and if the company has a viable plan, as determined by the Department of Tourism (Tourism), for the commercial distribution of the finished production. An "accredited production" would mean a film, video, broadcast advertisement, or television production, as approved by Tourism, for which the aggregate salary and wages included in the cost of the production exceeds \$100,000 for a production that is 30 minutes or longer (and \$50,000 for a production that is less than 30 minutes) for the 12-month period starting in the month that principal filming/taping of the production begins. An accredited production would not include any of the following, regardless of the production costs: (a) news, current events, or public programming or a program that includes weather or market reports; (b) a talk show; (c) a production with respect to a questionnaire or contest; (d) a sports event or sports activity; (e) a gala presentation or awards show; (f) a finished production that solicits funds; (g) a production for which the production company was required under federal law to maintain records with respect to performers portrayed in a single media or multi media program with sexually explicit content; or (h) a production produced primarily for industrial, corporate, or institutional purposes.

"Production expenditures" would mean any expenditure that is incurred in this state and directly used to produce an accredited production, including expenditures for writing, budgeting, casting, location scouts, set construction and operation, wardrobes, makeup, clothing accessories, photography, sound recording, sound synchronization, sound mixing, lighting, editing, film processing, film transferring, special effects, visual effects, renting or leasing facilities or equipment, renting or leasing motor vehicles, food, lodging, and any other similar pre-production, production, and post-production expenditure as determined by Tourism. Production expenditures would include expenditures for music that is performed, composed, or recorded by a musician who is a resident of this state or published or distributed by an entity that has its commercial domicile in this state; air travel that is purchased from a travel agency or company that has its commercial

domicile in this state; and insurance that is purchased from an insurance agency or company that has its commercial domicile in this state. Production expenditures would not include salary or wages or expenditures for the marketing and distribution of an accredited production. "Commercial domicile" would mean the location from which a trade or business is principally managed and directed, based on any factors Tourism determines are appropriate, including the location where the greatest number of employees of the trade or business work, the trade or business has its office or base of operations, or from which the employees are directed or controlled.

Film Production Company Investment Credit. For taxable years beginning after December 31, 2025, a claimant would be able to claim a nonrefundable credit against the individual income and corporate income/franchise taxes, for the first three tax years that the claimant did business in the state as a film production company, an amount equal to 25% of the following expenditures that the claimant paid in the tax year to establish a film production company in Wisconsin:

a. The purchase price of depreciable, tangible personal property (purchased after December 31, 2025) used exclusively in the claimant's business as a film production company. "Used exclusively" would mean to the exclusion of all other uses except for other use not exceeding 5% of total use. Unused tax credit amounts could be carried forward up to 15 years to offset future tax liabilities.

b. The amount expended to acquire, construct, rehabilitate, remodel, or repair real property, if the claimant begins the physical work of the construction, rehabilitation, remodeling, or repair, or any demolition or destruction in preparation for the physical work, after December 31, 2025, or if the completed project is placed in service after December 31, 2025. A claimant could claim the credit for an amount expended to acquire real property, if the property is not previously owned property and if the claimant acquires the property after December 31, 2025, or if the completed project is placed in service after December 31, 2025. Unused tax credit amounts could be carried forward up to 15 years to offset future tax liabilities.

For purposes of the film production company investment credit, a "claimant" would mean a person who files a claim and who does business in this state as a film production company. A "film production company" would mean an entity that creates films, videos, broadcast advertisement, or television productions, not including the productions specifically identified above under the definition of "accredited production" used for the film production services tax credit. "Physical work" would not include preliminary activities such as planning, designing, securing financing, researching, developing specifications, or stabilizing property to prevent deterioration. "Previously owned property" would mean real property that the claimant or a related person owned during the two years prior to doing business in this state as a film production company and for which the claimant may not deduct a loss from the sale of the property to, or an exchange of the property with, the related person under the IRC.

Program Administration. Require Tourism to administer both credits. [See "Tourism."]. The bill would generally require Tourism to accredit productions as being eligible for the credits. No credit claims would be permitted unless the claimant first files an application with Tourism, at the time and in the manner prescribed by Tourism, and Tourism approves the application. The claimant would be required to submit a copy of the approved application with their tax return.

Tourism would be permitted to examine tax returns to the extent necessary to administer the tax credits. Tourism would be able to allocate up to a total of \$10 million in tax credits in each fiscal year, with no more than \$1 million in tax credits awarded to any single applicant.

The Legislative Audit Bureau would be required to prepare a performance evaluation audit of both credits biennially, beginning in 2027.

Tax Administration. DOR would be authorized to administer both credits, and take any action, conduct any proceeding, and proceed as authorized under state income and franchise tax laws. State tax provisions related to timely claims, assessments, refunds, the treatment of losses and credits following a change of ownership, appeals, collection, interest, and penalties would apply to both credits. The bill would update the order of computing liability for tax such that claimants would be required to compute and use the nonrefundable film production company investment credits and nonrefundable portions of the film production services credits prior to using the refundable portion of the refundable film production services credit. Similar to other business tax credits under current law, for purposes of computing income subject to the individual income and corporate income/franchise tax, the bill would require credit claimants to add back the value of claims under both credits.

Any person, including a nonprofit entity, would be able to sell or otherwise transfer all three film production services tax credits and the two film production company investment credits (in whole or in part) to another person if the person notifies DOR of the transfer, and submits with the notification a copy of the transfer documents, and DOR certifies ownership of the credit. The transferee may first use the credit to offset tax of the transferor in the taxable year in which the transfer occurs and may use the credit only to offset tax in taxable years in which the credit is otherwise allowed to be claimed and carried forward by the original claimant.

Partnerships, LLCs, and S corporations would not be permitted to claim either credit, but the eligibility for, and the amount of, the credit would be based on their payment of expenses eligible for each credit. A partnership, LLC, or S corporation would have to compute the amount of credit that each of its partners, members, or shareholders could claim and provide that information to each of them. The partners, members, and shareholders would be able to claim the credit in proportion to their ownership interests.

Fiscal Effect. As discussed above, Tourism may allocate up to a maximum of \$10,000,000 in tax credits each fiscal year. According to the Administration, this provision has no estimated fiscal effect during the 2025-27 biennium, as the first credits are expected to be claimed in 2027-28. Beginning in 2027-28, the Administration estimates that this provision would reduce state tax revenues by \$5,000,000 annually and increase state GPR expenditures by \$5,000,000 annually.

Joint Finance/Legislature: Adopt the provision, modified as follows.

Create a state film office in the Department of Tourism. [See "Tourism."] The state film office would be responsible for administering the tax credits, as outlined above, instead of Tourism. For example, the state film office would accredit productions and certify expenses (rather than Tourism). The state film office would be able to allocate no more than \$5,000,000 in tax credits each fiscal year (rather than \$10 million), beginning in 2025-26. The state film office would

be required to notify DOR no later than 30 days after allocating tax credits to an applicant.

Film Production Services Tax Credit. An "accredited production" would include a scripted, unscripted, reality, or competition production. Productions with respect to a questionnaire or contest would not be excluded for purposes of the credit. The credit percentages under the film production services credits described above under "a." would be 30% of salary and wages (rather than 25%) and the credit percentage for the credit described above under "b." would be 30% of the production expenditures (rather than 25%). The nonrefundable credits described above under "a." and "c." would be limited so that no claims could be made to the extent salary, wages, or taxes paid are claimed under the refundable credit described above under "b."

Film Production Company Investment Credit. The credit percentage would be 30% of the eligible expenditures described above (rather than 25%). No credit would be allowed for any expenditures used to claim a film production services tax credit.

Program Administration. Tourism would not be permitted to examine tax records.

Tax Administration. No interest would be paid by DOR on a refund based on any tax credit amounts certified under the film production services tax credit and the film production company investment credit.

Fiscal Effect. The state film office could allocate up to a maximum of \$5,000,000 in tax credits each fiscal year. It is anticipated that claimants would not claim credits until 2027-28 because it would take time for the state film office to implement the program, award credits, and certify expenditures for applicants to claim credits on their tax forms. In 2027-28, it is estimated that this provision would reduce tax revenues by \$5,000,000 and increase state GPR expenditures by \$5,000,000 because the state film office could award credits in both 2025-26 and 2026-27. Beginning in 2028-29, it is estimated that this provision would reduce tax revenues by \$2,500,000 and increase state GPR expenditures by \$2,500,000.

[Act 15 Sections: 4, 5, 93, 141, 215, 233 thru 237, and 241 thru 254]

GOVERNOR

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$9,452,600	\$9,668,800	\$9,668,800	\$9,668,800	\$9,668,800	\$216,200	2.3%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	37.25	37.25	37.25	37.25	37.25	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENT [LFB Paper 105]

GPR	\$216,200

Governor/Legislature: Provide an adjustment to the base of \$108,100 annually for full funding of continuing position salaries and fringe benefits.

HEALTH SERVICES

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled Amount	Percent
GPR	\$11,152,338,800	\$10,548,332,700	\$12,110,171,500	\$12,116,171,500	\$12,116,171,500	\$963,832,700	8.6%
FED	17,025,298,000	24,998,577,000	21,809,528,500	21,809,528,500	21,809,528,500	4,784,230,500	28.1
PR	3,958,064,800	4,080,134,100	3,928,695,600	3,928,695,600	3,928,695,600	- 29,369,200	- 0.7
SEG	<u>1,256,644,200</u>	<u>3,083,466,400</u>	<u>3,344,349,000</u>	<u>3,344,349,000</u>	<u>3,344,349,000</u>	<u>2,087,704,800</u>	166.1
TOTAL	\$33,392,345,800	\$42,710,510,200	\$41,192,744,600	\$41,198,744,600	\$41,198,744,600	\$7,806,398,800	23.4%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	2,690.43	2,836.86	2,773.36	2,773.36	2,773.36	82.93
FED	1,493.02	1,471.43	1,466.62	1,466.62	1,466.62	- 26.40
PR	2,592.09	2,514.25	2,499.33	2,499.33	2,499.33	- 92.76
SEG	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>
TOTAL	6,777.54	6,824.54	6,741.31	6,741.31	6,741.31	- 36.23

Budget Change Items

Medical Assistance

1. OVERVIEW OF MEDICAL ASSISTANCE FUNDING

Governor: Table 1 shows by year and fund source, the total amounts that would be budgeted for MA benefits in each year of the 2025-27 biennium under the Governor's bill, compared to the base level funding for the program. The Medicaid base reestimate (cost-to-continue) item reflects the Administration's estimates of MA costs in the 2025-27 biennium, without eligibility or other program changes. Other lines in the table show proposed changes for program eligibility, reimbursement rates, and program benefits.

TABLE 1**Summary of MA Benefits Funding, Governor**

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Base Funding	\$4,449,078,700	\$7,559,619,700	\$1,379,293,700	\$602,943,600	\$13,990,935,700
Medicaid Base Reestimate	\$628,823,600	\$1,098,827,000	\$21,627,200	\$1,221,000	\$1,750,498,800
Medicaid Expansion	-955,234,400	1,148,608,500	0	0	193,374,100
Postpartum Eligibility Extension	3,176,900	6,063,600	0	0	9,240,500
Hospital Access Payments	-468,381,600	1,157,679,100	0	937,772,000	1,627,069,500
Pediatric Hospital Supplement	2,067,800	5,432,200	0	0	7,500,000
Community Support Program	19,616,200	0	0	0	19,616,200
Personal Care Services	5,000,000	9,543,300	0	0	14,543,300
Obstetrics	2,132,400	4,070,200	0	0	6,202,600
Medication-Assisted Treatment	1,066,900	2,036,300	0	0	3,103,200
Autism Services	1,418,900	2,708,200	0	0	4,127,100
Enteral Nutrition	773,600	1,476,400	0	0	2,250,000
Rural Health Clinics	0	0	0	0	0
Mobile Dental Clinics	0	0	0	0	0
Community Health Workers	0	0	0	0	0
Certified Peer Specialists	0	0	0	0	0
Doula Services	215,400	411,000	0	0	626,400
Postpartum Home Visiting	0	0	0	0	0
Continuous Glucose Monitors	0	0	0	0	0
Change to Base	-\$759,324,300	\$3,436,855,800	\$21,627,200	\$938,993,000	\$3,638,151,700
Total	\$3,689,754,400	\$10,996,475,500	\$1,400,920,900	\$1,541,936,600	\$17,629,087,400
	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2026-27					
Base Funding	\$4,449,078,700	\$7,559,619,700	\$1,379,293,700	\$602,943,600	\$13,990,935,700
Medicaid Base Reestimate	\$943,879,700	\$1,551,586,600	\$91,735,400	-\$49,621,700	\$2,537,580,000
Medicaid Expansion	-951,049,400	1,361,368,000	0	0	410,318,600
Postpartum Eligibility Extension	5,173,100	9,966,100	0	0	15,139,200
Hospital Access Payments	-468,381,600	1,157,679,100	0	937,772,000	1,627,069,500
Pediatric Hospital Supplement	2,056,500	5,443,500	0	0	7,500,000
Community Support Program	21,467,000	0	0	0	21,467,000
Personal Care Services	10,000,000	19,265,400	0	0	29,265,400
Obstetrics	4,238,800	8,166,300	0	0	12,405,100
Medication-Assisted Treatment	2,120,700	4,085,600	0	0	6,206,300
Autism Services	2,820,500	5,433,700	0	0	8,254,200
Enteral Nutrition	1,537,700	2,962,300	0	0	4,500,000
Rural Health Clinics	8,172,700	15,745,100	0	0	23,917,800
Mobile Dental Clinics	248,700	479,100	0	0	727,800
Community Health Workers	3,745,000	7,214,900	0	0	10,959,900
Certified Peer Specialists	1,277,400	2,461,000	0	0	3,738,400
Doula Services	428,500	825,600	0	0	1,254,100
Postpartum Home Visiting	341,700	658,300	0	0	1,000,000
Continuous Glucose Monitors	4,647,100	8,952,900	9,600,000	0	23,200,000
Change to Base	-\$407,275,900	\$4,162,293,500	\$101,335,400	\$888,150,300	\$4,744,503,300
Total	\$4,041,802,800	\$11,721,913,200	\$1,480,629,100	\$1,491,093,900	\$18,735,439,000

Joint Finance/Legislature: Table 2 shows, by year and fund source, the total amounts that are budgeted for MA benefits in each year under Act 15.

TABLE 2**Summary of MA Benefits Funding, Act 15**

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Base Funding	\$4,449,078,700	\$7,559,619,700	\$1,379,293,700	\$602,943,600	\$13,990,935,700
MA Cost-to-Continue	\$559,490,600	\$975,296,600	\$1,534,000	-\$6,894,700	\$1,529,426,500
Hospital Access Payments	-298,274,300	1,218,602,500	0	1,086,262,500	2,006,590,700
Disprop. Share Hospital Payments	-71,600,000	-110,206,100	0	0	-181,806,100
Intergov. Transfer Payment	14,000,000	0	0	-14,000,000	0
UW Hospital Uncomp. Care	10,000,000	0	0	0	10,000,000
Personal Care	2,500,000	3,848,400	0	0	6,348,400
Private Duty Nursing	1,889,000	2,907,900	0	0	4,796,900
Narcotic Treatment	800,000	1,300,000	0	0	2,100,000
Obstetrics	610,700	940,000	0	0	1,550,700
Chiropractic	500,000	750,000	0	0	1,250,000
Sedation Dentistry	300,000	450,000	0	0	750,000
Residential Substance Use	229,000	353,000	0	0	582,000
Home Health	<u>115,900</u>	<u>178,400</u>	<u>0</u>	<u>0</u>	<u>294,300</u>
Change to Base	\$220,560,900	\$2,094,420,700	\$1,534,000	\$1,065,367,800	\$3,381,883,400
2025-26 Total	\$4,669,639,600	\$9,654,040,400	\$1,380,827,700	\$1,668,311,400	\$17,372,819,100
	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2026-27					
Base Funding	\$4,449,078,700	\$7,559,619,700	\$1,379,293,700	\$602,943,600	\$13,990,935,700
MA Cost-to-Continue	\$879,322,100	\$1,409,591,400	\$40,413,400	-\$49,604,400	\$2,279,722,500
Hospital Access Payments	-298,274,300	1,218,602,500	0	1,086,262,500	2,006,590,700
Disprop. Share Hospital Payment	-71,600,000	-110,738,900	0	0	-182,338,900
Intergov. Transfer Payment	14,000,000	0	0	-14,000,000	0
UW Hospital Uncomp. Care	10,000,000	0	0	0	10,000,000
Personal Care	5,000,000	7,732,400	0	0	12,732,400
Private Duty Nursing	3,767,500	5,826,300	0	0	9,593,800
Narcotic Treatment	1,600,000	2,500,000	0	0	4,100,000
Obstetrics	1,217,900	1,883,400	0	0	3,101,300
Chiropractic	1,000,000	1,500,000	0	0	2,500,000
Sedation Dentistry	600,000	900,000	0	0	1,500,000
Residential Substance Use	480,000	742,000	0	0	1,222,000
Home Health	<u>230,600</u>	<u>358,000</u>	<u>0</u>	<u>0</u>	<u>588,600</u>
Change to Base	\$547,343,800	\$2,538,897,100	\$40,413,400	\$1,022,658,100	\$4,149,312,400
2026-27 Total	\$4,996,422,500	\$10,098,516,800	\$1,419,707,100	\$1,625,601,700	\$18,140,248,100

Table 3 shows actual and projected average monthly enrollment by major eligibility group.

TABLE 3

Actual and Projected Monthly Average Enrollment

	Actual June 2024	Projected 2024-25	<u>Estimates</u>	
			2025-26	2026-27
Elderly, Blind, Disabled MA				
Elderly	88,142	86,634	88,540	90,488
Disabled, Non-Elderly Adults	140,848	134,531	135,164	135,802
Disabled Children	<u>40,256</u>	<u>41,909</u>	<u>42,328</u>	<u>42,751</u>
EBD Total	269,246	263,074	266,032	269,041
BadgerCare Plus				
Children	526,003	494,622	479,958	482,358
Parents	234,188	195,789	175,583	176,461
Childless Adults	231,728	190,393	190,539	191,492
Pregnant Women	<u>26,339</u>	<u>18,548</u>	<u>18,891</u>	<u>18,891</u>
BadgerCare Plus Total	1,018,258	899,352	864,971	869,202
Other Full Benefit MA				
Foster Care/Subsidized Adoption	26,885	19,431	19,218	19,314
Well Woman	380	282	277	277
Total Full Benefit Enrollment	1,314,769	1,182,139	1,150,498	1,157,834
Limited Benefit Groups				
Family Planning Only	27,879	30,622	32,868	32,868
Medicare Cost Sharing Assistance	17,157	18,347	18,154	18,154
Total Enrollment	1,359,805	1,231,108	1,201,520	1,208,856

Table 4 shows actual and projected SEG revenues to the MA trust fund (MATF) under Act 15, as well as anticipated MATF expenditures. MATF revenues are used for the nonfederal share of MA benefits, offsetting an equal amount of GPR. In addition to reflecting revenue reestimates as part of the cost-to-continue item, changes to the MATF revenues and expenditures reflect two other items. First, Act 15 includes changes to the hospital assessment and hospital access payments, which affect transfers to the MATF. As part of this item, the critical access hospital fund is eliminated, resulting in the elimination of the transfer to the MATF from that fund. Second, the Act reduces the UW intergovernmental transfer by \$14,000,000 annually.

TABLE 4

Actual and Projected Medical Assistance Trust Fund Revenues
Fiscal Years 2023-24 through 2026-27

	Actual <u>2023-24</u>	Projection <u>2024-25</u>	<u>Estimates</u>	
			<u>2025-26</u>	<u>2026-27</u>
Beginning Balance	\$350,914,000	\$192,824,400	\$30,953,100	\$0
Provider Assessments				
Hospital Assessment*	\$167,771,700	\$162,643,700	\$457,178,800	\$457,090,300
Nursing Home/ICF-IID Bed Assessment	54,979,300	53,053,200	50,946,900	48,548,200
Critical Access Hospital Assessment*	1,093,700	709,400	0	0
Federal Funds Deposited to MA Trust Fund				
County Nursing Home Cert. Pub. Expenditures	\$674,900	\$0	\$0	\$0
UW Intergovernmental Transfer	28,448,200	15,683,200	1,683,200	1,683,200
UW Certified Public Expenditures	1,950,300	650,100	650,100	650,100
Other				
Transfer from Permanent Endowment Fund	\$98,049,000	\$87,145,900	\$77,812,900	\$69,916,500
Interest Earnings	16,121,100	5,320,000	0	0
Total Available	\$720,002,200	\$518,029,900	\$619,225,000	\$577,888,300
MA Benefits Expenditures	\$527,177,800	\$487,076,800	\$619,225,000	\$577,888,300
Year-End Balance	\$192,824,400	\$30,953,100	\$0	\$0

* Assessment revenue is first deposited in separate trust funds and a portion is used to make supplemental hospital payments. The amounts shown are the transfers to the MA trust fund after these supplemental payments are made.

Table 5 shows the actual and projected federal medical assistance percentage (FMAP) rates applicable to MA benefit expenditures in each fiscal year from 2024-25 through 2026-27. FMAP rates are established for each federal fiscal year, which runs from October to September, but the table shows the FMAP rates weighted for the corresponding state fiscal years. In addition to the FMAP for regular Medicaid (Title 19 of the federal Social Security Act), the table also shows the higher rate applicable to expenditures for children eligible under the Children's Health Insurance Program (CHIP or Title 21).

TABLE 5

**Federal Medical Assistance Percentage (FMAP) Rates
By State Fiscal Year**

<u>State Fiscal Year</u>	<u>Title 19 (Most MA Services)</u>	<u>Title 21 (Children's Health Insurance Program)</u>
2024-25		
State	39.51%	27.66%
Federal	60.49	72.34
2025-26		
State	39.38%	27.57%
Federal	60.61	72.43
2026-27		
State	39.27%	27.49%
Federal	60.73	72.51

Table 6 shows the annual income levels, by household size, at various percentages of the 2025 federal poverty level (FPL). The current income eligibility threshold is 100% of FPL for nonelderly, nondisabled adults and 300% of FPL for pregnant women and children. The other percentages shown, 160%, 200%, and 240%, are used for the different eligibility tiers in the SeniorCare program.

TABLE 6

**Annual Household Income at Various Percentages of the
2025 Federal Poverty Level, By Household Size**

<u>Household Size</u>	<u>Percentage of FPL</u>				
	<u>100%</u>	<u>160%</u>	<u>200%</u>	<u>240%</u>	<u>300%</u>
One	\$15,650	\$25,040	\$31,300	\$37,560	\$46,950
Two	21,150	33,840	42,300	50,760	63,450
Three	26,650	42,640	53,300	63,960	79,950
Four	32,150	51,440	64,300	77,160	96,450
Five	37,620	60,192	75,240	90,288	112,860

2. MEDICAL ASSISTANCE COST-TO-CONTINUE [LFB Paper 360]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,572,703,300	- \$133,890,600	\$1,438,812,700
FED	2,650,413,600	- 265,525,600	2,384,888,000
PR	113,362,600	- 71,415,200	41,947,400
SEG	<u>- 48,400,700</u>	<u>- 8,098,400</u>	<u>- 56,499,100</u>
Total	\$4,288,078,800	- \$478,929,800	\$3,809,149,000

Governor: Provide \$1,750,498,800 (\$628,823,600 GPR, \$1,098,827,000 FED, \$21,627,200 PR, and \$1,221,000 SEG) in 2025-26 and \$2,537,580,000 (\$943,879,700 GPR, \$1,551,586,600 FED, \$91,735,400 PR, and -\$49,621,700 SEG) in 2026-27 to fund projected MA benefits costs under a cost-to-continue scenario (no program changes to benefits or eligibility). These funding adjustments are based on the Administration's projections of caseload changes and changes in the use and cost of providing medical and long-term care services. The cost-to-continue estimate is developed using projections for enrollment and the average cost per beneficiary for all service categories, among other factors. The Administration's estimate for the 2025-27 biennium builds on program projections for the remainder of 2024-25.

The following table shows the base level of funding for MA benefits, the bill's funding adjustments under the cost-to-continue scenario, and the resulting funding for MA (without other benefit and eligibility changes), by fund source.

Medical Assistance Cost-to-Continue

Fund Source	Base	<u>Funding Change to Base</u>		<u>Total Funding</u>	
		2025-26	2026-27	2025-26	2026-27
GPR	\$4,449,078,700	\$628,823,600	\$943,879,700	\$5,077,902,300	\$5,392,958,400
FED	7,559,619,700	1,098,827,000	1,551,586,600	8,658,446,700	9,111,206,300
PR	1,379,293,700	21,627,200	91,735,400	1,400,920,900	1,471,029,100
SEG	<u>602,943,600</u>	<u>1,221,000</u>	<u>-49,621,700</u>	<u>604,164,600</u>	<u>553,321,900</u>
Total	\$13,990,935,700	\$1,750,498,800	\$2,537,580,000	\$15,741,434,500	\$16,528,515,700

The major assumptions underlying the Administration's cost-to-continue estimates are described as follows, generally focusing on the program's GPR and SEG funding sources.

Baseline Expenditure Trends in 2024-25. The Administration's cost-to-continue estimate assumes that that 2024-25 GPR expenditures will exceed the GPR base funding level (the 2024-25 GPR appropriation) by \$245.5 million. Since the Department's cost-to-continue reestimate builds off the 2024-25 expenditure projection, a portion of the Administration's estimate is associated with providing the difference between the base level funding and the 2024-25 actual expenditure baseline. Thus, over the biennium, this adjustment accounts for \$491.0 million of the cost-to-continue GPR funding increase (the difference between the GPR appropriation base and projected GPR expenditures, doubled).

In addition to differences between the base level of funding and anticipated expenditures in 2024-25, this adjustment accounts for differences between budgeted assumptions and current projections in anticipated MA trust fund revenues and changes (both positive and negative) to other non-benefit costs (such as Medicare Part D clawback payments and Medicare premiums paid on behalf of enrollees) and revenues (estate recovery and managed care risk corridor recoveries).

Program Enrollment. The cost-to-continue estimate relies on caseload assumptions for the major eligibility categories for the remainder of 2024-25, as well as the two years of the 2025-27 biennium. The Administration assumes that enrollment for BadgerCare Plus parent, childless adult, and pregnant women groups will increase by 0.1% annually, while the BadgerCare Plus children and foster children will increase by 0.2% annually. Enrollment in the elderly group is projected to grow by 2.2% annually, non-elderly disabled adults by 0.8% annually, dually-eligible disabled adults by 0.2% annually, and disabled children by 1.0% annually. The cost-to-continue estimate makes separate projections for eligibility and enrollment in specific programs, such as Family Care, IRIS, and the Children's Long-Term Support programs (described as follows).

Managed Care Capitation Rates and Enrollment. The Administration's estimate assumes that monthly managed care capitation rates will increase by 2% annually for calendar years 2026 and 2027 for payments to health maintenance organizations (HMOs) for acute care services under BadgerCare Plus and SSI Medicaid. The Department assumes that enrollment in HMOs for BadgerCare Plus adults and children will remain at the current percentage of total program enrollment in each category. For SSI Medicaid HMOs, the Department assumes that HMO enrollment will increase by 0.5% annually.

Cost and Utilization of Services. For some acute care services delivered on a fee-for-service basis, the Department develops a per person average cost estimate, by service category and eligibility subcategory, and multiplies these averages by the estimated enrollment in the relevant category. The estimate uses this approach for over 20 fee-for-service categories and over 50 eligibility subgroups. The major service categories for which cost and utilization estimates are performed in this manner include inpatient and outpatient hospital services, prescription drugs, physician/clinic services, outpatient mental health and substance use treatment, dental services, ambulance services, and durable medical equipment. In addition to these acute care services, the Department uses this cost estimation method for some home care services delivered on a fee-for-service basis, including personal care services, hospice, and private duty nursing services. For the purposes of these estimates, the Department generally bases the changes to the per person average cost for each service and eligibility group on prior year trends; the magnitude of the year-to-year changes varies widely.

Other Fee-For-Service Category Estimates. For some other service categories, the Administration develops estimates on a total cost basis, without performing separate calculations for an enrollment effect and an average cost effect. The acute care service categories for which the Department uses this approach include psychosocial rehabilitation services delivered under the comprehensive community services (CCS) benefit, crisis intervention services, and residential substance use disorder treatment. For these categories, DHS assumes a 12% annual growth rate in expenditures for CCS, a 5% annual growth rate for crisis intervention expenditures, and a 5% annual growth rate for residential substance abuse treatment.

Family Care. The Administration assumes that monthly managed care capitation rates will increase by 3.0% annually in the 2025-27 biennium for long-term care services provided under Family Care. Additionally, DHS estimates that enrollment will increase by 2.3% per year for Family Care. As such, on an all funds basis, costs for Family Care are estimated at \$3,080.8 million in 2025-26 and \$3,236.4 million in 2026-27, up from \$2,878.3 million in 2024-25. These amounts primarily reflect capitation payments made to the managed care organizations but also include cash payments, the largest of which is the direct care workforce funding.

Further, the Administration estimate assumes that state funding will be used in 2025-27 to continue the home and community-based services (HCBS) minimum fee schedule, currently funded with federal HCBS funding provided under the American Rescue Plan Act (ARPA) in the 2023-25 biennium. Funding for the minimum fee schedule is based on a number of assumptions including that direct care workers would be paid wages of \$15.75 per hour (although providers would not be required to pay this minimum wage). The bill would provide \$516.0 million (\$202.7 million GPR and \$313.3 million FED) in the 2025-27 biennium to continue this initiative.

IRIS. The Administration assumes that monthly enrollment in IRIS (Include, Respect, I Self-Direct), an alternative to Family Care for long-term care services, will increase by 6.5% in 2025-26 and 6.3% in 2026-27. Average IRIS enrollment is expected to reach 27,328 in 2024-25, 29,115 in 2025-26, and 30,962 in 2026-27. Average, per beneficiary costs are expected to increase by 3.5% in 2025-26 and 5.8% in 2026-27, with total costs, on an all funds basis, estimated at \$1,366.9 million in 2025-26 and \$1,537.8 million in 2026-27, up from \$1,240.0 million in 2024-25.

Children's Long-Term Support Program (CLTS). The Administration anticipates increases in enrollment in the CLTS waiver program as counties continue to enroll children in the program. Average monthly program enrollment is expected to be 26,100 in 2025-26, and 27,850 in 2026-27, compared to estimated average monthly program enrollment of 24,250 in 2024-25 and actual enrollment of 25,793 as of January, 2025. Annual per beneficiary costs are anticipated to be \$15,094 in 2025-26 and \$15,135 in 2026-27 (including administrative costs), compared to \$15,051 in 2024-25. CLTS costs, on an all funds basis, are estimated at \$362.7 million in 2025-26 and \$388.1 million in 2026-27, compared to \$346.0 million in 2024-25.

Nursing Home Reimbursement. The Administration projects that fee-for-service nursing home bed days will decrease by approximately 2% per year. After accounting for intensity and inflationary cost growth, the average effective nursing home per diem rate is expected to increase by 3.0% annually in the 2025-27 biennium. On an all funds basis, total nursing home payments, excluding payments to the Veterans Homes and State Centers for Individuals with Intellectual Disabilities, are estimated at \$789.9 million in 2025-26 and \$799.0 million in 2026-27, compared to an estimated \$781.7 million in 2024-25.

Prescription Drug Manufacturer Rebates. The MA program receives drug rebates from drug manufacturers based on formulas established under federal Medicaid law. These rebates are used to offset GPR and FED MA benefit costs. Over the past three calendar years, the drug rebate revenue has equated to an average of 66.7% of gross drug expenditures. The Administration projects that the rebate percentage will decrease to 61.5% of gross drug expenditures, a change that the Administration attributes to the impact of new federal disincentives for drug price

increases in the Medicare program, which, in turn, has an impact on the drug rebate calculation. Total rebate revenues are estimated at \$1,244.2 million in 2025-26 and \$1,314.4 million in 2026-27.

Medicare Premiums for Dual Eligibles and Medicare Part D Clawback Payments. Estimates of premium payments for Medicare dual eligibles (those eligible for both MA and Medicare) are based on out-year projections developed by the federal Medicare Board of Trustees, presented in its 2024 report. Medicare Part B premiums are anticipated to increase by 1.0% in 2026 and 11.0% in 2027, while Medicare Part A premiums are projected to increase by 2.3% in 2026 and 5.5% in 2027. The program pays monthly Part B premiums for approximately 135,000 dual eligible members, and Part A premiums for approximately 8,000 dual eligibles. Medicare premium payments (all funds) are estimated at \$341.4 million in 2025-26 and \$369.0 million in 2026-27. The Medicare Part D clawback is a GPR payment made to the federal government to offset a portion of federal prescription drug coverage under Medicare Part D, in lieu of prescription drug coverage that, prior to Part D, was provided through MA for dual eligible members. The per beneficiary payment is indexed to the growth in per capita expenditures on prescription drugs. As with the Medicare premium estimates, the Administration relied on projections developed by the Medicare Trustee, which anticipates an increase in per capita drug expenditures of 2.5% in 2026 and 11.2% in 2027. Total clawback payments are estimated at \$371.1 million GPR in 2025-26 and \$395.0 million GPR in 2026-27.

Joint Finance/Legislature: Decrease funding by \$221,072,300 (-\$69,333,000 GPR, -\$123,530,400 FED, -\$20,093,200 PR, and -\$8,115,700 SEG) in 2025-26 and by \$257,857,500 (-\$64,557,600 GPR, -\$141,995,200 FED, -\$51,322,000 PR, and \$17,300 SEG) to reflect the cost-to-continue reestimate under Joint Finance. The following table shows the resulting funding, expressed as a change to the base.

<u>Fund</u>	<u>2025-26</u>	<u>2026-27</u>	<u>Biennium</u>
GPR	\$559,490,600	\$879,322,100	\$1,438,812,700
FED	975,296,600	1,409,591,400	2,384,888,000
PR	1,534,000	40,413,400	41,947,400
SEG	<u>-6,894,700</u>	<u>-49,604,400</u>	<u>-56,499,100</u>
Total	\$1,529,426,500	\$2,279,722,500	\$3,809,149,000

The funding adjustments adopted by the Committee account for the estimated cost of continuing minimum fee schedule provisions included in the current Family Care contract, which is \$258,000,000 annually (\$101,607,200 GPR and \$156,392,800 FED in 2025-25 and \$101,310,300 GPR and \$156,689,700 FED in 2026-27). In addition, the funding reflects an unspecified funding reduction from the cost-to-continue estimates of \$126,959,600 (-\$50,000,000 GPR and -\$76,959,600 FED) in 2025-26 and \$127,331,600 (-\$50,000,000 GPR and -\$77,331,600) in 2026-27.

3. FULL MEDICAID EXPANSION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Revenue	Funding	Revenue	Funding	Revenue
GPR	-\$1,905,266,100	\$4,705,700	\$1,905,266,100	-\$4,705,700	\$0	0.00
FED	<u>2,513,029,500</u>	<u>0</u>	<u>- 2,513,029,500</u>	<u>0</u>	<u>0</u>	<u>0.00</u>
Total	\$607,763,400	\$4,705,700	-\$607,763,400	-\$4,705,700	\$0	0.00

Governor: Provide \$195,390,500 (-\$954,730,300 GPR and \$1,150,120,800 FED) in 2025-26 and \$412,372,900 (-\$950,535,800 GPR and \$1,362,908,700 FED) in 2026-27 for Medical Assistance benefits and program enrollment services to reflect the fiscal effect of adopting full Medicaid expansion, effective on July 1, 2025.

Statutory Changes to Implement Full Medicaid Expansion. Increase the income eligibility threshold under BadgerCare Plus for parents and caretakers from 100% of the federal poverty level (FPL) to 133% of the FPL. Specify that an adult who is under the age of 65, has a household income that does not exceed 133% of FPL, and who is not otherwise eligible for MA or for the Medicare program is eligible for benefits under BadgerCare Plus (a "childless adult").

Require DHS to comply with all federal requirements to qualify for the highest available enhanced federal medical assistance percentage and to submit any amendment to the state Medicaid plan, request for a waiver of federal Medicaid law, or other approval request required by the federal government to do so. Repeal current law provisions related to childless adult eligibility through federal waiver authority and a requirement that the Department comply with the waiver provisions, to reflect that childless adults would be eligible under standard Medicaid authority. Require DHS to submit any necessary request to the federal Department of Health and Human Services to modify or withdraw from the childless adult demonstration project to reflect the incorporation of childless adults into BadgerCare Plus. Repeal a current law provision that prevents DHS from expanding MA program eligibility to qualify for enhanced federal matching funds under the Affordable Care Act (ACA). Specify that these provisions take effect on July 1, 2025.

Background. To meet the standard for full Medicaid expansion under federal law, a state must establish the income eligibility threshold at 133% of the federal poverty level for adults between the ages of 19 and 64. (By federal statutes, the full expansion threshold is 133% of the FPL. However, federal income counting rules include a standard 5% disregard to account for various household expenditures, effectively making the threshold equivalent to 138% of the FPL.) Wisconsin does not meet this standard since the state currently has an income eligibility threshold of 100% of the FPL for parents and childless adults. The bill changes are necessary to implement the full expansion eligibility thresholds.

Under the ACA, states that adopt full Medicaid expansion are eligible to receive a 90% federal matching rate for Medicaid benefit costs associated with adults age 19 to 64 who are considered "newly eligible" for coverage. An eligibility group is determined to be "newly-eligible" if members of the group were not eligible to receive full Medicaid benefits as of December 1,

2009. For Wisconsin, parents would not be considered to be "newly eligible" since the state covered parents up to 200% of the FPL on that date. However, childless adults would meet the "newly-eligible" definition since they were not eligible for full coverage on that date. Furthermore, although the state has provided full benefits coverage to childless adults up to 100% of the FPL since 2014, all childless adults would be considered "newly-eligible" with the adoption of full Medicaid expansion, and so their costs would be eligible for the enhanced FMAP if the state adopts the full Medicaid expansion eligibility standards.

Under a provision of the American Rescue Plan Act of 2021 (ARPA), any non-expansion states that adopts full Medicaid expansion becomes eligible for a temporary 5.0 percentage point increase to the state's standard FMAP. This federal incentive matching rate is applicable for the two years following implementation, and applies to most Medicaid expenditures that would otherwise be subject to the standard FMAP. The Administration's estimates of general fund revenues include an increase of \$2,323,200 in 2025-26 and \$2,382,500 in 2026-27 (GPR-earned) to reflect the impact of the FMAP incentive on the portion of federal matching funds claimed by the state for Medicaid school-based services that is deposited in the general fund (40%). (A separate item in the bill would provide the full federal match for school-based medical services to school districts, beginning in 2026-27, ending the state's current policy of retaining 40% of the federal funds for the general fund. Thus, under the bill, the incremental increase in federal claims for 2026-27 would be paid to school districts for school-based services.)

The state would incur increased costs for the nonfederal share of benefits for the additional parents and childless adults that would be covered with full expansion (those within the 100% of FPL to 138% of FPL range), but the state savings associated with qualifying for the 90% FMAP for childless adults is greater. The reduction in GPR funding under the bill reflects the net change for both of these factors.

The funding adjustments for MA benefits under the bill reflect both the ongoing changes associated with the state qualifying for the 90% FMAP for childless adults (net effect), and the two-year ARPA incentive provision. The bill would also provide GPR and FED increases for MA enrollment services conducted by county income maintenance consortia. The following table shows the fiscal changes for each of these components.

**Components of Full Medicaid Expansion Funding Changes
Governor's Recommendations**

	<u>2025-26</u>	<u>2026-27</u>	<u>Biennial Total</u>
MA Benefits Funding			
Full Expansion, 90% FMAP Effect			
GPR	-\$311,763,600	-\$266,677,700	-\$578,441,300
FED	552,251,800	727,411,600	1,279,663,400
Two-Year ARPA Incentive			
GPR	-\$643,470,800	-\$684,371,700	-\$1,327,842,500
FED	596,356,700	633,956,400	1,230,313,100
Total MA Benefits Change			
GPR	-\$955,234,400	-\$951,049,400	-\$1,906,283,800
FED	<u>1,148,608,500</u>	<u>1,361,368,000</u>	<u>2,509,976,500</u>
All Funds Total	\$193,374,100	\$410,318,600	\$603,692,700
Enrollment Services Funding			
GPR	\$504,100	\$513,600	\$1,017,700
FED	<u>1,512,300</u>	<u>1,540,700</u>	<u>3,053,000</u>
Subtotal	\$2,016,400	\$2,054,300	\$4,070,700
Total Funding Change			
GPR	-\$954,730,300	-\$950,535,800	-\$1,905,266,100
FED	<u>1,150,120,800</u>	<u>1,362,908,700</u>	<u>2,513,029,500</u>
All Funds Total	\$195,390,500	\$412,372,900	\$607,763,400

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. POSTPARTUM ELIGIBILITY EXTENSION [LFB Paper 361]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$8,350,000	- \$8,350,000	\$0
FED	<u>16,029,700</u>	<u>- 16,029,700</u>	<u>0</u>
Total	\$24,379,700	- \$24,379,700	\$0

Governor: Provide \$9,240,500 (\$3,176,900 GPR and \$6,063,600 FED) in 2025-26 and \$15,139,200 (\$5,173,100 GPR and \$9,966,100 FED) in 2026-27 to reflect the estimated cost of providing one year of postpartum coverage for pregnant women. Specify that, if approved by the federal government, a woman who is determined to be eligible under the BadgerCare Plus program as a pregnant woman remains eligible for benefits until the last day of the month in which the 365th day after the last day of the pregnancy falls, instead of the last day of the month in which the 90th day after the last day of the pregnancy falls.

The 2021-23 budget (2021 Act 58) required DHS to submit a request for federal approval of a federal waiver to extend postpartum eligibility for pregnant women from the last day of the month in which the 60th day following the pregnancy falls until the last day of the month in which the 90th day following the pregnancy falls. The Department submitted a federal waiver request in June of 2022, but the federal Centers for Medicare and Medicaid Services rejected this request. Consequently, the 60-day standard remains in effect. (Although current statutes specify the 90-day postpartum eligibility period, Act 58 included a provision stating that this change from the prior 60-day period would only apply if the change was approved by the federal government.)

As amended by the bill, DHS would be required to submit a request for approval of the one-year postpartum coverage. Federal law permits states to adopt a one-year postpartum coverage period for pregnant women as an optional eligibility category. Since selecting this option could be implemented with an amendment to the state Medicaid plan, no federal waiver would be required.

The current income eligibility threshold for pregnant women is 306% of the federal poverty level (FPL). Women whose household income is below 100% of the FPL may retain eligibility following pregnancy, as either a parent or, if she is not a parent of a child in the household, as a childless adult. Women whose household income is above 100% of the FPL are no longer eligible for coverage following the last day of the month in which the 60th day after the last day of the pregnancy falls. Therefore, this item would affect the eligibility for women whose household income is between 100% of the FPL and 306% of the FPL, allowing them to retain eligibility for an additional 10 months.

The Administration estimates that, if approved, the monthly average number of pregnant women with coverage under BadgerCare Plus would increase by 2,600 in 2025-26 and by 4,100 in 2026-27, relative to the total enrollment baseline. Under the Administration's cost-to-continue projections (no change to eligibility), the baseline enrollment of pregnant women is expected to be 18,200 in both years of the 2025-27 biennium.

The funding increase in the bill reflects a two-year increase in federal matching rates that the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In addition, the number of women affected by the coverage extension would increase since fewer women would otherwise be covered under the full expansion item. The Administration estimates that without full Medicaid expansion, this item would increase enrollment of pregnant women by a monthly average of 3,100 in 2025-26 and 5,000 in 2026-27 and the funding required for extending postpartum coverage without full Medicaid expansion would be \$11,330,600 (\$4,462,000 GPR and \$6,868,600 FED) in 2025-26 and \$18,563,600 (\$7,271,400 GPR and \$11,733,400 FED) in 2026-27.

Joint Finance/Legislature: Provision not included.

5. HOSPITAL ASSESSMENT AND HOSPITAL REIMBURSEMENT PAYMENTS
[LFB Paper 362]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Revenue	Funding	Revenue	Funding	Revenue
GPR	- \$936,763,200	\$0	\$340,214,600	\$0	- \$596,548,600	\$0
FED	2,315,358,200	0	121,846,800	0	2,437,205,000	0
SEG	<u>1,875,544,000</u>	<u>1,875,544,000</u>	<u>296,981,000</u>	<u>299,978,800</u>	<u>2,172,525,000</u>	<u>2,175,522,800</u>
Total	\$3,254,139,000	\$1,875,544,000	\$759,042,400	\$299,978,800	\$4,013,181,400	\$2,175,522,800

Governor: Provide \$1,627,069,500 (-\$468,381,600 GPR, \$1,157,679,100 FED, and \$937,772,000 SEG) in 2025-26 and \$1,627,069,500 (-\$468,381,600 GPR, \$1,157,679,100 FED, and \$937,772,000 SEG) in 2026-27 to reflect an increase in funding for making hospital access payments and critical access payments, along with increases in the amounts collected under the acute care hospital and critical access hospital assessments, described as follows.

Background

In addition to base reimbursement payments, which are generally tied to the type and intensity of services provided, hospitals receive access payments for each MA inpatient discharge or outpatient service. There are separate access payments for inpatient and outpatient services, but the amount of the payment is constant within each of these categories, regardless of the intensity of the service. DHS sets the amount of the payments for each year so as to fully distribute a fixed access payment pool. There are two separate payment pools, one for critical access hospitals (CAHs, generally small, rural hospitals), and one for all other hospitals, other than psychiatric hospitals (generally referred to as the "acute care hospitals" or ACHs). The ACH access payment pool is \$654.0 million for each year, while the CAH access payment pool, which changes each year, is \$8.7 million in 2024-25. These amounts are determined by statutory formulas.

As with other MA costs, access payments are made with a combination of state and federal funds, in a proportion determined by the state's federal medical assistance percentage (FMAP). The state share is paid from segregated hospital assessment funds, one fund for ACHs and one for CAHs. The revenue to these funds is collected from an assessment on hospital revenues. For the ACH assessment, DHS is required to establish a uniform percentage for each year that, when applied to each hospital's gross patient revenues, generates \$414,507,300, an amount specified by statute. The uniform percentage to generate \$414,507,300 was set at 0.6306% in 2023-24 and 0.5844% in 2024-25. The CAH assessment uses the same percentage established for the acute care hospital assessment, but is assessed on gross inpatient revenues, instead of on gross patient revenue for all hospital services.

In addition to access payments, assessment revenue in both funds is used for other purposes and payments. For the ACH fund, a portion is used for the state share of other targeted hospital supplemental payments, totaling \$18.0 million. Thus, when added to the ACH access payments, the total amount distributed is \$672.0 million. From the CAH assessment fund, \$1,109,200 is appropriated for programs administered by the University of Wisconsin System to encourage physicians to practice in rural areas.

The amount collected from hospital assessments is more than the amount needed for the state share of access payments and other designated uses. Each year, the remaining fund balances are transferred to the Medical Assistance trust fund (MATF), a separate segregated fund used as the state share for general MA benefits. Since the SEG appropriation from the MATF is used interchangeably with the GPR appropriation for MA, any hospital assessment fund amounts transferred to the MATF result in an equivalent reduction in GPR spending for the program. In 2024-25, the ACH transfer is projected at \$151.9 million and the CAH transfer is \$0.8 million, resulting in a total GPR reduction of \$152.7 million.

Summary of Provisions

Hospital Assessments. Increase the amount of hospital assessment revenue that DHS must annually collect from eligible hospitals (excluding critical access hospitals) from \$414,507,300 to \$1,341,839,500. Increase segregated revenue collected in the ACH assessment fund by \$927,332,200 annually, reflecting this increase. Specify that rehabilitation hospitals and long-term acute care hospitals, as determined by the Department, are exempt from paying the hospital assessment. Under this item, the Administration estimates that the assessment percentage would need to increase to approximately 1.9% in order to generate the higher total of \$1,341,839,500.

Estimate segregated revenue collected under the CAH assessment at \$15,268,000 annually, an increase of \$10,439,800 annually, relative to the Administration's current law baseline estimate of \$4,828,200. This increase results from the higher percentage established for the ACH assessment.

Acute Care Hospital Access Payments. Modify the formula used to determine the total amount of acute care hospital access payments and other supplements so that the sum is the amount of hospital assessment revenue collected divided by 62.39%, instead of, under current law, the amount collected divided by 61.68%. With this change to the percentage, and the change to the assessment total, the amount distributed in ACH access payments and other supplements would increase by \$1,478,818,200 annually, from \$672,028,700 currently to \$2,150,846,900. Of this increase, the bill would provide \$423,118,700 SEG (from the ACH assessment fund) and \$1,055,699,500 FED annually to make these payments. The Administration indicates that the funding increase provided under this item is the amount by which MA reimbursement for hospital services would need to increase in order to reimburse hospitals at 115% of total costs for inpatient and outpatient services to MA patients enrolled in HMOs, and to 100% of hospitals' costs for MA patients receiving hospital services on a fee-for-service basis. This calculation is for costs and payments in aggregate, rather than by individual hospital.

The Administration estimates that the share of this total access payment that would be drawn from the hospital assessment fund would be \$701,890,000 SEG annually, while the federal share would be \$1,448,956,900. This funding split is based on the assumption that the average FMAP for access payments would be 67.37%, which is higher than the standard FMAP (60.62% in 2025-26 and 60.83% in 2026-27). This higher average FMAP is contingent upon the adoption of full Medicaid expansion (a separate proposal in the Governor's bill), which would make the state eligible for 90% FMAP for childless adults.

Critical Access Hospital Access Payments. Establish the amount that DHS must distribute annually in CAH access payments at \$49,392,400, instead of, under current law, the amount collected from CAH assessment divided by 61.68%. Specify that DHS may draw upon the GPR

appropriation for MA benefits, in addition to the SEG appropriation for the CAH assessment fund, to provide the state share of CAH access payments. The new access payment total would be an increase of \$41,564,600 annually, relative to the Administration's estimate of CAH access payments in 2026-27 under current law (\$7,827,800). As with the ACH access payments, this funding is based on the estimate of the funding increase needed to reimburse CAH hospitals at 115% of costs for HMO patients and 100% of costs for fee-for-service patients.

The Administration estimates that the state share of the total CAH access payment would be \$16,118,300 annually, which would be composed of \$15,268,000 in CAH assessment fund revenue and \$850,300 GPR, while the federal share would be \$33,274,100. As with the acute care hospital access payment calculation, these estimates are based on an average FMAP of 67.37% for these payments.

Summary of Hospital Assessment And Hospital Access Payment Changes. The following table shows the annual changes to the hospital assessments and access payment totals under this item, in relation to current law. In addition, the table show the estimated amount of assessment revenue that would be transferred to the MATF, which is the balance of assessment collections remaining after making the required access payments.

**Annual Hospital Assessments and Access Payments under the Bill,
In Comparison with Current Law**

Acute Care Hospitals	<u>Current Law</u>	<u>Bill</u>	<u>Change to Current Law</u>
Assessment Revenue	\$414,507,300	\$1,341,839,500	\$927,332,200
Access Payments			
SEG	\$278,771,300	\$701,890,000	\$423,118,700
FED	<u>393,257,400</u>	<u>1,448,956,900</u>	<u>1,055,699,500</u>
Total	\$672,028,700	\$2,150,846,900	\$1,478,818,200
Transfer to MATF	\$135,736,000	\$639,949,500	\$504,213,500
Critical Access Hospitals			
Assessment Revenue	\$4,828,200	\$15,268,000	\$10,439,800
Access Payments			
SEG (and GPR)*	\$3,552,600	\$16,118,300	\$12,565,700
FED	<u>4,275,200</u>	<u>33,274,100</u>	<u>28,998,900</u>
Total	\$7,827,800	\$49,392,400	\$41,564,600
Transfer to MATF	\$166,400	\$0	-\$166,400**
Total Transfer to MATF, Both Assessment Funds	\$135,902,400	\$639,949,500	\$504,047,100

* Under the bill, \$850,300 GPR would be needed, in addition to \$15,268,000 SEG, to provide the state share of CAH access payments.

**Since the state share of the CAH access payments would exceed the estimated CAH assessment, there would be no transfer to the MATF from the CAH assessment fund. The bill would increase GPR funding by \$166,400 annually for MA benefits to offset the reduction in the MATF transfer from the CAH assessment fund.

Other Hospital Reimbursement Changes. Under the bill, the transfers to the MATF would increase, relative to the Administration's current law estimates, by \$504,047,100 annually. Absent any other payment changes, this would be the annual GPR spending reduction for MA benefits costs under this item. However, the GPR contribution to the nonfederal share of the CAH access payments (\$850,300, as described previously) as well as two other changes affect the net GPR reduction. First, the bill includes funding to increase reimbursement payments made to rehabilitation and long-term acute care (LTAC) hospitals by \$36,686,700 annually (\$11,972,000 GPR and \$24,714,700 FED), which is the estimated amount needed to reimburse those hospitals at 100% of costs for MA services. Second, the Administration indicates that \$70,000,000 annually (\$22,843,200 GPR and \$47,156,800 FED) would be budgeted as a contingency reserve, to be spent for hospital reimbursement if necessary to meet the percent-of-cost reimbursement targets specified for this initiative. The following table summarizes these other funding adjustments, and the net impact on GPR funding needed for other MA benefits under this item.

**Other Hospital Reimbursement Changes and Adjustments under the Bill,
Annual Basis**

	<u>State Share</u>	<u>FED</u>	<u>Total</u>
LTAC/Rehabilitation Hospitals	\$11,972,000	\$24,714,700	\$36,686,700
Contingency	<u>22,843,200</u>	<u>47,156,800</u>	<u>70,000,000</u>
Total	\$34,815,200	\$71,871,500	\$106,686,700

Effect of Proposals on GPR Funding Needed for MA Benefits

Transfer from Assessment Funds To MATF	-\$504,047,100
GPR for CAH Access Payments	\$850,300
Reimbursement Changes (State Share)	
LTAC/Rehabilitation Reimbursement	\$11,972,000
Contingency	22,843,200
Net Change	-\$468,381,600

Joint Finance: Increase funding by \$379,521,200 (\$170,107,300 GPR, \$60,923,400 FED, and \$148,490,500 SEG) annually and increase estimated hospital assessment revenues by \$149,989,400 annually to reflect changes to the hospital assessment, access payments, and other hospital payments. These annual funding changes reflect the net effect of the following: (a) an increase to hospital access payments of \$486,207,900 (-\$850,300 GPR, \$132,794,900 FED, and \$354,263,300 SEG); (b) a decrease in the transfer from the hospital assessment fund to the MATF and a corresponding increase in GPR funding for MA benefits to reflect this reduction (\$205,772,800 GPR and -\$205,772,800 SEG); (c) the elimination of reimbursement rate increases for specialty hospitals (-\$11,972,000 GPR and -\$24,714,700 FED); and (d) the elimination of the contingency funding provided under the Governor's bill (-\$22,843,200 GPR and -\$47,156,800 FED).

Replace provisions proposed by the Governor with the following:

Hospital Assessments. Require DHS to annually establish the uniform hospital inpatient and outpatient assessment percentages, to generate a total assessment of \$1,507,096,900 in each fiscal year, or the maximum amount allowable under federal law for the purpose of obtaining federal financial participation, whichever is less. Exempt a long-term acute care hospital for which the Department has issued a license that applies only to a long-term acute care hospital and that is not a satellite of an acute care hospital from the hospital assessment. The uniform percentages would be levied on gross inpatient and outpatient revenues for acute care hospitals and on gross inpatient revenues for critical access hospitals, as under current law.

Require the Department to reduce the amount of the hospital assessment collected if federal approval for the change to the assessment is not received prior to October 1, 2026, such that the reduction is proportionate to the number of calendar quarters that have elapsed prior to final approval. Require DHS to notify the Joint Committee on Finance of any material change in federal law that results in refunds or recoupments of hospital assessment fund (as required under current law), and authorize the Department, following such notice, to suspend part or all collection of assessments.

Repeal the critical access hospital assessment fund and associated statutory provisions to reflect the consolidation of that fund with the hospital assessment fund. Modify statutory provisions for appropriations made from the critical access hospital fund to make those appropriations instead from the hospital assessment fund.

Modify provisions related to the annual transfer from the hospital assessment fund to the Medical Assistance trust fund to reflect the consolidation of the two hospital assessment funds and to clarify that the amount transferred is the amount of assessment collected minus the state share of access payments and other supplements required to be paid from the assessment fund, and minus amounts appropriated from the fund for current law appropriations for rural physician and dentist programs.

Change the date by which the Department must annually report information on the hospital assessment to the Joint Committee on Finance from January 1 to June 1.

Specify that, at the discretion of the Department, a hospital that is unable to make a hospital assessment payment by a date specified and that is not granted a payment extension may be referred to the Department of Revenue for debt collection.

Hospital Access Payments. Modify the formula used to determine the total amount of the hospital access payments and other supplements so that the sum is the amount of hospital assessment revenue collected divided by 56.1%, instead of, under current law, the amount collected divided by 61.68%. Based on assessment collections totaling \$1,507,096,900 (the dollar amount maximum under this item), the hospital access payments would be \$2,686,447,200. Specify that these provisions do not affect any requirements related to submission of agency budget requests, and that DOA and DHS must review, reestimate, and request GPR funds for hospital payments under MA as needed.

Wisconsin Administrative Register Notice if Assessment Revenues or Access Payments Do Not Equal Specified Levels. Specify that any time that the amount that the Department expects to collect in hospital assessments does not equal the amount that the Department is required to collect (\$1,507,096,900, or the maximum amount allowable under federal law, whichever is less) in the current calendar year or the following calendar year, or the total amount that the Department expects to pay to hospitals from hospital assessment revenues plus associated federal matching funds does not equal the amount collected divided by 56.1%, then the Department must submit to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register a notice specifying all of the following: (a) the statewide total hospital assessments that the Department expects to be paid in the current calendar year; (b) the statewide total in hospital payments that the Department expects to be made in the current calendar year from hospital assessment revenues and associated federal matching funds; (c) the statewide total of hospital assessments that the Department expects to be paid in the next calendar year; and (d) the statewide total in hospital payments that the Department expects to be made in the next calendar year.

Require the Department, if it has published a notice as described above, to submit an additional notice to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register, if it determines that the total amount of assessment revenue collected or the total amount of hospital payments made equals the thresholds used for the first notice. Specify that the notice shall contain all of the same information as required for the first notice.

Federal Approval and Effective Date. Require DHS to submit any necessary request to the federal Department of Health and Human Services for a state plan amendment, waiver of federal Medicaid law, or other approval to implement the changes to hospital assessment and access payments, in totality. Specify that if all necessary federal approvals have been received, if the Department expects to collect hospital assessments totaling at least \$1,130,322,000 in 2026-27 and 2027-28, and if the Department expects to make hospital access and other supplemental payments totaling at least \$2,014,835,400 annually, then the Department must submit to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register a notice that specifies that these three conditions have been met, as well as the following: (a) the first date of service for which the Department will make the required hospital access payments; and (b) the schedule within which hospitals are required to make initial assessment payments. Specify that the changes to the hospital assessment, hospital payments, and hospital assessment funds take effect on the date that the notice is published. Require DHS to submit quarterly reports to the Legislature on the status of federal approval, until approval is granted.

Senate/Legislature: Modify the effective date of the provisions to specify that the assessment takes effect on July 1, 2025.

Modify the provisions related to the publication of a notice in the Wisconsin Administrative Register regarding failure to meet specified assessment revenue and access payment thresholds, to require DHS to submit a notice if the amount that the Department expects to collect does not equal or exceed \$1,356,000,000 in the current or subsequent fiscal year, instead of if the expected amount does not exactly equal the amount that the Department is required to collect (\$1,507,096,900 or maximum allowable) in the current or following calendar year. Modify other related noticing provisions to reflect that these threshold tests will use a fiscal year basis rather than a calendar year

basis. The revised assessment revenue threshold is equal to 90% of the maximum dollar amount that the Department may collect.

Require DHS, upon any change to the statewide total of assessment payments, to establish a schedule for which hospitals are required to make assessment payments and the amount of the payments accounting for such change, and require the Department to publish a notice in the Wisconsin Administrative Register with this schedule.

Modify the provision related to the publication of a notice in the Wisconsin Administrative Register regarding initial federal approval of the hospital assessment and access payment provisions to indicate that the hospital assessment threshold for publication would be at least \$1,356,000,000, instead of at least \$1,130,322,000, and the threshold for access payments would be the amount of assessments collected divided by 56.1%, instead of at least \$2,014,835,400. Delete the requirement that the notice include the first date of service for which the new access payments will apply and a schedule for the collection of assessments. Delete the requirement that the assessment be reduced in proportion to the number of calendar quarters elapsed between July 1, 2025, and the date of federal approval.

Make various non-substantive modifications to wording and statutory organization for clarity.

The following table summarizes the annualized impacts of the changes in Act 15, in relation to current law assessments and payments, using the estimated FMAP for 2026-27.

**Annualized Comparison of Current Law and Act 15
Hospital Assessment and Access Payment Provisions**

	<u>Current Law</u>	<u>Act 15</u>	<u>Change to Current Law</u>
Assessment Revenue	\$419,335,500	\$1,507,096,900	\$1,087,761,400
Access Payments			
SEG	\$266,979,600	\$1,054,967,800	\$787,988,200
FED	<u>412,876,900</u>	<u>1,631,479,400</u>	<u>1,218,602,500</u>
Total	\$679,856,500	\$2,686,447,200	\$2,006,590,700
 Rural Physician/Dentist	 \$1,178,000	 \$1,178,000	 \$0
 Transfer to MATF Administration	 \$151,177,900 <u>-755,900</u>	 \$450,951,100 <u>-2,254,800</u>	 \$299,773,200 <u>-1,498,800</u>
 GPR Offset	 \$150,422,000	 \$448,696,300	 \$298,274,300
 Net Gain for Hospitals Pct. of Assessment Used	 \$260,521,000	 \$1,179,350,300	 \$918,829,300
For Hospital Payments	63.7%	70.0%	

Federal regulations place certain restrictions on the use of provider taxes to finance provider

payments, including one that that effectively caps the assessment at 6% of net patient revenues. (While the Wisconsin hospital assessment is collected on the basis of gross patient revenues, the federal limit is based on a calculation using net patient revenues. Gross patient revenue is the amount "charged" by the hospital, although because of discounts negotiated with insurers, the amount actually collected--the net patient revenue--is typically much less than the charged amount.) Under Act 15, the assessment revenues are estimated to equal 6% of net patient revenues for both inpatient and outpatient services. In 2024-25, the assessment revenues were estimated to equal 1.8% of net patient revenues (equivalent to the 0.5844% of gross patient revenues assessment percentage used for that year).

The federal 2025 House Reconciliation Act (P.L 119-72), enacted on July 4, 2025, prohibits states from enacting new provider taxes, or increasing provider taxes on or after the effective date of the bill, for the purpose of obtaining federal financial participation for Medicaid payments supported by the provider tax. Since Act 15 was enacted prior to the enactment of the federal law, the increase to the state's hospital assessment is not affected by this prohibition.

[Act 15 Sections: 26, 27, 60 thru 62, 120, 122 thru 125, 182, 183, 187, 190 thru 203, 9119(3), (4), and (6), and 9419(2)]

6. PEDIATRIC INPATIENT SUPPLEMENT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,124,300	- \$4,124,300	\$0
FED	<u>10,875,700</u>	<u>- 10,875,700</u>	<u>0</u>
Total	\$15,000,000	- \$15,000,000	\$0

Governor: Provide \$7,500,000 (\$2,067,800 GPR and \$5,432,200 FED) in 2025-26 and \$7,500,000 (\$2,056,500 GPR and \$5,443,500 FED) in 2026-27 for making a supplemental payment to a free-standing pediatric teaching hospital for which 45% or more of their inpatient days are for MA beneficiaries. Specify that the Department may distribute this funding in a manner determined by the Department. At this time, the only free-standing pediatric hospital in Wisconsin that would qualify to receive the \$7,500,000 supplement is Children's Wisconsin.

Require DHS to distribute \$2,000,000 under MA to acute care hospitals located in Wisconsin that have inpatient days in the hospital's acute care and intensive care pediatric units (excluding neonatal intensive care units) that exceed 12,000 days in the second calendar year prior to the hospital's current fiscal year. DHS already makes such payments under terms in the state's Medicaid plan, but the terms are not established in state statute. Since these payments are currently made from the MA program budget, no additional funds are provided by the bill. Currently, UW Hospital and Clinics and Children's Wisconsin receive these supplemental payments.

The estimated split between GPR and FED funding for the pediatric inpatient supplement payment is based on the federal matching rate applicable for expenditures under the children's health insurance program (CHIP), which is 72.4% in 2025-26 and 72.6% in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. SCHOOL-BASED SERVICES -- SCHOOL DISTRICT SHARE OF FEDERAL MATCHING FUNDS

Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-REV- \$53,540,600	\$53,540,600	\$0

Governor: Increase the share of federal Medicaid matching funds that DHS is required to provide to school districts, cooperative educational service agencies (CESAs), or the Department of Public Instruction (DPI) from amounts received by DHS from the federal government for school-based medical services provided by those entities under MA from 60% to 100%. Increase the share of matching funds received for the cost of eligible administrative expenses related to school-based medical services that the Department must provide to these entities from 90% to 100%. Decrease estimated general fund revenue by \$53,540,600 in 2026-27 to reflect that the general fund share of the federal matching funds (40% for medical services and 10% for administration) would no longer be deposited in the general fund. Specify that these provisions would first apply to claims for reimbursement submitted on July 1, 2026.

Under current law, the Department claims federal matching funds for eligible medical services provided to MA-enrolled pupils by school districts, CESAs, and DPI. Current law requires DHS to provide 60% of the federal reimbursement received for medical services to the school entities that provided the services, while the remaining 40% is deposited into the general fund. Additionally, current law requires DHS to provide 90% of the federal reimbursement received for eligible administrative expenses to the school entities, depositing 10% into the general fund. The bill would increase the funding provided to school entities to 100% of the federal reimbursement that DHS receives, for both medical services and administrative costs, ending the deposits into the general fund. The school entities would continue to be responsible for the nonfederal share of the cost of the medical services and of the administrative costs.

The change in revenue estimates reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal match received for school-based services would decrease. In that case, providing 100% of the federal reimbursement to school entities would reduce GPR revenue by \$51,158,100.

School-based services are MA-eligible services provided to pupils, and can include nursing, occupational therapy, physical therapy, psychological services, counseling, attendant care services, social work, speech-language pathology, audiology, hearing services, transportation, and developmental testing and assessments.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. COMMUNITY SUPPORT PROGRAM -- STATE PAYMENT OF NONFEDERAL SHARE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$41,083,200	- \$41,083,200	\$0

Governor: Provide \$19,616,200 in 2025-26 and \$21,467,000 in 2026-27 for MA services provided under the community support program (CSP), reflecting a shift from counties to the state for the responsibility of paying the nonfederal share of CSP services. Require DHS to provide reimbursement payments to counties for CSP services for both the federal and nonfederal share of the payment, instead of, as under current law, only the federal share. Delete CSP services from a list of county services for which counties may submit a cost report to DHS for a partial cost reconciliation payment.

The community support program is a county-based psychosocial rehabilitation program under MA, commonly used for persons with schizophrenia, bipolar disorder, schizoaffective disorder, or recurrent major depression. Approximately 4,300 individuals receive CSP services per year. Specific treatment services include individual, family, and group psychotherapy, medications, and crisis intervention. Services are delivered using a treatment team approach, with each individual having a case manager who maintains a clinical treatment relationship with the client on a continuing basis. Currently, the MA reimbursement payment to counties consists of only the federal matching funds, meaning that counties are responsible for the nonfederal share. This item would shift the responsibility for the nonfederal share to the state, paid with GPR budgeted in the MA program. The fiscal effect of this item is based on the average of CSP payments in 2022-23 and 2023-24, with a growth rate of 5% in 2025-26 and an additional 10% in 2026-27, based on the assumption that CSP services would be more consistently offered across all counties if the state is responsible for the nonfederal share of payments.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, providing the nonfederal share of community health services would require \$22,014,200 GPR in 2025-26 and \$24,104,800 GPR in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. PERSONAL CARE RATE INCREASE [LFB Paper 363]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$15,000,000	- \$7,500,000	\$7,500,000
FED	<u>28,808,700</u>	<u>- 17,227,900</u>	<u>11,580,800</u>
Total	\$43,808,700	- \$24,727,900	\$19,080,800

Governor: Provide \$14,543,300 (\$5,000,000 GPR and \$9,543,300 FED) in 2025-26 and \$29,265,400 (\$10,000,000 GPR and \$19,265,400 FED) in 2026-27 to increase MA personal care reimbursement rates.

The funding in the bill reflects a two-year increase in federal matching rates for which the state would qualify by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease. In that case, if the intent is still to provide a fixed GPR amount, total funding would be \$12,696,800 (\$5,000,000 GPR and \$7,696,800 FED) in 2025-26 and \$25,529,700 (\$10,000,000 GPR and \$15,529,700 FED) in 2026-27.

Currently, the hourly MA personal care reimbursement rate is \$24.52. The funding increase provided in the bill is not intended to provide a specific percentage or dollar increase to the MA personal care reimbursement rates, as such distribution of the funds would be determined by the Department upon enactment of the budget.

Joint Finance/Legislature: Reduce funding by \$8,194,900 (-\$2,500,000 GPR and -\$5,694,900 FED) in 2025-26 and \$16,533,000 (-\$5,000,000 GPR and -\$11,533,000 FED) in 2026-27 to increase MA personal care reimbursement rates.

10. OBSTETRICS RATE INCREASE [LFB Paper 364]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$6,371,200	- \$4,542,600	\$1,828,600
FED	<u>12,236,500</u>	<u>- 9,413,100</u>	<u>2,823,400</u>
Total	\$18,607,700	- \$13,955,700	\$4,652,000

Governor: Provide \$6,202,600 (\$2,132,400 GPR and \$4,070,200 FED) in 2025-26 and \$12,405,100 (\$4,238,800 GPR and \$8,166,300 FED) in 2026-27 to increase reimbursement rates for obstetric care, including antepartum, birthing, and postpartum services. The funding provided under this item is based on an estimate of the cost to increase reimbursement rates for obstetric services to 90% of the current rate paid by Medicare, and assumes the increases would take effect on January 1, 2026. In aggregate for all affected procedures, this increase represents a 71% increase from current reimbursement payments.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full

expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the rate increases proposed here would require, for the same all funds totals in each year, \$2,442,600 GPR and \$3,760,000 FED in 2025-26 and \$4,859,100 GPR and \$7,546,000 FED in 2026-27.

Joint Finance/Legislature: Reduce funding by \$4,651,900 (-\$1,521,700 GPR and -\$3,130,200 FED) in 2025-26 and \$9,303,800 (-\$3,020,900 GPR and -\$6,282,900 FED) in 2026-27 to provide a net increase of \$1,550,700 (\$610,700 GPR and \$940,000 FED) in 2025-26 and \$3,101,300 (\$1,217,900 GPR and \$1,883,400 FED) in 2026-27 to reflect an 18% increase to reimbursement rates for antepartum, birthing, and postpartum obstetric care.

11. MEDICATION-ASSISTED TREATMENT RATE INCREASE [LFB Paper 364]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,187,600	- \$787,600	\$2,400,000
FED	<u>6,121,900</u>	<u>- 2,321,900</u>	<u>3,800,000</u>
Total	\$9,309,500	- \$3,109,500	\$6,200,000

Governor: Provide \$3,103,200 (\$1,066,900 GPR, \$2,036,300 FED) in 2025-26 and \$6,206,300 (\$2,120,700 GPR, \$4,085,600 FED) in 2026-27 to increase reimbursement rates for medication-assisted treatment (MAT) services for individuals with substance use disorder.

The funding provided in the bill is based on an estimate of the cost to provide a 15% rate increase for services provided by opioid treatment providers and to provide a \$10 increase to evaluation and management billing codes claimed by primary care physicians for MAT services. Medication-assisted treatment services include patient evaluation, laboratory analysis of samples, and supervised administration of methadone and other opioid abuse treatment medications. These services are primarily provided by specialized opioid treatment providers (OTPs), but similar services can be provided by primary care physicians, especially when less intensive treatment is required. The Administration estimates that the rate increase for primary care physicians would lead to a 25% increase in utilization of their services for medication-assisted treatment.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the same reimbursement rate increase would require \$1,222,000 GPR and \$1,881,200 FED in 2025-26 and \$2,431,000 GPR and \$3,775,300 FED in 2026-27.

Joint Finance/Legislature: Delete the provision. Instead, reduce funding by \$1,003,200 (\$266,900 GPR and \$736,300 FED) in 2025-26 and \$2,106,300 (\$520,700 GPR and \$1,585,600 FED) in 2026-27 to provide a net total of \$2,100,000 (\$800,000 GPR and \$1,300,000 FED) in 2025-26 and \$4,100,000 (\$1,600,000 GPR and \$2,500,000 FED) in 2026-27 to support a rate increase of \$4.11, from \$12.80 to \$16.91, to the medical procedure code for in-clinic methadone dispensing in opioid use disorder treatment settings (H0020 with modifier U1).

12. AUTISM SERVICES RATE INCREASE [LFB Paper 364]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,239,400	- \$4,239,400	\$0
FED	<u>8,141,900</u>	<u>- 8,141,900</u>	<u>0</u>
Total	\$12,381,300	- \$12,381,300	\$0

Governor: Provide \$4,127,100 (\$1,418,900 GPR and \$2,708,200 FED) in 2025-26 and \$8,254,200 (\$2,820,500 GPR and \$5,433,700 FED) in 2026-27 to increase the reimbursement rate under MA for adaptive behavior treatment by 14.7%.

Often used with school-aged children who have begun to exhibit characteristics of autism spectrum disorder, adaptive behavior treatment, also referred to as applied behavior analysis (ABA) therapy, provides explicit, structured direction to people who experience irregular patterns of social development. The goal of ABA therapy is to provide skills development and learned behaviors that enable clients to better adapt to social conditions that cause them difficulty.

The proposal would increase the rate for the ABA procedure code by \$7.00 per hour, from the current rate of \$47.64 per hour to \$54.64 per hour. The fiscal estimate is based on the assumption that the rate increase would take effect on January 1, 2026.

The procedure code identified by the Department for this rate increase may be billed for both targeted treatment and comprehensive treatment. The central difference between these two versions of ABA treatment relates to duration, with comprehensive treatment involving more time per week than targeted treatment. Comprehensive treatment is also intended to provide a more holistic treatment of a wide range of maladaptive behaviors, whereas targeted treatment is intended to focus on the development of a particular skill or behavior. Where targeted treatment may be rendered by a behavioral treatment technician, comprehensive treatment must be rendered by a licensed supervisor or treatment therapist.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the rate increases proposed here would require, for the same all-funds totals in each year, \$1,625,300 GPR and \$2,501,800 FED in 2025-26 and \$3,233,200 GPR and \$5,021,000 FED in 2026-27.

Joint Finance/Legislature: Provision not included.

13. ENTERAL NUTRITION RATE INCREASE [LFB Paper 364]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,311,300	- \$2,311,300	\$0
FED	<u>4,438,700</u>	<u>- 4,438,700</u>	<u>0</u>
Total	\$6,750,000	- \$6,750,000	\$0

Governor: Provide \$2,250,000 (\$773,600 GPR and \$1,476,400 FED) in 2025-26 and \$4,500,000 (\$1,537,700 GPR and \$2,962,300 FED) in 2026-27 to increase reimbursement rates for medically-necessary enteral nutrition products (for tube feeding). Enteral nutrition products are dietary supplements for individuals with a variety of conditions that affect their ability to digest food.

MA beneficiaries with enteral nutrition needs can use their MA benefit to acquire their nutritional products from pharmacies and durable medical equipment (DME) suppliers. The Administration indicates, however, that the small population of individuals who require enteral nutrition products and the specificity of their nutritional needs causes pharmacies and durable medical equipment suppliers to be unlikely to carry enteral nutrition products for any but the most basic of nutritional needs. As a result, most individuals in Wisconsin who use enteral nutrition products receive their supplies through the newborn screening program's special dietary treatment service.

The fiscal effect under this item is based on the assumption that increasing rates under this provision will encourage pharmacies and DME suppliers to be more likely to carry these products, thus increasing the likelihood that the cost will be covered through MA, rather than the newborn screening program.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the rate increases proposed here would require, for the same all-funds totals in each year, \$886,100 GPR and \$1,363,900 FED in 2025-26 and \$1,762,700 GPR and \$2,737,300 FED in 2026-27.

Joint Finance/Legislature: Provision not included.

14. RURAL HEALTH CLINIC REIMBURSEMENT [LFB Paper 365]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$8,172,700	- \$8,172,700	\$0
FED	<u>15,745,100</u>	<u>- 15,745,100</u>	<u>0</u>
Total	\$23,917,800	- \$23,917,800	\$0

Governor: Provide \$23,917,800 (\$8,172,700 GPR and \$15,745,100 FED) in 2026-27 to reflect the impact of converting from a cost-based reimbursement methodology to a prospective payment system (PPS) methodology for rural health clinics (RHCs). RHCs are outpatient health clinics located in rural areas with a shortage of health services or primary medical care professionals, as determined by the U.S. Department of Health and Human Services.

Specify that for services provided on or after July 1, 2026, the Department must reimburse RHCs according to the payment methodology prescribed by the Medicaid prospective payment system. Require the Department to consult with RHCs in developing this payment approach.

Under a prospective payment methodology, clinics are paid a per-visit rate for all services, representing the clinic's total costs, averaged across all visits. This rate is then inflated each year using a medical cost index. Under current law, the Department may reimburse RHCs according to a PPS, but allows RHCs to opt-in to a cost reporting reimbursement system. Under the cost-based approach, the clinic receives an interim payment using the MA fee schedule, and then a reconciliation payment for all services rendered during the year, equal to the difference between the clinic's total costs attributable to MA patients and the interim MA payments.

Although both the PPS and cost-based methods are intended to reimburse clinics at 100% of their costs, converting from the cost-based approach, which is largely a retrospective payment with a significant time lag, to the PPS, which is paid closer to the time of the service, would have the effect of advancing the time of payment expenditure, relative to the time they would have otherwise been paid under the cost reconciliation system. The funding provided under this item is partially attributable to this timing impact, as well as the anticipated effect of establishing PPS rates based on updated assessments of RHC costs. Over time, as older cost settlement payments are completed, this portion of the RHC payments will decline.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all reimbursement expenditures would decrease and the GPR share would increase. In that case, the fiscal effect associated with this item would be \$9,368,600 GPR and \$14,549,200 FED in 2026-27.

Joint Finance/Legislature: Provision not included.

15. MOBILE DENTAL CLINIC GRANTS [LFB Paper 387]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,898,700	- \$1,898,700	\$0
FED	<u>479,100</u>	<u>- 479,100</u>	<u>0</u>
Total	\$2,377,800	- \$2,377,800	\$0

Governor: Provide \$2,377,800 (\$1,898,700 GPR and \$479,100 FED) in 2026-27 to fund grants to three community health centers (CHCs) to enable them to each procure and operate a mobile dental clinic, and to reflect an increase in dental services utilization under MA resulting

from the mobile dental clinics. Require DHS to make grants to CHCs for mobile dental clinics. Of the funding provided under this item, \$1,650,000 GPR would be for making grants, provided in the Department's appropriation for MA administration, and \$727,800 (\$248,700 GPR and \$479,100 FED) would be to reflect MA utilization of dental services at the mobile clinics.

The Administration indicates that each mobile clinic grant would be \$550,000, and that each mobile clinic, once fully deployed, would provide services to approximately 2,500 MA patients per year. The MA funding provided is based on the assumption that the dental services provided by the dental clinics would not have occurred otherwise, and assumes a gradual implementation to full capacity in the final six months of 2026-27.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all reimbursement expenditures would decrease and the GPR share would increase. In that case, the the fiscal effect of increased MA utilization of dental services would be \$285,000 GPR and \$442,800 FED in 2026-27.

Joint Finance/Legislature: Provision not included.

16. COVERAGE OF COMMUNITY HEALTH WORKER SERVICES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,745,000	- \$3,745,000	\$0
FED	<u>7,214,900</u>	<u>- 7,214,900</u>	<u>0</u>
Total	\$10,959,900	- \$10,959,900	\$0

Governor: Provide \$10,959,900 (\$3,745,000 GPR and \$7,214,900 FED) in 2026-27 to fund coverage of community health worker services under MA. Community health workers would act under the supervision of physicians or other licensed medical professionals and provide services within those professionals' existing scopes of practice.

Community health workers are public health workers who are trusted members of or have close understanding of the community they serve, enabling the worker to serve as a liaison, link, or intermediary between health and social services and the community to facilitate access to services and improve the quality and cultural competence of service delivery.

The Administration's intent would be to submit a state Medicaid plan amendment to allow for the reimbursement of community health worker services that fall under federal authority for coverage of prevention activities. The funding estimate for this item is based on the cost of supporting the compensation and overhead costs of 140 full-time equivalent community health workers.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case,

providing coverage of community health worker services would require \$4,293,000 GPR and \$6,666,900 FED in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. COVERAGE OF CERTIFIED PEER SPECIALIST SERVICES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,277,400	- \$1,277,400	\$0
FED	<u>2,461,000</u>	<u>- 2,461,000</u>	<u>0</u>
Total	\$3,738,400	- \$3,738,400	\$0

Governor: Provide \$3,738,400 (\$1,277,400 GPR and \$2,461,000 FED) in 2026-27 for reimbursement of certified peer specialist services under MA.

Include certified peer specialist services as an eligible service category under MA, along with, under current law, peer recovery coach services. Require DHS to establish a certification process under MA for certified peer specialists. Define a "certified peer specialist" as an individual who has experience in the mental health and substance use services system, who is trained to provide support to others, and who has received peer specialist or parent peer specialist certification under the rules established by the Department.

Require DHS to provide reimbursement for peer specialist services under MA if the service satisfies all of the following conditions: (a) the recipient of the service provided by a certified peer specialist is in treatment for or recovery from a mental illness or a substance use disorder; (b) the certified peer specialist provides the service under the supervision of a competent mental health professional; (c) the certified peer specialist provides the service in coordination with the MA beneficiary's individual treatment plan and in accordance with their individual treatment goals; and (d) the certified peer specialist providing the service has completed training requirements, as established by the Department by rule, after consulting with members of the recovery community. Retitle the statute authorizing the reimbursement of certified peer specialist services under MA to include certified peer specialists explicitly.

Modify a provision relating to coordination of care in cases of a substance use overdose to require DHS to facilitate the use of certified peer specialists (in addition to peer recovery coaches, as under current law) by overdose treatment providers in order to encourage individuals to seek treatment following an overdose incident. Define "certified peer specialist" for the purposes of these provisions regarding coordination of care in cases of a substance use overdose, with reference to the definition under provisions related to MA coverage for certified peer specialist services. Require DHS to collect and evaluate data on the outcomes of patients receiving certified peer specialist services, as under current law with peer recovery coaches.

Authorize DHS to promulgate emergency rules establishing the training requirements for peer specialist certification under MA, without meeting the normal prerequisites for an emergency

rule. Specify that any such emergency rule remains in effect until January 1, 2027, or until the permanent rules take effect, whichever is sooner.

Under current law, services of certified peer specialists are reimbursable under MA through the comprehensive community services (CCS) benefit, but not as a standalone service. In addition, 2019 Act 122 created a certification process for peer recovery coaches, and required DHS to cover peer recovery coach services under MA. Although peer recovery coaches, like peer specialists, work with individuals with mental health or substance use disorder, they are distinct roles, and serve different purposes in the continuum of recovery services. The Administration believes that adding peer specialist service coverage under MA as a standalone service would allow the Department to implement the peer recovery coach coverage requirements of Act 122, while also providing equivalent status for certified peer specialists. The Administration anticipates that, if approved, reimbursement of these services would begin in 2026-27 in order to provide time for the Department to promulgate rules and secure federal approval.

The funding provided reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, providing coverage of peer specialist services would require \$1,464,300 GPR and \$2,274,100 FED in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. COVERAGE OF DOULA SERVICES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$643,900	- \$643,900	\$0
FED	<u>1,236,600</u>	<u>- 1,236,600</u>	<u>0</u>
Total	\$1,880,500	- \$1,880,500	\$0

Governor: Provide \$626,400 (\$215,400 GPR and \$411,000 FED) in 2025-26 and \$1,254,100 (\$428,500 GPR and \$825,600 FED) in 2026-27 for reimbursement of doula services under MA.

Require DHS, subject to federal approval, to reimburse certified doulas for childbirth education and support services, including emotional and physical support provided during pregnancy, labor, birth, and the postpartum period. Require DHS to apply for any necessary waivers of federal Medicaid law and submit any necessary state plan amendments to provide coverage of doula services under MA. Define a certified doula as an individual who has received certification from a doula certifying organization recognized by DHS. Define doula services as childbirth education and support services, including emotional and physical support provided during pregnancy, labor, birth, and the postpartum period.

The Administration estimates that coverage of doula services would begin January 1, 2026,

and that 1,091 women would access the benefit per year, at a cost of \$1,150 each.

The funding provided under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, providing coverage of doula services would require \$246,700 GPR and \$379,700 FED in 2025-26 and \$491,200 GPR and \$762,900 FED in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

19. POSTPARTUM HOME VISITING INCENTIVE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$341,700	- \$341,700	\$0
FED	<u>658,300</u>	<u>- 658,300</u>	<u>0</u>
Total	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$1,000,000 (\$341,700 GPR and \$658,300 FED) in 2026-27 for the creation of a program to incentivize hospitals to conduct postpartum home visits within 14 days of patient discharge, if so requested by a patient who participates in MA.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the funding proposed for the incentive would require, for the same all-funds totals in each year, \$391,700 GPR and \$608,300 FED.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

20. COVERAGE OF CONTINUOUS GLUCOSE MONITORING DEVICES [LFB Paper 366]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,647,100	- \$4,647,100	\$0
FED	8,952,900	- 8,952,900	0
PR	<u>9,600,000</u>	<u>- 9,600,000</u>	<u>0</u>
Total	\$23,200,000	- \$23,200,000	\$0

Governor: Provide \$23,200,000 (\$4,647,100 GPR, \$8,952,900 FED, and \$9,600,000 PR) in 2026-27 to support the cost of providing coverage for continuous glucose monitoring devices and insulin pumps for diabetic care as a pharmacy benefit, rather than, under current MA policy,

through the durable medical equipment benefit. The funding increase under this item is based on the assumption that better access to these devices would increase utilization. The PR funding increase reflects an anticipated increase in drug rebate revenue.

A continuous glucose monitor is a device used by people with diabetes to monitor their blood glucose levels on a frequent, regular basis. The device, which is implanted under the skin, includes a transmitter that sends glucose readings to an external monitor (such as a phone) or, alternatively, can be used to automatically trigger an insulin pump when needed.

The funding split between GPR and FED sources under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase. In that case, the utilization increase anticipated with the proposed change in the delivery of continuous glucose monitors and insulin pumps would require \$5,327,100 GPR, \$8,272,900 FED, and \$9,600,000 PR.

Joint Finance/Legislature: Provision not included.

21. CHILDREN'S BEHAVIORAL HEALTH SPECIALTY MANAGED CARE PROGRAM

Governor: Authorize the Department to request a waiver from the federal Department of Health and Human Services permitting the Department to administer a children's behavioral health specialty managed care program under MA. Authorize the Department to administer the program if such a waiver is granted.

The Administration indicates that the proposed managed care program has been crafted through a collaboration involving DHS, the Department of Children and Families, and the Department of Public Instruction, among others, to develop a specialty managed care program for children with complex multi-system needs related to medical and behavioral health care, school supports, and child welfare. The Administration indicates that the proposed waiver process would require anywhere from 12 to 24 months to complete, including program planning, waiver processing, and post-approval implementation; as such, no funding is included for the current biennium under these measures, but if a future waiver were to take effect, the Administration indicates that the cost of implementation is currently indeterminate. The Administration indicates that children who were removed from their homes due to challenges related to behavior (for example aggression, suicidality, sexually maladaptive behavior, or running away), a diagnosed or suspected mental health disorder, or significant trauma would be targeted by the proposed specialty managed care program under this item.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

22. PRERELEASE COVERAGE OF INCARCERATED PEOPLE

Governor: Authorize the Department to submit a waiver request to the federal Department of Health and Human Services to provide incarcerated individuals prerelease health care coverage for certain services under MA for up to 90 days prior to the incarcerated individual's release if the individual is otherwise eligible for coverage under MA. Authorize the Department to provide reimbursement under MA for both the federal and nonfederal shares of services, including case management services, if the waiver request is approved.

The Administration indicates that the proposed waiver would be based on guidance issued by the Centers for Medicare and Medicaid Services to allow coverage of certain services to inmates prior to release to improve health outcomes during the transition to the community. These services include case management, medications, and medically-assisted treatment for substance use disorders. The waiver process would require anywhere from 12 to 24 months to complete including program planning, waiver processing, and post-approval implementation; as such, no funding is included for the current biennium under these measures, but if a future waiver were to take effect, the Administration indicates that the cost of providing prerelease services would total \$9.6 million all funds annually assuming that 5,400 DOC inmates per year would participate for 90 days each and 3,400 jail inmates would participate for 30 days each.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

23. HEALTH-RELATED SOCIAL NEEDS

Governor: Direct the Department to request a waiver from the federal Department of Health and Human Services to permit reimbursement for services providing for health-related social needs under MA. If such a waiver is granted, require the Department to reimburse payments made through the program under MA.

The Administration indicates that the eligible services under the proposed benefit may include housing referrals, nutritional mentoring, stress management, and other services that would positively impact an individual's economic and social condition. The Administration indicates that the proposed waiver process would require anywhere from 12 to 24 months to complete including program planning, waiver processing, and post-approval implementation; as such, no funding is included for the current biennium under these measures, and no fiscal effect is expected in the 2025-27 biennium.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

24. STATEWIDE CONTRACT FOR DENTAL BENEFITS

Governor: Direct the Department to submit a request to the federal Department of Health and Human Services for a state plan amendment or waiver to implement a statewide contract for

dental benefits through a single vendor under MA. Specify that if the amendment or waiver request is denied, the Department is not required to implement statewide contract.

The Administration indicates that the intent of this measure would be to contract with a dental benefit manager (DBM) to administer provider enrollment and billing for the whole state. Currently, dental services are delivered on a fee-for-service basis in most counties, but are delivered through HMO contracts in the counties of southeastern Wisconsin.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

25. COVERAGE OF NONSURGICAL TREATMENT OF TMJ DISORDER

Governor: Expand coverage of dental services under MA to include nonsurgical treatment of temporomandibular joint disorder (TMJ). Repeal a provision in DHS administrative rule that excludes MA coverage of nonsurgical treatment of TMJ. TMJ is a disorder causing pain and stiffness of the joint and surrounding muscles connecting the jaw bone to the cheek bone. MA covers surgical treatment of TMJ with prior authorization, but only after all professionally-accepted nonsurgical treatment has been provided and deemed unsuccessful by the Department's dental consultant. However, nonsurgical treatment is excluded from coverage by administrative rule.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

26. DENTAL REIMBURSEMENT PILOT PROJECT REPORTING REQUIREMENT

Governor: Repeal a biennial reporting requirement for a pilot program to increase, in limited geographic areas and for limited populations, reimbursement rates for a variety of dental services. Current law requires the Department to submit a biennial report on the pilot program to the Chief Clerk of each house of the Legislature, the Joint Finance Committee, and each standing committee of the Legislature with jurisdiction over health and public benefits.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

27. CHILDREN'S LONG-TERM SUPPORT WAIVER PROGRAM

Governor: Require DHS to ensure that any child who is eligible, and applies, for the children's long-term support (CLTS) waiver program receives services under the CLTS waiver program. CLTS provides home and community-based services to financially eligible children who would otherwise need a level of care provided in a hospital, nursing home, or institution for people with developmental disabilities.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

28. JOINT COMMITTEE ON FINANCE REVIEW PROCESS FOR FEDERAL WAIVERS AND MA PROGRAM CHANGES

Governor: Repeal provisions enacted as part of 2017 Wisconsin Act 370 that require DHS to submit MA state plan amendments, rate changes, and supplemental payments to the Joint Committee on Finance for review and approval under a 14-day passive review process if the amendment, rate change, or payment has an expected fiscal effect of \$7,500,000 or more from all revenue sources over a 12-month period following the implementation date of the amendment, rate change, or payment.

Repeal Act 370 provisions that require DHS to follow various procedures related to requests to a federal agency for a waiver, or a renewal, modification, withdrawal, suspension, or termination of a waiver of federal law or rules, or for federal authorization to implement a pilot program or demonstration project.

Repeal references to the Act 370 provisions in current law as they pertain to federal submissions for crisis intervention services provided by crisis urgent care and observation facilities, supplemental ambulance reimbursement, and the healthcare stability plan under the Office of the Commissioner of Insurance.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

29. NURSING HOME BED ACCESS [LFB Paper 367]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,614,200	1.50	-\$1,614,200	- 1.50	\$0	0.00
FED	<u>70,000</u>	<u>0.50</u>	<u>- 70,000</u>	<u>- 0.50</u>	<u>0</u>	<u>0.00</u>
Total	\$1,684,200	2.00	-\$1,684,200	- 2.00	\$0	0.00

Governor: Provide \$60,000 (\$30,000 GPR and \$30,000 FED) in 2025-26 and \$1,624,200 (\$1,584,200 GPR and \$40,000 FED) in 2026-27 to fund 1.0 position (0.50 GPR and 0.50 FED) beginning in 2025-26 and an additional 1.0 GPR position beginning in 2026-27, to implement a modified nursing home bed licensing process.

Reduce the statutory cap on licensed nursing home beds from 51,795 to 25,415 (25,165 current beds plus 250 additional beds). Require the Department to allocate 125 nursing home beds to people that apply for the beds and agree to prioritize admissions of patients: (a) with complex needs; and (b) who have been unable to find appropriate placement at another facility.

Current law requires DHS to administer an annual application process for providers interested in obtaining nursing home bed licenses. The bill would provide \$1,460,000 GPR, beginning in 2026-27, for the Department to contract with an entity to manage the annual nursing home bed application process, including reviewing applications and holding public hearings as

needed. To oversee this contract, the bill provides \$60,000 (\$30,000 GPR and \$30,000 FED) in 2025-26, and \$80,000 (\$40,000 GPR and \$40,000 FED) in 2026-27, to fund 1.0 (0.5 GPR and 0.5 FED) budget policy analyst position beginning in 2025-26. Further, the bill would provide \$84,200 GPR to fund 1.0 GPR attorney position beginning in 2026-27, within DHS' Office of Legal Counsel (OLC) to support the Department's bed allocation process during rehearings or judicial reviews.

Joint Finance/Legislature: Provision not included.

30. SENIORCARE REESTIMATE [LFB Paper 368]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$6,049,100	\$1,953,200	- \$4,095,900
FED	2,646,200	- 6,941,000	- 4,294,800
PR	<u>- 62,292,200</u>	<u>26,352,600</u>	<u>- 35,939,600</u>
Total	- \$65,695,100	\$21,364,800	- \$44,330,300

Governor: Reduce funding by \$35,724,100 (-\$4,402,700 GPR, \$1,357,800 FED, and -\$32,679,200 PR) in 2025-26 and by \$29,971,000 (-\$1,646,400 GPR, \$1,288,400 FED, and -\$29,613,000 PR) in 2026-27 to reflect a reestimate of benefit costs under the SeniorCare program. SeniorCare provides pharmacy benefits for Wisconsin residents over the age of 65 who are not eligible for full Medicaid benefits, and who elect to enroll in the program.

The program is supported with a combination of GPR, federal funds that the state receives under a Medicaid demonstration waiver (FED), and PR from rebate payments that DHS collects from drug manufacturers. Total SeniorCare expenditures are expected to be lower in the 2025-27 biennium than the base funding level. The Department now estimates that total SeniorCare expenditures in 2024-25 will be \$111.2 million, or \$39.1 million (all funds) below the base funding level. Thus, while the Department anticipates that program expenditures will increase in the 2025-27 biennium relative to current levels, total expenditures are still expected to be below the 2024-25 appropriation base.

Although total program expenditures will decrease relative to the base, the funding changes under the reestimate vary by fund source. In particular, the percentage of program costs funded by manufacturer rebates has declined, which is reflected in the disproportionate reduction in PR funding under the bill. The following table shows base level funding, the funding changes under the bill, and the resulting funding for the program, by fund source.

SeniorCare Reestimate Under the Bill

Fund Source	Base	Change to Base		Total Funding	
		2025-26	2026-27	2025-26	2026-27
GPR	\$23,449,700	-\$4,402,700	-\$1,646,400	\$19,047,000	\$21,803,300
FED	21,905,500	1,357,800	1,288,400	23,263,300	23,193,900
PR	<u>104,947,000</u>	<u>-32,679,200</u>	<u>-29,613,000</u>	<u>72,267,800</u>	<u>75,334,000</u>
Total	\$150,302,200	-\$35,724,100	-\$29,971,000	\$114,578,100	\$120,331,200

The funding provided under this item reflects a two-year increase in federal matching rates the state would qualify for by adopting full Medicaid expansion. If full expansion is not adopted, the federal share of all benefit expenditures would decrease and the GPR share would increase by \$3,282,300 in 2025-26 and \$2,038,500 in 2026-27. The following table shows the change to base funding that would be needed under the Administration's estimate, as well as total SeniorCare funding, without the full Medicaid expansion incentive.

SeniorCare Reestimate Without Medicaid Expansion Incentive

Fund Source	Base	Change to Base		Total Funding	
		2025-26	2026-27	2025-26	2026-27
GPR	\$23,449,700	-\$1,120,400	\$392,100	\$22,329,300	\$23,841,800
FED	21,905,500	-1,924,500	-750,100	19,981,000	21,155,400
PR	<u>104,947,000</u>	<u>-32,679,200</u>	<u>-29,613,000</u>	<u>72,267,800</u>	<u>75,334,000</u>
Total	\$150,302,200	-\$35,724,100	-\$29,971,000	\$114,578,100	\$120,331,200

Joint Finance/Legislature: Increase funding by \$10,286,000 (\$956,400 GPR, -\$4,306,200 FED, and \$13,635,800 PR) in 2025-26 and \$11,078,800 (\$996,800 GPR, -\$2,634,800 FED, and \$12,716,800 PR) in 2026-27 to reflect revised estimates of SeniorCare enrollment and costs for the 2025-27 biennium. The following table shows total SeniorCare funding under this estimate, in relation to the appropriation base for the program.

SeniorCare Funding Estimate under Act 15

Fund Source	Base	Change to Base		Total Funding	
		2025-26	2026-27	2025-26	2026-27
GPR	\$23,449,700	-\$3,446,300	-\$649,600	\$20,003,400	\$22,800,100
FED	21,905,500	-2,948,400	-1,346,400	18,957,100	20,559,100
PR	<u>104,947,000</u>	<u>-19,043,400</u>	<u>-16,896,200</u>	<u>85,903,600</u>	<u>88,050,800</u>
Total	\$150,302,200	-\$25,438,100	-\$18,892,200	\$124,864,100	\$131,410,000

In comparison with the Governor, the SeniorCare estimate under Joint Finance reflects slightly higher per-member costs, but also a higher rebate percentage. Enrollment projections are similar. In addition, under Joint Finance, the FMAP applicable to enrollees for which the state is eligible to claim federal Medicaid matching funds has been adjusted to remove the 5.0 percentage point incentive that the state would have qualified for under the Governor's bill, for the adoption of full Medicaid expansion.

31. ELIMINATE DISPROPORTIONATE SHARE HOSPITAL PAYMENTS

GPR	- \$143,200,000
FED	- 220,945,000
Total	- \$364,145,000

Joint Finance/Legislature: Delete the disproportionate share hospital (DSH) payments, effective on the date that the notice submitted by the Department to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register regarding federal approval of hospital assessment and access payment changes is published (summarized separately). Reduce funding for DSH payments by \$181,806,100 (-\$71,600,000 GPR and -\$110,206,100 FED) in 2025-26 and \$182,338,900 (-\$71,600,000 GPR and -\$110,738,900 FED) in 2026-27 to reflect the deletion of these payments, and the assumption that the deletion would take effect prior to the first quarterly payments under the program.

[Act 15 Sections: 184, 185, 9119(2), and 9419(1)]

32. UNIVERSITY OF WISCONSIN INTERGOVERNMENTAL TRANSFER PAYMENT

GPR	\$28,000,000
SEG	- 28,000,000
Total	\$0

Joint Finance/Legislature: Provide \$14,000,000 GPR annually for MA benefits to offset an equivalent reduction of \$14,000,000 SEG annually to reflect the elimination of a payment made by UW Medical Foundation to the MA trust fund equal to the federal share of a supplement paid under MA to UW physicians for uncompensated costs associated with services provided to MA patients. Under a federal intergovernmental transfer program (IGT), the state is able to claim federal matching funds on transfers from a public entity, such as a university hospital. Under current practice, UW makes a transfer to the MATF, which is used for MA benefits. This item reflects a reduction to that transfer, which has the impact of increasing GPR funding for the program.

33. SUPPLEMENTAL FUNDING FOR UNCOMPENSATED CARE

	Jt. Finance (Chg. to Base)	Senate/Leg. (Chg. to JFC)	Net Change
GPR	\$14,000,000	\$6,000,000	\$20,000,000

Joint Finance: Provide \$7,000,000 annually to increase, from \$3,000,000 to \$10,000,000 the amount of an annual supplemental payment to University of Wisconsin Hospital and Clinics for uncompensated care.

Senate/Legislature: Provide an additional \$3,000,000 annually so that \$13,000,000 would be budgeted annually for the supplemental payment.

[Act 15 Section: 186]

34. PRIVATE DUTY NURSING RATE INCREASE

GPR	\$5,656,500
FED	<u>8,734,200</u>
Total	\$14,390,700

Joint Finance/Legislature: Provide \$4,796,900 (\$1,889,000 GPR and \$2,907,900 FED) in 2025-26 and \$9,593,800 (\$3,767,500 GPR and \$5,826,300 FED) in 2026-27 to increase MA reimbursement rates for private duty nursing services provided by registered nurses (RNs) and licensed practical nurses (LPNs), excluding private duty nursing services provided by independent practice RNs and LPNs, effective January 1, 2026.

Funding provided is based on the assumptions that MA reimbursement for: (a) LPNs and licensed vocational nurses performing ventilator dependent care will increase from \$32.11/hour to \$61.05/hour; (b) RNs performing ventilator dependent care will increase from \$48.17/hour to \$75/hour; (c) RNs performing non-ventilator dependent care will increase from \$40.76/hour and \$31.84/hour to \$67.55/hour; and (d) LPNs performing non-ventilator dependent care will increase from \$27.17/hour to \$55.00/hour.

35. EXPANSION OF CHIROPRACTIC COVERAGE

GPR	\$1,500,000
FED	<u>2,250,000</u>
Total	\$3,750,000

Joint Finance/Legislature: Provide \$1,250,000 (\$500,000 GPR and \$750,000 FED) in 2025-26 and \$2,500,000 (\$1,000,000 GPR and \$1,500,000 FED) in 2026-27 to support an expansion of MA coverage for chiropractic services up to the full scope of chiropractic practice, effective January 1, 2026. Direct DHS to submit a waiver or state plan amendment request for this federal financial participation, and specify that DHS is not required to provide coverage of chiropractic services not approved for federal financial participation.

[Act 15 Sections: 188 and 189]

36. DENTAL ANESTHESIA REIMBURSEMENT RATE INCREASE

GPR	\$900,000
FED	<u>1,350,000</u>
Total	\$2,250,000

Joint Finance/Legislature: Provide \$750,000 (\$300,000 GPR and \$450,000 FED) in 2025-26 and \$1,500,000 (\$600,000 GPR and \$900,000 FED) in 2026-27 to reflect the following policy changes to reimbursement rates for dental anesthesia and sedation: (a) an increase MA rates for dental sedation and anesthesia procedure codes to a rate of \$238 per 15-minute unit, up from current rates of \$77.74 for deep sedation or \$73.65 for moderate sedation; (b) an increase to the maximum number of allowable units per encounter from four units to ten units, for a maximum reimbursable length of time per encounter of 150 minutes, and; (c) establishing coverage of case management services for individuals who require dental sedation for reasons related to special health care needs at a rate of \$100 per encounter.

37. RESIDENTIAL SUBSTANCE USE DISORDER REIMBURSEMENT RATE

GPR	\$709,000
FED	<u>1,095,000</u>
Total	\$1,804,000

Joint Finance/Legislature: Provide \$582,000 (\$229,000 GPR and \$353,000 FED) in 2025-26 and \$1,222,000 (\$480,000 GPR and \$742,000 FED) in 2026-27 to reflect a 3% increase in the reimbursement rates for residential substance use treatment services.

38. HOME HEALTH REIMBURSEMENT RATE INCREASE

GPR	\$346,500
FED	<u>536,400</u>
Total	\$882,900

Joint Finance/Legislature: Provide \$294,300 (\$115,900 GPR and \$178,400 FED) in 2025-26 and \$588,600 (\$230,600 GPR and \$358,000 FED) in 2026-27 to increase MA reimbursement rates for home visits performed by LPNs and RNs employed by home health agencies, effective January 1, 2026.

Funding provided is based on the assumption that the MA reimbursement rate for these services will be increased from \$96.96 to \$117.86 per visit.

Services for the Elderly and People with Disabilities

1. HOME DELIVERED MEALS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$21,724,400	- \$21,724,400	\$0

Governor: Provide \$10,475,600 in 2025-26 and \$11,248,800 to increase funding available for home delivered meals.

DHS contracts with Area Agencies on Aging for home delivered meals. In 2024-25, \$675,000 GPR is budgeted for the program. The program is primarily funded with ongoing federal funds from Title III of the federal Older Americans Act, local funds, and participant contributions. Funding in the bill seeks to replace one-time federal pandemic funding which has already, or will soon be, exhausted.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. COMPLEX PATIENT PILOT [LFB Paper 375]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$15,000,000	- \$15,000,000	\$0

Governor: Provide \$15,000,000 in 2025-26, on a one-time basis, to fund a complex patient pilot program to help facilitate the transfer of complex patients from acute care settings, such as hospitals, to post-acute care facilities, in the 2025-27 biennium.

Departmental Duties. Define "partnership group" to mean at least one hospital and at least one post-acute facility. Direct DHS to use a competitive grant selection process to select partnership groups to be designated as participating sites for a complex patient pilot program, and authorize DHS to award grants to the groups selected from the Department's complex patient pilot program appropriation. Require DHS to give additional weight to partnership groups that would ensure geographic diversity in selecting participating sites. Require DHS to solicit feedback regarding the complex patient pilot program from representatives of healthcare system organizations, long-term care provider organizations, long-term care operator organizations, patient advocate groups, insurers, and any other organization determined to be relevant by the DHS Secretary.

Application Requirements. Require that each partnership group that applies to DHS to be designated as a site for the complex patient pilot program address all of the following issues: (1) the number of beds that would be set aside in the post-acute facility or through implementation of an innovative model of patient care in a post-acute facility to which participating hospitals agree, such as dedicated staffing for dementia or a behavioral health unit; (2) the goals and measurable outcomes of the partnership during the pilot program and after the pilot program; (3) the types of complex patients for whom care would be provided; and (4) an operating budget for the proposed site that details how fiscal responsibility will be shared among members of the partnership group, estimated patient revenues from other sources (including the Medical Assistance program), estimated total costs, and a margin to account for reserved beds.

In addition, require each partnership group to address its expertise to successfully implement the proposal, which may include a discussion of the following issues: (a) documented experience of the partners working together to serve complex patients; (b) the implementation timeline and plan for post-acute facilities to accept admissions and transfer patients within 72 hours of a request submitted by a hospital; (c) the plan for an interdisciplinary team that will staff the unit in the post-acute facility, including the availability of staff with appropriate expertise that includes physicians, nurses, advance practice health professionals, pharmacists, physical therapists, occupational therapists, and social workers; (d) ability to electronically exchange health information; (e) resources to conduct patient intake and discharge planning from the post-acute facility, including case managers and social workers; (f) ability to conduct monthly case management reviews with the interdisciplinary team for every complex care patient that cover care plan progress and any readmissions to an acute care hospital; (g) ability to conduct monthly quality assurance reviews; (h) ability of the treatment model to be replicated by other healthcare systems; (i) plans to

document decreases in lengths of stay for complex patients in hospitals and avoided hospital days; (j) anticipated impediments to successful implementation and how the partnership group intends to overcome the anticipated impediments; and (k) documentation of stable finances among partnership group members to support the proposal, including matching funds that could be dedicated to the pilot program. Clarify that while no applicant is required to provide matching funds or a contribution, DHS may take into consideration the availability of matching funds or a contribution in evaluating an application.

Evaluation. Require DHS to develop a methodology to evaluate the complex patient pilot program and contract with an independent organization to complete the evaluation. Authorize the Department to pay the organization selected to perform the evaluation from the Department's complex patient pilot program appropriation. Specify that upon completion of the evaluation, the independent organization contracted to complete the evaluation must provide the evaluation to the Department.

Joint Finance/Legislature: Provision not included.

3. ADULT PROTECTIVE SERVICES [LFB Paper 376]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$7,659,500	1.00	-\$7,659,500	- 1.00	\$0	0.00

Governor: Provide \$2,569,800 in 2025-26 and \$5,089,700 in 2026-27 and 1.0 position beginning in 2025-26, to increase funding for adult protective services (APS) units and to fund 1.0 position to facilitate tribal nation adult protective services coordination.

Under the state and county contract, DHS intends to allocate \$5.9 million for APS in 2025. Funding provided in the bill would increase this allocation by \$2,500,000 in 2025-26 and \$5,000,000 in 2026-27. The remaining \$69,800 in 2025-26 and \$89,700 in 2026-27 would fund 1.0 position to facilitate tribal nation adult protective services coordination.

Joint Finance/Legislature: Provision not included.

4. WISCAREGIVER CAREERS [LFB Paper 377]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,343,900	-\$3,343,900	\$1,000,000
FED	<u>4,343,900</u>	<u>- 3,343,900</u>	<u>1,000,000</u>
Total	\$8,687,800	-\$6,687,800	\$2,000,000

Governor: Provide \$4,360,400 (\$2,180,200 GPR and \$2,180,200 FED) in 2025-26 and

\$4,327,400 (\$2,163,700 GPR and \$2,163,700 FED) in 2026-27 to increase funding for the WisCaregiver Career program.

The 2023-25 biennial budget act (2023 Act 19) provided \$2,000,000 GPR in 2024-25, on a one-time basis, to fund the WisCaregiver Careers program. This program was originally limited to providing free nurse aide training and certification testing, as well as a retention bonus after six months of employment as a nurse aide.

Using federal home and community-based services (HCBS) American Rescue Plan Act (ARPA) and Money Follows the Person (MFP) grant funding, DHS expanded WisCaregiver Careers in 2023 to include a certified direct care professionals (CDCPs) component. This component provides free CDCP training and a bonus for successful course completion and employment with an eligible employer.

The bill would provide ongoing funding to continue both the nurse aide and CDCP components of the WisCaregiver Career program, as well as for the Department's interagency agreement with the University of Wisconsin - Green Bay, marketing and website maintenance, and incentive payments, related to this program.

Joint Finance/Legislature: Reduce funding by \$2,360,400 (-\$1,180,200 GPR and -\$1,180,200 FED) in 2025-26 and by \$4,327,400 (-\$2,163,700 GPR and -\$2,163,700 FED) in 2026-27 to increase funding for the WisCaregiver Career program.

5. AGING AND DISABILITY RESOURCE CENTERS AND TRIBAL RESOURCE SPECIALISTS [LFB Paper 378]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,845,700	- \$2,772,400	\$2,073,300
FED	<u>3,803,500</u>	<u>- 2,107,000</u>	<u>1,696,500</u>
Total	\$8,649,200	- \$4,879,400	\$3,769,800

Governor: Provide \$2,883,100 (\$1,615,200 GPR and \$1,267,900 FED) in 2025-26 and \$5,766,100 (\$3,230,500 GPR and \$2,535,600 FED) in 2026-27 to increase base allocations for the aging and disability resource centers (ADRCs) and Tribal aging and disability resource specialists (ADRS).

Of these amounts, the Administration indicates that \$2,513,200 (\$1,382,200 GPR and \$1,131,000 FED) in 2025-26 and \$5,026,400 (\$2,764,500 GPR and \$2,261,900 FED) in 2026-27 would increase base allocations at the ADRCs to account for the anticipated increase in the number of older residents in the state. The remaining \$369,900 (\$233,000 GPR and \$136,900 FED) in 2025-26 and \$739,700 (\$466,000 GPR and \$273,700 FED) in 2026-27 would increase base allocations for the tribes, allowing DHS to allocate \$90,000 GPR per tribe, sufficient for 1.0 FTE Tribal ADRS.

GPR base funding for ADRC and tribal ADRS services is \$49,154,900. ADRCs provide a variety of services as part of their core contract with DHS. Services include: (a) providing

information and assistance to individuals in need of long-term care services; (b) benefits counseling; (c) short-term service coordination; (d) conducting functional screens; and (e) enrollment counseling and processing. ADRCs serve older adults and people with disabilities, as well as the families and caregivers who work with and care for them. Services provided at ADRCs are free to Wisconsin residents.

Joint Finance/Legislature: Reduce funding by \$1,626,500 (-\$924,100 GPR and -\$702,400 FED) in 2025-26 and by \$3,252,900 (-\$1,848,300 GPR and -\$1,404,600 FED) in 2026-27 for funding for the aging and disability resource centers, with no increase provided for the tribal aging and disability resource specialists.

6. HEALTH CARE PROVIDER INNOVATION GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$7,500,000	- \$7,500,000	\$0

Governor: Provide \$7,500,000 in 2025-26, on a one-time basis, to fund health care provider innovation grants.

Require DHS to distribute \$7,500,000 in 2025-26 as grants to health care and long-term care providers to implement best practices and innovative solutions to increase worker recruitment and retention.

Similar grants were funded using federal home and community-based services (HCBS) American Rescue Plan Act (ARPA) funding. These grants were issued in two rounds totaling almost \$30 million in awards.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. HOME AND COMMUNITY BASED SERVICES (HCBS)

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,204,400	- \$5,204,400	\$0
FED	<u>804,800</u>	<u>- 804,800</u>	<u>0</u>
Total	\$6,009,200	- \$6,009,200	\$0

Governor: Provide \$2,992,800 (\$2,596,300 GPR and \$396,500 FED) in 2025-26 and \$3,016,400 (\$2,608,100 GPR and \$408,300 FED) in 2026-27 to provide ongoing funding for: (a) aging and disability resource centers (ADRCs) information technology projects focused on client-tracking and a searchable public-facing provider directory, as well as a centralized, statewide toll-free phone number and reception service to connect people with their

local ADRC (\$828,600 GPR annually); (b) the No Wrong Door - Supporting Kids Together Wisconsin initiative, through which parents with children who are disabled can access services and referrals from a single toll-free phone line and website (\$1,371,200 GPR annually); and (c) the resident and assisted living facility assessment tool, which allows for data collection and reporting relating to resident acuity and other factors (\$396,500 GPR and \$396,500 FED in 2025-26 and \$408,300 GPR and \$408,300 FED in 2026-27).

These initiatives are currently funded using federal home and community-based services (HCBS) American Rescue Plan Act (ARPA) funding through June 30, 2025.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. ALZHEIMER'S FAMILY AND CAREGIVER SUPPORT PROGRAM [LFB Paper 379]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$500,000 annually to increase the maximum amount of funding the Department may provide under the Alzheimer's family and caregiver support program from \$3,058,900 to \$3,558,900 annually.

Under the program, DHS allocates funding to counties, tribes, and area agencies on aging to assist individuals to purchase services and goods related to the care of someone with Alzheimer's disease. Up to \$4,000 per person may be available, depending on the county's priorities and the person's need for services. In some instances, the funds are used within the county to expand or develop new services related to Alzheimer's disease, such as respite care, adult day care, or support groups.

Joint Finance/Legislature: Provision not included.

9. FALLS PREVENTION GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$900,000	- \$900,000	\$0

Governor: Provide \$450,000 annually and require DHS to award an annual grant of \$450,000 to an organization committed to reducing falls among older adults in the state, for the purpose of statewide falls prevention awareness and initiatives. Although not specified in the bill, prior one-time GPR funding for similar purposes has gone to the Wisconsin Institute on Healthy Aging.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. WISCONSIN ASSISTIVE TECHNOLOGY PROGRAM [LFB Paper 380]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$500,000	- \$500,000	\$0

Governor: Provide \$250,000 annually to support the Wisconsin Assistive Technology (WisTech) program.

WisTech provides information on selecting, funding, installing, and using assistive technology devices and services, to maintain or improve the functionality of people with disabilities, allowing them to be more independent in education, employment, recreation, and daily living activities. WisTech services include device loans, demonstrations, and training offered through a network of partners primarily consisting of independent living centers (ILCs).

There is currently no GPR funding budgeted for assistive technology. However, the WisTech program provides each ILC \$40,000 FED annually, supported by funding the state receives from the Assistive Technology Act for this purpose.

Joint Finance/Legislature: Provision not included.

11. RESPITE CARE GRANT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$400,000	- \$400,000	\$0

Governor: Provide \$200,000 annually to increase funding available for the respite care grant.

Currently, \$350,000 GPR is available annually to fund the life-span respite care program operating under a contract between a nonprofit agency, Respite Care Association of Wisconsin (RCAW), and DHS. As part of the life-span respite care program, RCAW administers the Caregiver Respite Grant Program and the Supplemental Respite Grant Program, as well as a third grant program for recruitment, outreach, and education events. RCAW is also responsible for delivery of caregiver training, maintenance of the respite care provider registry, and other activities included in the contract with DHS.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. INDEPENDENT LIVING CENTER GRANTS [LFB Paper 380]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$203,600	\$407,200	\$610,800

Governor: Provide \$101,800 annually to increase grants for independent living centers (ILCs).

ILCs are community-based, cross-disability, nonresidential, private nonprofit agencies that are operated within a local community by individuals with disabilities, and provide an array of independent living services. ILC services include: information and referral; independent living skills training; peer support; individual and systems advocacy; and services that facilitate transition from nursing homes and other institutions to the community, provide assistance to those at risk of entering institutions, and facilitate transition of youth to post-secondary life. Base GPR funding for ILCs is \$1,017,700 annually.

Joint Finance/Legislature: Increase funding by an additional \$203,600 annually to increase grants for independent living centers.

13. OFFICE FOR THE DEAF AND HARD OF HEARING SERVICE FUND [LFB Paper 380]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$200,000	- \$200,000	\$0

Governor: Provide \$100,000 annually to increase funding for the Service Fund within the DHS Office for the Deaf and Hard of Hearing.

The Americans with Disabilities Act requires certain entities to provide communication assistance, at no cost, to individuals who are deaf, have hearing loss, or are deaf-blind. The Service Fund reimburses communication access service providers when such communication support is not required by state or federal law, with certain limitations, as well as in circumstances where the provider may encounter delayed payment from the liable entity (subsequently expenditures may be billed to the liable entity as program revenue).

Base funding for the Service Fund and the Telecommunications Assistance Program (TAP), which provides financial assistance for low-income individuals to purchase specialized telecommunication equipment, is \$178,200.

Joint Finance/Legislature: Provision not included

14. GUARDIANSHIP GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$200,000	- \$200,000	\$0

Governor: Provide \$100,000 annually to support the Guardianship Support Center, which provides training and technical assistance on guardianship issues.

The Department currently provides \$100,000 annually through a contract with Greater Wisconsin Agency on Aging Resources (GWAAR) to support the Guardianship Support Center.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. ALZHEIMER'S DISEASE GRANT [LFB Paper 379]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$100,000	- \$100,000	\$0

Governor: Provide \$50,000 annually to increase funding for the Alzheimer's disease training and information grants.

Currently, DHS contracts with the Wisconsin Alzheimer's Institute at the University of Wisconsin-Madison to provide these services.

Joint Finance/Legislature: Provision not included.

16. STATE SUPPLEMENTAL SECURITY INCOME AND CARETAKER SUPPLEMENT REESTIMATE

PR	- \$10,456,600

Governor/Legislature: Reduce funding by \$5,228,300 annually to reflect estimates of the cost of funding supplemental security income (SSI) state supplements payments in the 2025-27 biennium. These program costs are supported by GPR and a transfer of federal TANF funding from the Department of Children and Families, which is budgeted as PR in DHS.

State SSI Supplement. Wisconsin's state SSI program provides cash benefits to low-income residents who are elderly, blind, or disabled to supplement federal SSI payments. As of January, 2025, 107,745 Wisconsin residents who received federal SSI benefits received a state-funded benefit, most of whom received \$83.78 per month for single individuals and \$132.05 for couples. (Some SSI beneficiaries who require 40 hours of supportive home care or other care per month or live in small community-based residential facilities or other assisted living settings also qualify for an exceptional expense benefit (\$95.99 per month for single individuals, \$345.36 for couples). In

addition, some Wisconsin residents who do not qualify for the federal SSI benefit receive the state supplement, as these individuals were "grandfathered" in due to eligibility changes enacted in 1996.)

Caretaker Supplement. SSI recipients with dependent children may also receive a caretaker supplement. Eligible caretakers receive \$275 per month for a first child and \$165 per month for each additional child.

DHS complies with a federal requirement to "pass along" annual federal benefit cost of living increases by demonstrating that total GPR expenditures for state supplements do not decrease from one calendar year to the next. Currently, GPR expenditures for SSI benefits and caretaker supplements total \$160,398,300. To maintain this level of GPR expenditures, beginning in 2021-22, DHS paid a portion of caretaker supplements using GPR, in lieu of TANF funding. In 2024-25, DHS expects to use \$5,070,000 in TANF (PR) funding to support caretaker supplement payments.

The following table summarizes the funding that is provided for SSI supplements under the Act.

State SSI Supplements Act 15						
	<u>Base</u>	<u>Reestimate</u>		<u>Change to Base</u>		
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2025-27</u>
SSI State Supplements						
GPR	\$150,725,500	\$141,822,900	\$141,822,900	-\$8,902,600	-\$8,902,600	-\$17,805,200
Caretaker Supplement						
GPR	\$9,672,700	\$18,575,300	\$18,575,300	\$8,902,600	\$8,902,600	\$17,805,200
PR	<u>10,298,300</u>	<u>5,070,000</u>	<u>5,070,000</u>	<u>-5,228,300</u>	<u>-5,228,300</u>	<u>-10,456,600</u>
All Funds	\$19,971,000	\$23,645,300	\$23,645,300	\$3,674,300	\$3,674,300	\$7,348,600
Total SSI-Related Payments						
GPR	\$160,398,200	\$160,398,200	\$160,398,200	\$0	\$0	\$0
PR	<u>10,298,300</u>	<u>5,070,000</u>	<u>5,070,000</u>	<u>-5,228,300</u>	<u>-5,228,300</u>	<u>-10,456,600</u>
All Funds	\$170,696,500	\$165,468,200	\$165,468,200	-\$5,228,300	-\$5,228,300	-\$10,456,600
Caretaker Supplement Administration (PR)						
	\$692,100	\$692,100	\$692,100	\$0	\$0	\$0

17. SSI STATE SUPPLEMENT BENEFIT INCREASE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$15,647,600	- \$15,647,600	\$0
PR	<u>27,010,600</u>	<u>- 27,010,600</u>	<u>0</u>
Total	\$42,658,200	- \$42,658,200	\$0

Governor: Provide \$14,219,400 (\$714,100 GPR and \$13,505,300 PR) in 2025-26 and \$28,438,800 (\$14,933,500 GPR and \$13,505,300 PR) in 2026-27 to increase monthly state supplements to the federal supplemental security income (SSI) cash benefit, from current levels of \$83.78 to \$100 per month for the standard state supplement, and from \$179.77 per month to \$214.57 for "exceptional expense" state supplements. The PR funding is federal TANF funds transferred from the Department of Children and Families. The TANF funding increase is summarized under "Children and Families -- Economic Support."

Individuals can qualify for federal SSI benefits on the basis of age or a disability. Federal SSI benefits are both income- and asset-tested, and the state supplement is provided to all federal SSI recipients.

The income test for federal SSI benefits limits recipients' income to the maximum SSI benefit level, and the benefits recipients receive are reduced as recipients' income increases. Thus, Wisconsin recipients who have no income will receive the 2025 maximum monthly federal benefit of \$967.00 and the state supplement of \$83.78, for a total benefit of \$1,050.78. For SSI recipients with earned income, their total SSI benefit is reduced by half of the amount they earn, enabling them to retain \$0.50 of every dollar they earn in wages. Recipients who live independently may qualify for the state SSI-E exceptional expense supplement if they require at least 40 hours per month of supportive home care, respite care, daily living skills training, or community support program services.

The asset test for SSI benefits limits countable assets to a total of \$2,000 for individuals and \$3,000 for couples, but excludes a person's home, one vehicle, and the value of life insurance policies of no more than \$1,500.

The federal SSI maximum benefit amount increases annually with cost of living adjustment increases that fluctuate based on inflation. The current Wisconsin state SSI benefit levels were last increased in 1994.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Public Health

1. WINDOWS PLUS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
	Funding Positions	Funding Positions	Funding Positions
GPR	\$100,388,500 2.00	-\$100,388,500 - 2.00	\$0 0.00

Governor: Provide \$100,169,400 in 2025-26 and \$219,100 in 2026-27 to fund lead remediation projects under the Windows Plus program (\$100,000,000 in 2025-26 in one-time funding) and 2.0 positions, beginning in 2025-26, to administer the program (\$169,400 in 2025-26 and \$219,100 in 2026-27). In the 2019-21 biennium, the program was funded with \$2,000,000 GPR and matching federal children's health insurance program administrative funds on a one-time basis.

The Windows Plus program focused on lead hazard remediation in high-risk areas such as windows, doors, and porches in homes built before 1950 for low-income families who did not qualify for the Lead Safe Homes Program (LSHP), a lead remediation program currently administered by DHS. The LSHP eligibility requirements make remediation available only to residences built before 1978, where an MA-eligible child with an elevated blood level or pregnant mother lives or visits regularly, including renters. This item would fund remediation projects for families that do not qualify for assistance under the LSHP.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. EMS GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$50,000,000	-\$50,000,000	\$0

Governor: Provide \$25,000,000 annually to fund grants to municipal emergency medical services (EMS) providers. Create a continuing appropriation in the Division of Public Health for this purpose.

Specify that grants must be awarded to municipalities and used to improve or expand emergency medical services, and that 25% of funding must be awarded by the Department to support the development of "24-7 paid service models," in which EMS services are accessible at all times, in accordance with criteria developed by the Department. Require the Department to award the remainder of funding according to a formula consisting of a base amount determined by

the Department and a supplemental amount based on the population of the municipality.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. HOSPITAL SERVICES FUNDING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$15,000,000	- \$15,000,000	\$0

Governor: Provide \$15,000,000 in 2025-26 as one-time funding to fund hospital service grants. Although not specified in the bill, the Administration indicates that these funds would support hospital services in western Wisconsin.

2023 Act 97 provided \$15 million in the Joint Finance Committee GPR program supplements appropriation to fund grants for hospital services. In February, 2024, DHS submitted a request to the Committee to transfer the \$15 million to the hospital services grants appropriation, which remains pending. The funding appropriated by 2023 Wisconsin Act 97 remains available until June 30, 2025, at which point it will lapse to the general fund if it is not released.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. FEDERALLY-QUALIFIED HEALTH CENTERS [LFB Paper 385]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$10,000,000	- \$8,400,000	\$1,600,000

Governor: Provide \$5,000,000 annually to increase grants to federally-qualified health centers (FQHCs). Base funding for FQHC grants is \$6,390,000 GPR annually.

The federal government provides grants to support health clinics that provide comprehensive primary health care services to underserved areas and populations, including migrant agricultural workers and people experiencing homelessness. To qualify, clinics must serve individuals regardless of ability to pay, and charge patients based on sliding fee scales. Clinics that undergo the qualification process and receive funding under this grant program are referred to as FQHCs.

FQHCs are eligible for a variety of other programs in addition to federal grant funding, such as cost-based reimbursement under MA. GPR funding for FQHCs is distributed as supplemental grants in equal proportion to the federal grant each FQHC receives. There are 17 FQHC organizations in the state, with 103 clinic facilities as well as mobile and school-based clinics.

Joint Finance/Legislature: Reduce funding by \$4,200,000 annually so that annual GPR funding for FQHCs would increase by \$800,000, from \$6,390,000 to \$7,190,000.

5. LEAD POISONING PREVENTION AND RESPONSE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$6,267,000	- \$6,267,000	\$0

Governor: Provide \$2,089,000 in 2025-26 and \$4,178,000 in 2026-27 to increase funding for lead poisoning and exposure prevention and services grants to local and tribal health departments (LTHDs). Convert the current appropriation for these grants from an annual to a continuing appropriation. Base funding for these grants is \$894,700, \$769,700 of which DHS allocates to 96 LTHDs under its consolidated contracts.

LTHDs use these funds to test children for elevated blood lead levels, evaluate premises of structures suspected to contain harmful environmental lead hazards, and train parents, educators, and local officials about the dangers of lead to human health. This item is intended to provide a funding increase of at least \$40,000 to each county, with greater funding amounts for counties with larger numbers of children diagnosed with lead poisoning or exposure or an elevated blood lead level, to assist LTHDs in complying with new lead poisoning standards.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. ORAL AND MAXILLOFACIAL SURGERY RESIDENCY PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,000,000	- \$5,000,000	\$0

Governor: Provide \$5,000,000 in 2025-26 in one-time funding to establish an oral and maxillofacial surgery residency program at Marquette University. Marquette University currently operates a pre-doctoral program in oral and maxillofacial surgery to prepare students with a Master of Science in Dentistry for a doctoral program in dentistry, but does not operate a residency program for post-doctoral work in oral and maxillofacial surgery.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. HEALTH CARE PROVIDER TRAINING GRANTS [LFB Paper 386]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,000,000	- \$4,000,000	\$1,000,000

Governor: Provide \$2,500,000 annually to increase funding for health care provider training grants. Repeal the current biennial appropriation that supports these grants (\$500,000 annually). Modify another current appropriation that provides funds to hospitals to establish advanced practice clinician programs to provide grants to hospitals, health systems, clinics, and educational entities that form health care education and training consortia, and provide \$3,000,000 annually for that purpose.

For these purposes, define an "allied health professional" as any individual who is a health care provider other than a physician, dentist, pharmacist, chiropractor, or podiatrist, and who provides diagnostic, technical, therapeutic, or direct patient care and support services to a patient. Define a "behavioral health provider" as any individual who is licensed as a psychologist or is certified as a social worker or licensed as a clinical social worker, a marriage and family therapist, or a professional counselor.

Require the Department to make grants to hospitals, health systems, and clinics that provide new training opportunities for advanced practice clinicians; and to these organizations that form health care education and training consortia for allied health professionals and behavioral health providers.

Repeal Grant Program Restrictions. Repeal the following grant program restrictions:

- Under the current advanced practice clinician training grants program, grants may not exceed \$50,000 per fiscal year per hospital or clinic.
- Under current law, training grants awarded to an institution which has not received one of these training grants before may use the grant award to develop the education and infrastructure for training advanced practice clinicians, but institutions which have already received one of these training grants are required to pay for the operational costs of the training program themselves, including any costs related to required books and materials, tuition and fees, stipends for reasonable living expenses, and preceptor costs including costs related to training, certification, travel, and advanced practice clinician training.
- Institutions receiving this funding under current law are required to provide, through their own funding sources, match funding equal to the amount of the grant award.
- Under the current allied health professional education and training grants program, grants are limited to \$125,000 per year per consortium.

Retain current law restrictions related to the Department's grant award preference for rural hospitals and clinics.

Uses of Grant Funding. Specify that acceptable uses of grant awards under the program may include reasonable expenses incurred by a trainee to fully succeed in training and eventual placement, expenses related to planning and implementing a training program, and up to \$5,000 in equipment expenses.

Repeal all provisions directing the Department to provide allied health professional education and training grants, as these sections are replaced with provisions that apply to the consolidated grant program.

Joint Finance/Legislature: Delete provision. Instead, increase funding for the allied health professional education training program by \$1,300,000 in 2025-26 and reduce funding for the advanced practice clinician training program by \$300,000 in 2025-26.

8. ELECTROCARDIOGRAM SCREENING PILOT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,067,200	- \$4,067,200	\$0

Governor: Provide \$4,067,200 in 2026-27 to fund a pilot program to perform electrocardiogram (EKG) screenings for participants in middle and high school athletics. Require DHS to develop the program and make grants to local public health departments to offer screenings in Milwaukee and Waukesha counties, and specify that the screenings be optional. The funding amount reflects the administration's estimates that there are 38,800 student athletes in Milwaukee County and 15,400 in Waukesha County, and that the pilot program would spend an estimated \$75 per EKG.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. GRANTS TO DENTAL CLINICS SERVING LOW-INCOME PATIENTS [LFB Paper 387]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,600,000	- \$3,100,000	\$500,000

Governor: Provide \$1,800,000 annually to increase funding for grants provided to dental clinics that serves low-income patients. Base funding for these grants is \$1,700,000.

Under current law, DHS is required to distribute grants to no fewer than nine nonprofit dental clinics in Wisconsin that are not federally-qualified health centers and which primarily serve low-income patients. In 2024-25, DHS awarded grants to 14 clinics, with grant amounts ranging from \$59,000 to \$150,000 per clinic.

Joint Finance/Legislature: Reduce funding by \$1,550,000 annually, so that annual GPR funding for these clinics would increase by \$250,000, from \$1,700,000 to \$1,950,000.

10. HIV/AIDS -- SUPPLEMENT TO FEDERAL RYAN WHITE FUNDING [LFB Paper 388]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,500,000	- \$3,500,000	\$0

Governor: Provide \$1,750,000 annually to supplement federal Ryan White funding for HIV/AIDS prevention and treatment services. These services include partner referral and notification, grants to local projects, statewide public education campaigns, information network infrastructure, HIV seroprevalence studies, grants for targeted populations and intervention services, and contracts for counseling and laboratory testing services.

Base GPR funding for HIV/AIDS services is \$6,220,900, which includes \$4,914,700 for service contracts and \$1,306,200 for the HIV/AIDS drug reimbursement program.

Joint Finance/Legislature: Provision not included.

11. HIV/AIDS -- MIKE JOHNSON LIFE CARE AND EARLY INTERVENTION SERVICES GRANT [LFB Paper 388]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$500,000 annually to increase, from \$4,000,000 to \$4,500,000, the annual maximum funding for HIV/AIDS-related services under the Mike Johnson Life Care and Early Intervention Services grant.

Under current law, DHS awards the Mike Johnson grant to an HIV/AIDS service organization to fund certain harm reduction services for people living with HIV. These services include early intervention services to connect people to medical care and other supports following an HIV diagnosis. The grant also supports needs assessments and ongoing case management for anyone living with HIV and their family and caregivers. Grant funds may be used to provide counseling, therapy, and homecare services and supplies, and to refer people to other services that support the health of those living with HIV, including medical care, housing assistance, food assistance, and legal and social services.

Joint Finance/Legislature: Provision not included.

12. MATERNAL AND CHILD HEALTH -- GRANTS FOR REFERRAL SERVICES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,960,000	- \$2,960,000	\$0
FED	<u>2,960,000</u>	<u>- 2,960,000</u>	<u>0</u>
Total	\$5,920,000	- \$5,920,000	\$0

Governor: Provide \$2,960,000 (\$1,480,000 GPR and \$1,480,000 FED) annually to fund grants to local and tribal health departments (LTHDs) to support referrals to, and maintenance of, maternal and child health (MCH) resources.

The Wisconsin Wayfinder program, funded with ARPA home and community-based services grant funding, was created to enhance public health infrastructure through five regional hubs that make personalized referrals of parents of children with specialized mental and medical health care needs to resources and providers who can meet those needs. The grants under this item would fund staffing at LTHDs to allow LTHDs to take over the portions of Wisconsin Wayfinder dedicated to MCH coordination and referrals.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. COMMUNITY HEALTH CENTERS (FQHCS) [LFB Paper 385]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,500,000	- \$1,500,000	\$0

Governor: Provide \$750,000 annually to increase grant funding to community health centers, which the Administration indicates would be allocated for federally-qualified health centers.

A "community health center" is a health care entity that provides primary health care, health education, and social services to low-income individuals.

Joint Finance/Legislature: Provision not included. See "Public Health" Item #4.

14. MATERNAL AND CHILD HEALTH -- GRANTS TO MAINTAIN CERTAIN PROGRAMS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,600,000	- \$1,600,000	\$0

Governor: Provide \$800,000 annually to fund grants to local and community-based organizations whose mission is to improve maternal and child health in the state.

The Administration indicates that this item is intended to continue funding some of the programs that received \$5 million in one-time grants for this purpose, supported with ARPA State Recovery funds. Although not named in the bill, these programs could include Safe Mom's Safe Babies, First Breath, the Periscope Project, and the Mom's Mental Health Initiatives, which is an expansion of the Perinatal Mental Health Support program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. PER- AND POLYFLUOROALKYL SUBSTANCES INITIATIVES

	Governor (Chg. to Base) Funding Position		Jt. Finance/Leg. (Chg. to Gov) Funding Position		<u>Net Change</u> Funding Positions	
GPR	\$1,445,400	1.00	-\$1,445,400	- 1.00	\$0	0.00

Governor: Provide \$710,900 in 2025-26 and \$734,500 in 2026-27 to fund biomonitoring studies to assess and understand permanent per- and polyfluoroalkyl substances (PFAS) exposure levels (\$630,000 annually) and to fund 1.0 outreach position, beginning in 2025-26, in the DHS Bureau of Environmental and Occupational Health to conduct outreach on PFAS (\$80,900 of 2025-26 and \$104,500 in 2026-27).

Biomonitoring Studies. The Department would fund research identifying levels of PFAS exposure and potential methods for limiting future exposure in humans. Elsewhere in the bill, DHS would be required, under related PFAS measures, to conduct these studies, authorizing surveys of participants, blood sample tests for the presence and levels of PFAS, and analysis of results from testing. [See "Department of Natural Resources -- PFAS and Emerging Contaminants."]

PFAS Outreach. The PFAS outreach position would serve as a lead point of contact with DNR and other external partners, serving as a resource to public water systems seeking expertise on best practices for communicating the public health implications of local PFAS contamination levels.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. REACH OUT AND READ [LFB Paper 389]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	-\$500,000	\$500,000

Governor: Provide \$500,000 annually as grants to support the nonprofit Reach Out and Read program. Reach Out and Read works with clinicians to support early literacy interventions integrated into well-child visits between the ages of six months and five years. Clinicians advise parents on effective early literacy development strategies, demonstrate those strategies with

parents, and provide books to families.

The 2021-23 and 2023-25 budget acts provided one-time funding of \$500,000 in each biennium for DHS to provide as grants to Reach Out and Read. Consequently, there is no base funding for the program.

Joint Finance/Legislature: Reduce funding by \$250,000 annually to provide ongoing, annual funding of \$250,000 as a grant to Reach Out and Read - Wisconsin.

17. GRANT FUNDING FOR DIAPER BANKS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$500,000 annually to provide grants to community programs that maintain diaper banks, which provides diapers to families in need.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. MARQUETTE DENTAL SCHOOL SERVICES [LFB Paper 387]

GPR	\$860,000

Governor/Legislature: Provide \$430,000 annually to increase funding DHS provides to the Marquette University School of Dentistry to provide dental services to underserved populations by faculty and students. In 2024-25, \$2,424,600 GPR is budgeted for this purpose.

19. DISEASE INTERVENTION SPECIALISTS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$806,800	5.00	- \$806,800	- 5.00	\$0	0.00
PR	<u>- 161,300</u>	<u>- 1.00</u>	<u>161,300</u>	<u>1.00</u>	<u>0</u>	<u>0.00</u>
Total	\$645,500	4.00	- \$645,500	- 4.00	\$0	0.00

Governor: Provide \$282,300 (\$352,900 GPR and -\$70,600 PR) in 2025-26 and \$363,200 (\$453,900 GPR and -\$90,700 PR) in 2026-27 to fund 4.0 (5.0 GPR and -1.0 PR) positions, beginning in 2025-26, for the Bureau of Communicable Disease (BCD) to provide specialization and investigative support to local and tribal health departments to intervene in active infections and interrupt disease transmission. Through interviews with infected patients, disease intervention specialists (DISs) find individuals who may have been exposed, and connect the patient and their

contacts with testing and treatment services. These services are provided to individuals with sexually transmitted infections (STIs), such as syphilis and hepatitis C, and other infections such as mpox and tuberculosis.

Prior to the COVID-19 pandemic, BCD had 4.0 FED DIS positions focused on STI interventions, supported by an ongoing federal grant. However, during the pandemic, BCD employed a total of 24 positions, including 2.0 contracted case coordinator positions, to conduct intervention services, supported with one-time federal COVID funds. This item would increase DIS staff in BCD to increase assistance to local and tribal health departments in reducing transmission of communicable diseases.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

20. WIC ADJUNCT ELIGIBILITY MODULE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$618,100	- \$618,100	\$0
FED	<u>618,100</u>	<u>- 618,100</u>	<u>0</u>
Total	\$1,236,200	- \$1,236,200	\$0

Governor: Provide \$1,236,200 (\$618,100 GPR and \$618,100 FED) in 2026-27 to incorporate a Supplemental Nutrition Program for Women, Infants, and Children (WIC) module into the CARES and ACCESS systems. CARES and ACCESS are used by applicants and income maintenance (IM) staff for eligibility functions relating to the state's major public assistance programs.

Currently, individuals seeking to apply for WIC benefits must contact their county WIC office, typically a county-level local health department, to complete their applications. They may submit a "pre-application" online that requires follow-up from the county WIC office, and complete a nutritional assessment and health screening.

In contrast, CARES provides an interoperable system that allows individuals to apply for multiple public assistance programs at once, using the same information and documentation where applicable. Wisconsin residents can use the associated customer portal, ACCESS, through a website or mobile application to apply, manage their benefits, receive updates, and renew or apply for additional programs through one access point.

"Adjunctive eligibility" for WIC is a federally-permitted income eligibility option that permits states to waive certain eligibility requirements for individuals who qualify for other public assistance benefits. For example, pregnant women enrolled in Medicaid could be automatically considered "needy" to meet WIC income eligibility guidelines.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

21. SENIOR FARMERS MARKET NUTRITION PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$500,000	- \$500,000	\$0

Governor: Provide \$250,000 annually to increase funding for the the senior farmers market nutrition program (Senior FMNP).

To participate, individuals must be over the age of 60, or over the age of 55 if a member of a Wisconsin native tribe or band, reside in Wisconsin, and meet income guidelines of no more than 185% of the federal poverty line, or \$27,861 per year for a single individual.

Currently, each participant receives a total of \$45 across five monthly checks from June to October each year to buy fresh fruits, vegetables, and herbs grown in or near Wisconsin from farmers markets. Current funding for the Senior FMNP is \$161,400 GPR annually.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

22. TRAUMA RESILIENCE GRANT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$500,000	- \$500,000	\$0

Governor: Provide \$250,000 in each year of the 2025-27 biennium on a one-time bases and authorize DHS to provide up to these amounts for grants to an organization in the City of Milwaukee to support the needs of individuals impacted by trauma and to develop the capacity of organizations to treat and prevent trauma. Repeal the provision on July 1, 2027.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

23. GRANTS TO FREE AND CHARITABLE CLINICS [LFB Paper 385]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$500,000	\$1,000,000	\$1,500,000

Governor: Provide \$250,000 annually to increase, from \$2,250,000 to \$2,500,000, annual grants to free and charitable clinics. Modify the statutory requirement to distribute these grants to reflect the increased amount.

Currently, DHS distributes grants to free and charitable clinics that meet certain statutory qualifications, including operating as a nonprofit and providing medical or dental care, or prescription drugs, to people who are uninsured, underinsured, or have limited or no access to primary, specialty, or prescription care. Federally qualified health centers (FQHCs) are ineligible to receive these grants, but receive state support under a separate grant program.

Joint Finance/Legislature: Increase funding by \$500,000 annually to provide an annual total increase of \$750,000 for grants. As modified, funding for grants to these clinics would be \$3,000,000 in each year of the biennium. Increase from \$2,250,000 to \$3,000,000 the statutory amount DHS is required to distribute annually to free and charitable clinics.

[Act 15 Section: 322]

24. WISCONSIN CHRONIC DISEASE PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$595,200	- \$500,000	- \$1,095,200
PR	<u>- 52,900</u>	<u>0</u>	<u>- 52,900</u>
Total	- \$648,100	- \$500,000	- \$1,148,100

Governor: Reduce funding by \$359,700 (-\$326,700 GPR and -\$33,000 PR) in 2025-26 and by \$288,400 (-\$268,500 GPR and -\$19,900 PR) in 2026-27 to reflect estimates of the amounts needed to fully fund the Wisconsin chronic disease program (WCDP) in the 2025-27 biennium.

Base funding for the program is \$3,536,500 (\$3,012,700 GPR and \$523,800 PR), but expenditures in recent years have been below this level. DHS estimates total program costs will be \$3,176,800 (\$2,686,000 GPR and \$490,800 PR) in 2025-26 and \$3,248,100 (\$2,744,200 GPR and \$503,900 PR) in 2026-27. This estimate includes \$500,000 GPR above trend levels in both years as a contingency that would be available if costs exceed the Department's forecast.

The WCDP funds services for individuals with chronic renal disease, hemophilia, and adult cystic fibrosis that are not covered by other public or private health insurance plans. Enrollees in WCDP are responsible for deductibles and coinsurance based on their household income and size, and copayments on prescription medications. The Department receives rebate revenue from drug manufacturers for medications dispensed through WCDP, which is budgeted as program revenue (PR).

Joint Finance/Legislature: Reduce funding by \$250,000 GPR annually so that \$2,926,800 (\$2,436,000 GPR and \$490,800 PR) in 2025-26 and \$2,998,100 (\$2,494,200 GPR and \$503,900 PR) in 2026-27 is budgeted for the program.

25. WOMEN'S HEALTH BLOCK GRANT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$387,200	- \$387,200	\$0

Governor: Provide \$193,600 annually for the women's health block grant. Base funding for the program is \$1,742,000 GPR, which DHS combines with a portion of federal funds the state receives under the maternal and child health block grant program.

In addition, make the following statutory changes to the program.

First, define "family planning" and "family planning services," for the purposes of programs supported by the women's health block grant, to include the provision of non-directive information explaining "pregnancy termination." Under current law, "family planning" and "family planning services" refer only to the provision of information explaining prenatal care and delivery and infant care, foster care or adoption.

Second, repeal provisions that prevent a grantee that is a public entity from providing these funds to another public or private entity that does any of the following: (a) provides abortion services; (b) makes referrals for abortion services; or (c) has an affiliate that provides abortion services or makes referrals for abortion services.

The bill would maintain current statutes that prevent grantees from using this funding to perform, promote, encourage, or counsel in favor of the voluntary termination of a pregnancy.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

26. EMERGENCY FOOD ASSISTANCE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$376,000	- \$376,000	\$0

Governor: Provide \$188,000 annually to increase funding for eligible recipient agencies (ERAs) that administer the emergency food assistance program (TEFAP), which provides bulk commodity foods to food pantries across the state. This funding is intended to supplement federal funding allocations that ERAs received in 2024 (\$914,100) by 20% to support increased costs of administering food commodities.

Most TEFAP administrative funding is spent on food warehousing and delivering food to food pantries. The Department maintains three contracts, with the Department of Public Instruction (DPI), ERAs, and the Wisconsin Community Action Program Association (WISCAP), to conduct these and other administrative functions. All of the GPR base funding currently budgeted for the

program (\$288,000) supports the contract with DPI. The remaining costs for program administration and food purchasing are federally-funded.

Joint Finance/Legislature: Provision not included.

27. WISCONSIN IMMUNIZATION REGISTRY STAFF

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$349,400	2.00	-\$349,400	- 2.00	\$0	0.00

Governor: Provide \$152,600 in 2025-26 and \$196,800 in 2026-27 to fund 2.0 positions, beginning in 2025-26, to assist with data exchanges between health care providers' electronic health record systems and the Wisconsin Immunization Registry (WIR) and to improve the quality of WIR, including identifying and resolving problems with duplicate records. These positions would perform work currently conducted by contracted staff supported by one-time supplemental COVID funds.

WIR is a centralized information system that tracks immunization data for all Wisconsin residents, enabling providers anywhere in the state to access vaccination information and help patients determine what immunizations they may need.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

28. HEALTH CENTER LOOK-ALIKES [LFB Paper 385]

GPR	\$200,000

Governor/Legislature: Provide \$200,000 annually to fund grants to "health center look-alikes" (HCLALs). Define a "HCLAL" as a health care entity designated as a federally-qualified health center look-alike (FQHC LAL) by the federal Health Resources Services Administration (HRSA). Specify that total grant amounts to HCLALs may not exceed \$200,000 annually, and that no grant may exceed \$100,000.

FQHC LALs provide many of the same services as FQHCs, but do not receive grant funding from HRSA. There are currently two FQHC LALs in Wisconsin -- the Rock River Community Clinic in Whitewater and the Muslim Community Health Center in Milwaukee.

In addition, clarify that that free and charitable clinics, which currently receive grants from DHS, are not HCLALs.

[Act 15 Sections: 320 and 323]

29. MATERNAL AND CHILD HEALTH -- PROMOTIONAL CAMPAIGN

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$250,000	- \$250,000	\$0
FED	<u>250,000</u>	<u>- 250,000</u>	<u>0</u>
Total	\$500,000	- \$500,000	\$0

Governor: Provide \$250,000 (\$125,000 GPR and \$125,000 FED) annually to increase advertising of state Maternal and Child Health (MCH) resources.

The Department has previously contracted with Pigorsch Media Design to develop promotional awareness campaigns involving focus groups, advertising spots, and other initiatives intended to reach MA-eligible pregnant women. This item would increase funding for the contract, to provide ongoing campaigns increasing awareness of the Well Badger website and other MCH referral services.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

30. POISON CONTROL

GPR	\$200,000

Governor/Legislature: Provide \$100,000 annually to increase state support for the statewide poison control program. Modify statutory provisions relating to the program by increasing from \$425,000 to \$482,500 the maximum GPR funding DHS may provide for the program in any year. Base funding is \$382,500 GPR, which is less than the statutory maximum GPR funding DHS may distribute for the program.

The Department currently contracts with Children's Wisconsin to provide poison control services, which include providing poison information and education to health care professionals and the public on a statewide, 24-hour per day and 365 days per year basis. By statute, Children's Wisconsin is required to provide matching funds of at least 50% of state funding.

[Act 15 Section: 324]

31. MATERNAL AND CHILD HEALTH -- WELL BADGER RESOURCE CENTER WEBSITE REDESIGN

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$180,000	- \$180,000	\$0
FED	<u>180,000</u>	<u>- 180,000</u>	<u>0</u>
Total	\$360,000	- \$360,000	\$0

Governor: Provide \$180,000 (\$90,000 GPR and \$90,000 FED) annually to fund a redesign

of the Well Badger Resource Center website to improve accessibility and accuracy of the information on the website. The Well Badger Resource Center website is a centralized source for the public to access information about available public health resources, including maternal and child health programs. DHS requires local and tribal health departments to maintain accurate program information on the website.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

32. COMMUNITY DENTAL HEALTH COORDINATORS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$100,000	- \$100,000	\$0
FED	<u>100,000</u>	<u>- 100,000</u>	<u>0</u>
Total	\$200,000	\$200,000	\$0

Governor: Provide \$200,000 (\$100,000 GPR and \$100,000 FED) in 2026-27 to fund grants to hire regional community dental health coordinators (CDHC) in rural regions of Wisconsin. Allocate the funding in the GPR and FED appropriations that support MA and FoodShare contracts, and modify the appropriations to authorize DHS to provide grants to hire CDHCs from these appropriations.

The funding in the bill is intended to support one CDHC position, who would be a dental health professional such as a dental hygienist or dental assistant, who has also received training in case management, navigation, oral health education, and community mapping. The Department indicates that grant applicants may include federally-qualified health centers, community clinics, county public health agencies, and independent dental coalitions.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

33. CARDIAC ARREST REGISTRY TO ENHANCE SURVIVAL

GPR	\$50,000

Governor/Legislature: Provide \$25,000 annually to fund automatic data uploading privileges in the Cardiac Arrest Registry to Enhance Survival (CARES) digital registry of out-of-hospital cardiac arrests (OHCAs).

CARES was established by the Centers for Disease Control and Emory University in an effort to improve survival from cardiac arrest through OHCA data collection. It is maintained by Emory University, and enables participating EMS agencies and the jurisdictions where they operate to monitor and assess the level of local cardiac arrest response effectiveness over time by tracking where and when OHCAs they responded to occurred, and the eventual health outcomes of their patients who experienced an OHCA.

Wisconsin participates in CARES, but does not require EMS agencies to enter data on OHCAs into the registry because of the administrative burden of entering this information. Of over 800 EMS agencies active in Wisconsin, 140 currently report data with CARES. The funding in this item would support costs of purchasing an expanded subscription to the CARES module to enable DHS to automatically upload data to CARES through the current Wisconsin Ambulance Run Data System so local EMS agencies would no longer enter the data themselves.

34. NEWBORN SCREENING PROGRAM -- DISORDERS SUBJECT TO SCREENS

Governor: Establish procedures to determine whether a condition should be tested under the newborn screening program, as follows.

Disorders Added by RUSP after January 1, 2025. Require DHS to conduct an initial evaluation of any disorder added to the federal Recommended Uniform Screening Panel (RUSP) after January 1, 2025, to determine whether it should be included in screenings required in Wisconsin. Exclude from this requirement any disorder that is already included in Wisconsin's required screenings, or is in the process of being included in the list of disorders DHS screens for under current law.

Specify that if the initial evaluation determines that the disorder should be screened for in Wisconsin, the Department must commence rule-making to add the disorder to Wisconsin's screening list, which is specified in rule. Provide that DHS must conduct the evaluation and, if necessary, commence rule making procedures within 18 months of the condition's addition to RUSP.

Disorders in RUSP as of January 1, 2025 but Not Screened in Wisconsin. Require DHS, within 18 months of the bill's effective date, to evaluate any disorder in RUSP as of January 1, 2025, to determine whether it should be included in screenings required in Wisconsin and, if so, commence rule making.

Annual Reviews. For every disorder ruled out of screening requirements through the initial evaluation, a later reevaluation, or for disorders in RUSP as of January 1, 2025, that DHS determines should not be included in Wisconsin's screenings, require DHS to conduct annual reviews of academic medical literature relating to the condition since the last evaluation to determine whether another evaluation of the need for testing inclusion of the condition should be conducted. Separately, the Department must determine whether it has the capacity and resources needed to require testing for the disorder.

Provide that if DHS finds in an annual review of academic medical literature that new information has been identified that would merit a reevaluation of whether testing for a disorder should be required in Wisconsin, or that the Department has the capacity and resources needed to include testing for the disorder, then the Department must conduct a reevaluation to determine whether screening for the condition should be required in Wisconsin. If the reevaluation determines that screening should be included, the Department must initiate rule making procedures to add the condition to the required screening list. Specify that reevaluations and the commencement of rule making procedures must occur within 18 months of the completion of any annual review which finds that a condition included in RUSP should be reevaluated for inclusion

in screening in Wisconsin. Specify that these review requirements do not pertain to conditions which are removed from RUSP in the future.

Emergency Rules. For these purposes, authorize DHS to promulgate emergency rules without finding that an emergency exists. Specify that if the Department submits in proposed form a permanent rule to the Legislative Council Staff within 15 months of the date the statement of scope of the emergency rule is published, the emergency rule would remain in effect until the date on which the permanent rule takes effect or the date on which the statement of scope expires, whichever happens first.

Start Date for New Screens. Specify that the Department must ensure that screenings for any disorder added by rule in the process specified above begin within six months of the date of rule publication.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

35. EMS -- FUNDING ASSISTANCE PROGRAM

Governor: Modify the current emergency medical services (EMS) funding assistance program as follows.

Funding Formula. Modify the statutory formula DHS uses to allocate funding to EMS units by repealing the requirement that each grantee receive an identical base amount. Instead, require DHS to establish the base amount based on provider type. In addition, authorize DHS to use relevant factors other than the population of a service provider's primary service area in determining the supplemental amount grantees receive.

Modify limits on grantees' awards by deleting references to "equipment" from restrictions prohibiting grantees from expending more than 15% of their annual grant awards on nondurable or disposable medical supplies, medications, and equipment.

Training and Education. Modify provisions relating to the use of grant funds to pay for certain training, licensure and certification requirements for emergency medical technicians to change these references to emergency medical services practitioners.

Initial Applicability. Provide that these provisions would first apply to the EMS funding assistance grant program on the bill's general effective date.

Currently, DHS is budgeted \$25,000,000 SEG annually from the local government fund to provide as grants to EMS units under the EMS funding assistance program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

36. ADULT LEVEL I TRAUMA HOSPITAL GRANTS

GPR	\$70,000,000

Joint Finance/Legislature: Provide \$35,000,000 annually in a new annual appropriation for making grants to hospitals that satisfy the criteria established by the American College of Surgeons for classification as a Level I adult trauma center. Require DHS to make grants annually to qualifying hospitals. Currently, University of Wisconsin Hospital and Clinics and Froedtert Hospital are the two hospitals in the state meeting this criteria.

[Act 15 Sections: 57 and 148]

37. HOSPITAL SUPPORT PAYMENT FOR HOSPITALS IN WAUKESHA COUNTY

GPR	\$30,000,000

Joint Finance: Provide \$15,000,000 annually in a new annual appropriation for making payments to eligible hospitals, and require DHS to make payments of that amount in 2025-26 and annually thereafter. Define an eligible hospital that meets all of the following criteria: (a) is located in Waukesha County; (b) is a hospital by the Department of Health Services; (c) has 300 or more licensed acute care beds; (d) is privately owned and operated as a nonprofit; (e) serves as a regional referral center providing tertiary-level care to residents of multiple counties; and (f) provides specialized services in at least three of the following areas: (i) cardiology; (ii) oncology; (iii) orthopedic surgery; (iv) obstetrics with neonatal intensive care; and (v) behavioral health.

Specify that a hospital receiving a payment may use the funds for any of the following: (a) staffing an equipment for specialty services with high regional demand; (b) capital upgrades that expand access to intensive or specialty care; (c) support for complex patient discharge planning and community care coordination; and (d) programs that improve outcomes for patients with dementia, chronic disease, or behavioral health conditions.

Require each hospital receiving a payment to submit an annual report to DHS that includes all of the following: (a) a summary of how the funds were used; (b) the number and type of patients service the supported services; and (c) an attestation that funds were not used to supplant other public or private reimbursement.

Senate/Legislature: Modify the hospital reporting requirement under the program to: (a) delete the requirement that the hospital report on the number and type of patients served through services supported by the use of the funds; and (b) delete the requirement that the recipient attest that funds were not used to supplant other public or private reimbursements. Rename the program and appropriation for making the grants to "Regional tertiary care center."

[Act 15 Sections: 56 and 147]

38. MINOR SAFETY PLAN SHARING PORTAL

Joint Finance/Legislature: Provide \$477,000 in 2025-26 and \$342,200 in 2026-27 in the Committee's program supplements appropriation to fund a grant to the Wisconsin Statewide Health Information Network to create and maintain an online portal where law enforcement, schools,

medical professionals, and other entities may be granted access to minors' safety plans. This item would provide funding to implement enrolled Senate Bill 108, which was presented to the Governor June 26, 2025. The fiscal effect of this provision is reflected in "Program Supplements."

39. SURGICAL COLLABORATIVE OF WISCONSIN

GPR	\$300,000

Joint Finance/Legislature: Provide \$150,000 annually as a grant to the Surgical Collaborative of Wisconsin (SCW). Create an annual appropriation for this purpose.

[Act 15 Sections: 58 and 316]

Behavioral Health

1. CRISIS URGENT CARE AND OBSERVATION FACILITY GRANTS [LFB Paper 400]

	Governor (Chg. to Base) Funding Positions			Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$20,161,400	1.00	- \$20,161,400	- 1.00	\$0	0.00	

Governor: Provide \$20,000,000 in 2025-26 to fund grants for crisis urgent care and observation facilities. Modify the appropriation for the grant program to make it a continuing, instead of biennial, appropriation. Provide \$161,400 in 2025-26 and 1.0 permanent position, beginning in 2025-26, to develop administrative rules and administer the grant program.

2023 Act 249 established the crisis urgent care and observation facilities as a new facility type, with requirements that they serve as a triage service for persons experiencing a crisis, and that they be equipped to accept persons on a voluntary or involuntary basis. It is expected that licensed facilities, once established, will be able to bill insurance or the Medical Assistance program, if applicable, for services provided. However, it is also expected that the cost to maintain staffing on a 24-hour basis, with sufficient capacity to accommodate periods of high utilization, will be greater than the amount of patient revenue collected for services. The grant funding provided under this item is intended to provide an additional source of support to make the facilities viable. Funding would be provided in the first year only, but with the proposed change to make the grants appropriation into a continuing appropriation, these funds would remain available until expended.

The 2023-25 budget provided \$15,000,000 GPR in the Joint Committee on Finance program supplements appropriation for the purpose of funding grants to for crisis urgent care and

observation facilities. However, since the administrative rules needed to begin licensing these facilities under Act 249 have not been completed, the Department has not yet made a request for this funding. The funding will lapse to the general fund at the close of the 2023-25 biennium if the Department does not make a request or if the Committee does not approve a request prior to that time.

Joint Finance: Delete funding for grants (-\$20,000,000) in 2025-26 and the 1.0 position and associated funding (-\$161,400) in 2025-26. Instead, provide \$10,000,000 GPR in 2025-26 in the Finance Committee's program supplements appropriation for crisis urgent care and observation facility grants. The fiscal effect of this provision is reflected in "Program Supplements."

2. 988 SUICIDE AND CRISIS LIFELINE SUPPORT [LFB Paper 401]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$12,197,700	- \$5,197,700	\$7,000,000

Governor: Provide \$4,217,900 in 2025-26 and \$7,979,800 in 2026-27 in a new appropriation for 988 suicide and crisis lifeline grants. Require the Department to award grants to organizations that provide crisis intervention services and crisis care coordination to individuals who contact the national crisis hotline from anywhere in the state. Specify that the national crisis hotline refers to the 988 telephone or text access number, or its successor.

Currently, the Department contracts with Family Services of Northeast Wisconsin to operate the state's 988 suicide and crisis lifeline, which accepts calls, texts, and chats from Wisconsin residents who are experiencing crisis or having suicidal thoughts. The lifeline operates 24 hours a day, seven days a week and is staffed by mental health professionals and trained volunteers to help callers manage crisis episodes and connect them with local, follow-up services as needed. Wisconsin's 988 lifeline is a member organization of the national 988 suicide and crisis lifeline.

The contract for the 988 lifeline is currently funded with federal grants, including an annual allocation of \$2,000,000 from the state's federal mental health block grant funds, and other targeted federal grants for 988 service improvement and expansion. This item would provide state funding to support estimated costs to continuing the service in the 2025-27 biennium, support county crisis programs, and replace federal funding that is not expected to continue once it expires.

Joint Finance/Legislature: Provide an increase of \$2,782,100 in 2025-26 and reduce funding by \$7,979,800 in 2026-27. Convert the appropriation from an annual to a biennial appropriation. With these changes, Act 15 provides \$7,000,000 in 2025-26, but no funding in 2026-27. This funding reflects a reestimate of funding required to maintain the current 988 Lifeline service in the biennium, with a 80% in-state answer rate.

[Act 15 Sections: 63, 64, and 146]

3. REGIONAL CRISIS STABILIZATION FACILITIES GRANTS [LFB Paper 400]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$7,599,000	- \$7,599,000	\$0

Governor: Provide \$3,760,000 in 2025-26 and \$3,839,000 in 2026-27 to fund grants to support regional crisis stabilization facilities. Create an annual GPR appropriation for this purpose, and require DHS to award grants to fund services at facilities that provide crisis stabilization, based on criteria established by the Department.

Crisis stabilization facilities are licensed as community-based rehabilitation facilities or adult family homes that take voluntary placements. Crisis stabilization facilities are partially supported through billing Medical Assistance or other insurance, but due to staffing costs associated with maintaining bed capacity at all times, generally cannot be fully supported through billing for service. Grant funds for crisis stabilization facilities are intended to provide an additional source of funding. The Administration indicates that the funding provided under this item is intended to support the operating costs of five regional crisis stabilization facilities that are currently funded with one-time supplemental mental health block grant funds.

Joint Finance/Legislature: Provision not included.

4. COMPREHENSIVE MENTAL HEALTH CONSULTATION PROGRAM [LFB Paper 402]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,000,000	- \$4,000,000	\$0

Governor: Provide \$2,000,000 annually to expand consultation services that the Medical College of Wisconsin provides to assist primary care physicians and clinics in providing care to their patients by creating a comprehensive mental health consultation program, replacing the existing consultation program for child psychiatry, and retaining a separate consultation program for addiction medicine.

Mental Health Consultation Program. Provide a total of \$4,000,000 GPR annually to fund a mental health consultation program by: (a) reallocating \$2,000,000 of \$2,500,000 in base funding budgeted for the child psychiatry and addiction medicine consultation program; and (b) providing an additional \$2,000,000 annually to support the new program.

Require DHS, during 2025-26, to contract with the organization that provided consultation services through the child psychiatry consultation program as of January 1, 2025 (the Medical College of Wisconsin), to administer the mental health consultation program and specify that in subsequent fiscal years the Department must contract with that organization or another organization to administer the mental health consultation program. Specify that the contracting

organization must administer a mental health consultation program that incorporates a comprehensive set of mental health consultation services, which may include perinatal, child, adult, geriatric, pain, veteran, and general mental health consultation services. Specify that the organization may contract with any other entity to perform any operations and satisfy any requirements under the program. Specify that consultation through the program may be provided by teleconference, video conference, voice over Internet protocol, email, pager, in-person conference, or any other telecommunication or electronic means.

In addition, require the contracting organization to do all of the following:

- Ensure that all mental health care providers who are providing services through the program have the applicable credential from the state, and that any psychiatric professional providing consultation services is eligible for certification or is certified by the American Board of Psychiatry and Neurology for adult psychiatry, child and adolescent psychiatry, or both, and that any psychologist providing consultation services is registered in a professional organization, including the American Psychological Association, National Register of Health Service Psychologists, Association for Psychological Science, or the National Alliance of Professional Psychology Providers;
- Maintain the infrastructure necessary to provide the program's services statewide;
- Operate the program on weekdays during normal business hours of 8 a.m. to 5 p.m.;
- Provide consultation services under the program as promptly as is practicable;
- Have the capability to provide consultation services by, at a minimum, telephone and email;
- Provide all of the following services through the program: (i) support for participating clinicians to assist in the management of mental health concerns; (ii) triage-level assessments to determine the most appropriate response to each request, including appropriate referrals to any community providers and health systems; (iii) when medically appropriate, diagnostics and therapeutic feedback; and (iv) recruitment of other clinicians into the program as participating clinicians when possible;
- Report to DHS any information requested by the Department; and
- Conduct annual surveys of participating clinicians who use the program to assess the quality of care provided, self-perceived levels of confidence in providing mental health services, and satisfaction with the consultations and other services provided through the program.

Specify that immediately after participating clinicians begin using the program and again six to 12 months later, the contracting organization may conduct assessments of participating clinicians to assess the barriers to and benefits of participation in the program to make future improvements and to determine the participating clinicians' treatment abilities, confidence, and awareness of relevant resources before and after beginning to use the program.

Specify that, in addition to the consultation services, the contracting organization may provide any of the following services, eligible for funding from the Department: (a) second opinion

diagnostic and medication management evaluations and community resource referrals conducted by either a psychiatrist or allied health professionals; (b) in-person or web-based educational seminars and refresher courses on a medically appropriate topic within mental or behavioral health care provided to any participating clinician who uses the program; and (c) data evaluation and assessment of the program.

Define "participating clinicians," for the purposes of the program, to include physicians, nurse practitioners, physician assistants, and medically appropriate members of the care teams of physicians, nurse practitioners, and physician assistants.

Repeal provisions enacted as part of 2019 Act 9 that direct DHS to develop a comprehensive mental health consultation program.

Child Psychiatry and Addiction Medicine Consultation Program. Repeal all provisions relating to the child psychiatry consultation program to reflect the availability of these services under the new mental health consultation program. Retitle the appropriation and purpose for this program to reflect the creation of the mental health consultation program. Retain provisions relating to the addiction medicine consultation program, and create a biennial appropriation, budgeted at \$500,000 GPR annually, to continue to support the addiction medicine consultation program.

The Administration indicates that the funding increase needed to establish a comprehensive mental health consultation program was based on the assumption that the contractor would hire a psychiatric specialist in the following areas: general adult psychiatry, child and adolescent psychiatry, addiction medicine/psychiatry, perinatal psychiatry, geriatric psychiatry, pain medicine, veteran care, and infant mental health. In addition, it was assumed that the contractor would require an addition 10 support positions to deliver consultation services.

Joint Finance/Legislature: Provision not included.

5. QUALIFIED TREATMENT TRAINEE GRANT PROGRAM [LFB Paper 402]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,005,000	- \$3,005,000	\$0

Governor: Provide \$1,502,500 annually to increase funding for qualified treatment trainee (QTT) grants.

A QTT is a person who has earned or is working toward a graduate degree in one of several mental health fields, such as psychology, social work, marriage and family therapy, or nursing, but who has not yet completed supervised practice requirements necessary for professional licensure. DHS makes grants to mental health and substance abuse providers to help support the employment of QTTs during their period of supervised practice. Grant funds are used to support QTT salaries when the employer is unable to bill insurance for services provided by a QTT, or to offset the cost of professional supervision and training, which is itself not a billable expense.

The base funding for grants is \$750,000 GPR, although the Department has supplemented this amount in the last several years with allocations of federal block grant funds and federal funding received under the American Recovery Plan Act (ARPA). The Administration indicates that although the funding under this item would not be sufficient to replace expiring ARPA funding, it would replace 50% of the amount of ARPA funds used to support QTT grants in 2022-23.

Joint Finance/Legislature: Provision not included.

6. LAW ENFORCEMENT AND BEHAVIORAL HEALTH COLLABORATION GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,000,000	- \$2,000,000	\$0

Governor: Provide \$1,000,000 annually for law enforcement and behavioral health services emergency response collaboration programs, and require DHS to award \$2,000,000 in each fiscal biennium to counties, regions comprised of multiple counties, or municipalities to establish and enhance law enforcement and behavioral health services emergency response collaboration programs. Specify that grant recipients must match at least 25% of the grant amount awarded for the purpose that the grant is received.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY CERTIFICATION AND GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,790,000	- \$1,790,000	\$0

Governor: Provide \$1,790,000 in 2026-27 and authorize DHS to distribute not more than that amount annually to support psychiatric residential treatment facilities. This funding would be budgeted in a current appropriation that supports grants for community programs for mental health and substance abuse services.

Define a psychiatric residential treatment facility (PRTF) as a non-hospital facility that provides inpatient comprehensive mental health treatment services to individuals under the age of 21 who, due to mental illness, substance use, or severe emotional disturbance, need treatment that can most effectively be provided in a residential treatment facility. Specify that no person may operate a PRTF without a certification from the Department. Specify that a PRTF that is certified

by the Department is not subject to facility regulations currently applicable to children's facilities licensed by the Department of Children and Families, such as foster homes, group homes, and child care centers. Authorize the Department to limit the number of certifications it grants to operate a PRTF.

Specify that services provided by a PRTF that are certified by the Department are eligible for reimbursement under the Medical Assistance program. Require DHS to submit to the federal Department of Health and Human Services any request for a state plan amendment, waiver, or other federal approval necessary to provide reimbursement under the program. Require DHS to provide reimbursement for such services if federal approval is granted or if no federal approval is required. Specify that if federal approval is not granted, the Department may not provide MA reimbursement for services provided by PRTFs.

Authorize the Department to promulgate rules to implement provisions related to PRTFs. Authorize the Department to promulgate an emergency rule implementing these provisions, including the development of a new provider type and a reimbursement model for PRTFs under MA, without meeting prerequisites that otherwise apply to emergency rulemaking authority. Specify that any such emergency rules would remain in effect until July 1, 2027, or the date that permanent rules take effect, whichever is sooner.

The Administration indicates that the creation of a psychiatric residential treatment facility type is intended to provide a treatment option for youths with complex needs in out-of-home care who are currently placed in out-of-state facilities. These facilities are expected to bill MA to support most of their operational costs. However, this item would provide funding for "bed hold" grants to help support the facility's costs, with the expectation that it would not always be fully occupied with MA-eligible youth.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. PEDIATRIC HEALTH PSYCHOLOGY RESIDENCY AND FELLOWSHIP TRAINING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,200,000	- \$1,200,000	\$0

Governor: Provide \$600,000 annually in the Department's Division of Public Health general aids and local assistance appropriation to support grants for pediatric health psychology residency and fellowship training programs, and authorize the Department to award grants of not more than \$600,000 in each fiscal year for that purpose.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. PEER-RUN RESPITE CENTERS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,700,000	- \$2,700,000	\$0
PR	<u>- 900,000</u>	<u>900,000</u>	<u>0</u>
Total	\$1,800,000	- \$1,800,000	\$0

Governor: Provide \$900,000 (\$1,350,000 GPR and -\$450,000 PR) annually to fund grants for peer-run respite centers.

Peer-run respite centers provide short-term residential stays for persons experiencing mental health or substance abuse issues, staffed by persons who have had experience living with those conditions. Base funding for peer-run respite center grants is \$1,325,000 GPR, which the Department currently distributes to three centers in Appleton, Madison, and Menomonie, and \$450,000 PR, which DHS provides to a peer-run respite center for veterans in the Pewaukee. The program revenue for the current grant is drawn from revenues collected, primarily from counties, for the treatment of civil patients at the Winnebago Mental Health Institute. In addition to these peer-run respite centers, beginning in 2021, the Department allocated a portion of mental health block grant supplemental funds to support two additional peer-run respite centers in La Crosse and Milwaukee. All peer-run respite centers receive an annual grant of between \$440,000 and \$450,000 to support their operations.

The funding adjustments in this item reflect the net effect of two changes. First, the bill would provide \$900,000 GPR annually to continue funding two peer-run respite centers that are currently supported with federal mental health block grant supplement funding that will no longer be available in the 2025-27 biennium. Second, the bill would provide \$450,000 GPR annually to replace \$450,000 PR as the funding source for a grant made to support a peer-run respite center for veterans in Pewaukee. The Administration indicates that due to a deficit in the program revenue account for the mental health institutes, the peer-run respite center for veterans can no longer be supported from this source.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. PEER-RUN WARMLINE GRANT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,094,000	- \$1,094,000	\$0

Governor: Provide \$462,200 in 2025-26 and \$631,800 in 2026-27 to support a statewide, peer-run warmline.

A peer-run warmline is a 24-hour telephone service staffed by peer specialists to help callers

cope with non-emergency mental health or substance abuse issues, with the goal of reducing reliance on mental health crisis systems. Warmline staff do, however, provide referral to other services, including crisis response, if necessary. DHS began supporting a statewide peer-run warmline with federal mental health block grant supplemental funds in 2022, but those funds are expected to be exhausted by September of 2025. The funding in this item is intended to allow the warmline to continue to operate, with GPR funding, after the federal funding expires.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. PEER RECOVERY CENTER GRANTS [LFB Paper 402]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$620,000	- \$620,000	\$0

Governor: Provide \$310,000 annually in the Department's grants for community programs appropriation for making grants to regional peer recovery centers for individuals experiencing mental health and substance abuse issues. A peer recovery center is a place where adults who have experienced mental health or substance use issues may meet with others who have had similar experiences to help sustain their recovery. There is no charge for this service. Unlike a peer respite center, a peer recovery center does not offer overnight residential services.

The Department currently provides grants to 11 peer recovery centers of \$30,000 each, which are supported by federal mental health and substance abuse block grant funds. Of these 11, three are supported with block grant supplements, which are expiring in 2025, while the other eight are supported with the state's standard block grant allocations. The funding under this item is intended increase the grants made to the 11 peer recovery centers by \$20,000 each, from \$30,000 to \$50,000. For the three centers currently supported with block grant supplements, the additional funding would replace the expiring funds.

Joint Finance/Legislature: Provision not included.

12. COMMUNITY-BASED WITHDRAWAL MANAGEMENT CENTERS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$500,000 annually for grants to community-based withdrawal centers, and require DHS to distribute not more than \$500,000 in each fiscal year to such centers, including those certified as an adult residential integrated behavioral health stabilization service, residential intoxication monitoring service, or residential withdrawal management service.

Establish detoxification and stabilization services as a covered service under the Medical Assistance program. Define a *detoxification and stabilization service* as any one of the following (defined terms in italics):

(a) an *adult residential integrated behavioral health stabilization service*, defined as a residential behavioral health treatment service, delivered under the oversight of a medical director, that provides withdrawal management and intoxication monitoring, as well as integrated behavioral health stabilization services, and includes nursing care on site for medical monitoring available on a 24-hour basis. Specify that an adult residential integrated behavioral health stabilization service may include the provision of services including screening, assessment, intake, evaluation and diagnosis, medical care, observation and monitoring, physical examination, determination of medical stability, medication management, nursing services, case management, drug testing, counseling, individual therapy, group therapy, family therapy, psychoeducation, peer support services, recovery coaching, recovery support services, and crisis intervention services, to ameliorate acute behavioral health symptoms and stabilize functioning;

(b) a *residential withdrawal management service*, defined as a residential substance use treatment service that provides withdrawal management and intoxication monitoring, and includes medically managed 24-hour on-site nursing care, under the supervision of a physician. Specify that a residential withdrawal management service may include the provision of services, including screening, assessment, intake, evaluation and diagnosis, medical care, observation and monitoring, physical examination, medication management, nursing services, case management, drug testing, counseling, individual therapy, group therapy, family therapy, psychoeducation, peer support services, recovery coaching, and recovery support services, to ameliorate symptoms of acute intoxication and withdrawal and to stabilize functioning. Specify that a residential withdrawal management service may also include *community-based withdrawal management* and intoxication monitoring services; or

(c) a *residential intoxication monitoring service*, defined as a residential service that provides 24-hour observation to monitor the safe resolution of alcohol or sedative intoxication and to monitor for the development of alcohol withdrawal for intoxicated patients who are not in need of emergency medical or behavioral healthcare. Specify that a residential intoxication monitoring service may include the provision of services including screening, assessment, intake, evaluation and diagnosis, observation and monitoring, case management, drug testing, counseling, individual therapy, group therapy, family therapy, psychoeducation, peer support services, recovery coaching, and recovery support services.

Define *community-based withdrawal management*, as a medically-managed withdrawal management service delivered on an outpatient basis by a physician or other service personnel acting under the supervision of a physician.

Authorize DHS to submit to the federal Department of Health and Human Services any request for a state plan amendment, waiver, or other federal approval necessary to provide reimbursement for detoxification and stabilization services. Specify that if request is approved or if no federal approval is necessary, the Department shall provide the reimbursement under MA for detoxification and stabilization services, but if the request is not approved, the Department may not provide the reimbursement for such services under MA.

Currently under MA, detoxification is a covered service only if provided in a hospital setting. This item would establish eligibility for residential detoxification and stabilization services in one of three residential facility types intended for individuals who are not in need of full hospitalization. The bill would not provide funding in MA for reimbursement of this service, since the Administration anticipates that reimbursement for these services would not begin during the biennium. However, the bill would establish a grant program to help provide a source of support for withdrawal centers other than service reimbursement.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. LAW ENFORCEMENT OFFICER VIRTUAL BEHAVIORAL HEALTH CRISIS CARE PROGRAM [LFB Paper 402]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$800,000	- \$800,000	\$0

Governor: Provide \$400,000 annually for grants under the law enforcement officer virtual behavioral health crisis care pilot program.

This program, established by 2023 Act 219, makes grants to county crisis agencies to support behavioral health crisis care services to individuals experiencing a behavioral crisis on a remote basis using two-way audio/video communication, with the assistance of law enforcement officers. Counties that are awarded a grant may contract with law enforcement agencies to provide telehealth equipment and develop virtual behavioral health care. The pilot program was funded on a one-time basis with \$2,000,000 GPR in 2024-25, but the funding is not included in the ongoing appropriation base. This item would establish ongoing funding for the program, at \$400,000 per year.

Joint Finance/Legislature: Provision not included.

14. ROGERS BEHAVIORAL HEALTH GRANT

Joint Finance/Legislature: Provide \$10,000,000 GPR in 2025-26 in the Joint Committee on Finance program supplements appropriation to fund grants to Rogers Behavioral Health to develop an integrated mental health campus in the Chippewa Valley. The fiscal effect of this item is reflected in "Program Supplements."

15. PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES

Joint Finance/Legislature: Provide \$1,790,000 GPR in 2025-26 in the Joint Committee on Finance program supplements appropriation to support grants for psychiatric residential treatment facilities. The fiscal effect of this item is reflected in "Program Supplements."

**16. GRANT FOR LUTHERAN SOCIAL SERVICES FOR
LIBERTAS TREATMENT CENTER**

GPR	\$1,000,000

Joint Finance/Legislature: Provide \$1,000,000 in 2025-26 in the Department's appropriation for grants for community programs and require the Department to make a grant of that amount to Lutheran Social Services of Wisconsin and Upper Michigan in 2025-26 for the purchase and renovation of the Libertas Treatment Center in Chippewa Falls to provide a 50-bed treatment center to men with substance use disorders who are in need of services.

[Act 15 Section: 9119(1)]

Care and Treatment Facilities

1. GENERAL FUND SUPPORT FOR CIVIL TREATMENT COSTS [LFB Paper 410]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Transfer	\$33,850,500	- \$18,050,500	\$15,800,000

Governor: Transfer \$18,599,500 in 2025-26 and \$15,251,000 in 2026-27 from the general fund to the program revenue appropriation for the state mental health institutes to support the operations of the Winnebago Mental Health Institute. Modify the statutory appropriation language for the Department's institutional operations and charges PR appropriation to reflect the receipt of this transfer.

The cost of the treatment of civil patients at the Winnebago Mental Health Institute is paid primarily through assessments levied on counties for their residents who are placed at Winnebago under an emergency detention or civil commitment process. DHS also bills the Medical Assistance program or other insurance when possible to provide for patient care. The Administration indicates that the intent of this item would be to offset a portion of the higher costs incurred for the use of contract staff and recent wage increases for security positions at Winnebago, so that increases in the daily rate charged to counties increase at no greater than 10% per year.

Joint Finance/Legislature: Reduce the transfer by \$2,799,500 in 2025-26 and by \$15,251,000 in 2026-27, to provide a net transfer of \$15,800,000 in 2025-26, to offset a portion of the projected biennium-opening deficit in the PR appropriation for civil treatment costs.

[Act 15 Sections: 59 and 9219(1)]

2. GENERAL FUND SUPPORT FOR MENDOTA JUVENILE TREATMENT CENTER COSTS [LFB Paper 271]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$23,166,800	- \$23,166,800	\$0

Governor: Provide \$11,583,400 annually in the Department's general program operations appropriation for the state mental health institutes to partially support supplies and services costs for the Mendota Juvenile Treatment Center (MJTC).

Juvenile offenders are transferred to MJTC from the Department of Corrections' secure juvenile facilities at Lincoln Hills or Copper Lake if DHS and DOC determine that they are appropriate subjects for the treatment services offered at the facility. DOC makes a payment to DHS to cover the personnel costs for MJTC services, but other costs, such as food and supplies and services, are currently covered as part of the overall GPR budget for the Mendota Mental Health Institute. The DOC payment is made from a GPR appropriation (base funding of \$1,365,500) and a PR appropriation supported with daily rate charges levied on counties for their juveniles with a correctional placement under DOC supervision. In 2023-24, the daily average population at MJTC was 23 and DOC transferred \$8.85 million to DHS for MJTC personnel costs.

This item is one part of the Governor's proposal to provide additional GPR support for a portion of juvenile correctional costs, with the intent of maintaining the daily rate charged to counties by DOC at the current amount of \$1,268. In addition to this item, other parts of the Governor's proposal would provide: (a) \$28,119,400 GPR in 2025-26 in a DOC appropriation for juvenile corrections; and (b) GPR positions and funding to staff a new juvenile correctional facility in Milwaukee (see "Corrections--Juvenile Corrections" for summaries of these items).

Joint Finance/Legislature: Provision not included.

3. EXPAND FORENSIC PATIENT TREATMENT AT SAND RIDGE SECURE TREATMENT CENTER [LFB Paper 411]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		<u>Net Change</u> Funding Positions	
GPR	\$6,451,500	29.00	- \$6,451,500	- 29.00	\$0	0.00

Governor: Provide \$2,812,400 in 2025-26 and \$3,639,100 in 2026-27, and 29.0 positions beginning in 2025-26, to expand the capacity for forensic patients at the Sand Ridge Secure Treatment Center (SRSTC).

Forensic patients are committed for treatment by courts as part of a criminal process, and can include individuals undergoing assessment of competency to stand trial, treatment to restore competency, and commitment following a verdict of not guilty by reason of mental disease or

defect. Most forensic patients are committed to the Mendota Mental Health Institute (for males) or the Winnebago Mental Health Institute (for females). Since 2018, however, some forensic patients have been housed at SRSTC to address the high demand for forensic treatment. SRSTC, in Mauston, is used primarily for the civil commitment of sexually violent persons under Chapter 980 of the statutes. In 2022-23, SRSTC had a daily average of 64 forensic patients.

This item would provide positions and funding at SRSTC to staff a 20-bed unit for forensic patients to address ongoing high demand for forensic treatment. Of the 29.0 positions, 20.0 would be psychiatric care technicians, while the others would be treatment personnel of various classifications.

Joint Finance/Legislature: Provision not included.

4. VARIABLE NONFOOD SUPPLIES AND SERVICES [LFB Paper 412]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$38,222,800	- \$61,248,200	- \$23,025,400
PR	<u>-19,404,500</u>	<u>- 64,888,900</u>	<u>- 84,293,400</u>
Total	\$18,818,300	- \$126,137,100	- \$107,318,800

Governor: Reduce funding by \$2,708,900 (\$12,683,900 GPR and -\$15,392,800 PR) in 2025-26 and provide an increase of \$21,527,200 (\$25,538,900 GPR and -\$4,011,700 PR) in 2026-27 to adjust funding for variable nonfood costs at the Department's seven care and treatment facilities. Nonfood supplies and services include medical services, medical supplies, prescription drugs, clothing, laundry, and cleaning supplies.

Of the variable nonfood expenditure categories, medical services is the largest, accounting for about 80% of the total. The Administration's estimates for this expenditure category use the average per person cost by facility in 2023-24, inflated by a growth factor to reflect prevailing cost trends in medical services expenditures over the past three to five years. The resulting per person cost estimate is then multiplied by the projected average daily population for each facility to arrive at the final cost estimate for medical services.

Due to the Department's increased use of contract staffing over the last three to four years (which the Department classifies as a variable medical services), the growth in medical services costs has been well in excess of the general inflation rate over this period. The Administration's estimate for medical services costs uses these growth rates based on the assumption that these costs will continue to increase in the 2025-27 biennium at a similar rate. The annual growth factors used for medical services costs are as follows: (a) 28.3% for the Mendota Mental Health Institute (MMHI); (b) 27.2% for the Winnebago Mental Health Institute (WMHI); (c) 27.0% for the Sand Ridge Secure Treatment Center (SRSTC); (d) 23.3% for the Wisconsin Resource Center (WRC); (e) 2.2% for the Central Wisconsin Center (CWC); (f) 0.8% for Northern Wisconsin Center (NWC); and (g) 16.7% for Southern Wisconsin Center (SWC).

For other variable nonfood supplies and services categories, the Administration's estimate

generally uses an annual inflation rate of 2.2%, although DHS uses higher rates in the prescription drug category for some facilities to reflect recent trends, including a 33.2% annual growth rate at the SRSTC, a 9.3% growth rate at WRC, and a 7.0% growth rate at NWC.

When all variable nonfood supplies and services categories are combined, the Department's estimate projects that per person costs will increase, relative to the 2023-24 actual costs, by approximately 22% at the Mendota MHI, by between 25% and 30% per year for the Winnebago MHI and SRSTC, by approximately 15% at WRC and SWC, and by 2% at CWC and NWC. In addition, the Administration projects that average daily populations will generally increase at the facilities (with the exception of the State Centers), which also contributes to the increase in total projected costs.

To calculate the funding adjustments for the bill, the base level funding for each facility is subtracted from the total cost estimates for each year. These adjustments are negative in some cases (particularly in 2025-26), since the base funding levels (the amounts budgeted for 2024-25) are high in relation to current expenditure levels. Consequently, although the Administration projects that variable nonfood expenditures will continue to increase relative to current levels, the sum of those increases are expected to remain below the total base funding level in the first year of the biennium (although at the facility and fund source level, there would be a mix of some increases and some decreases).

Another factor affecting the funding adjustments is a shift in the mix of patients at the Winnebago MHI. The base level of funding for Winnebago reflects the assumption that 16% of the total population are GPR-funded forensic patients and 84% of the total are PR-funded civil patients. The Administration now assumes that 32% of all patients at Winnebago will be GPR-funded forensic patients and 68% will be PR-funded civil patients. This assumption results in a relative increase in the GPR funding and a relative decrease in PR funding needed to support supplies and services costs at that facility. A separate budget item ("Mental Health Institutes Fund Source Reallocation," summarized later in this section), would make a similar adjustment for facility positions and for salary and fringe benefits funding.

The following table shows the Administration's estimate of the cost for variable nonfood supplies and services, by facility and fiscal year, and the proposed funding changes in comparison to the base level of funding.

		2025-26		2026-27	
	<u>Base Funding</u>	<u>Estimate</u>	<u>Change</u>	<u>Estimate</u>	<u>Change</u>
Mendota MHI Total*	\$18,711,900	\$16,504,400	-\$2,207,500	\$21,359,500	\$2,647,600
GPR	17,537,000	14,941,300	-2,595,700	18,316,200	779,200
PR	1,174,900	1,563,100	388,200	3,043,300	1,868,400
Winnebago MHI Total	\$43,708,900	\$51,872,800	\$8,163,900	\$65,350,900	\$21,642,000
GPR	7,126,500	16,652,200	9,525,700	20,978,900	13,852,400
PR	36,582,400	35,220,600	-1,361,800	44,372,000	7,789,600
Sand Ridge STC (GPR)	\$9,158,000	\$14,758,000	\$5,600,000	\$18,827,800	\$9,669,800
Wis. Resource Center (GPR)	\$6,979,200	\$7,133,100	\$153,900	\$8,216,700	\$1,237,500
Central Wis. Center (PR)	\$23,615,500	\$14,227,100	-\$9,388,400	\$14,544,700	-\$9,070,800
Northern Wis. Center (PR)	1,768,900	221,400	-1,547,500	225,000	-1,543,900
Southern Wis. Center (PR)	<u>6,719,000</u>	<u>3,235,700</u>	<u>-3,483,300</u>	<u>3,664,000</u>	<u>-3,055,000</u>
Total, All Facilities	\$110,661,400	\$107,952,500	-\$2,708,900	\$132,188,600	\$21,527,200
GPR	40,800,700	53,484,600	12,683,900	66,339,600	25,538,900
PR	69,860,700	54,467,900	-15,392,800	65,849,000	-4,011,700

* Includes the Mendota Juvenile Treatment Center.

Joint Finance/Legislature: Reduce funding by \$52,070,000 (-\$24,611,600 GPR and -\$27,458,400 PR) in 2025-26 and \$74,067,100 (-\$36,636,600 GPR and -\$37,430,500 PR) in 2026-27 for variable nonfood supplies and services, reflecting updated assumptions on facility populations and per patient costs. The amounts budgeted for these costs in Act 15 are shown in the following table.

Budget for Variable Nonfood Supplies and Services under Act 15

	2025-26			2026-27		
	<u>GPR</u>	<u>PR</u>	<u>Total</u>	<u>GPR</u>	<u>PR</u>	<u>Total</u>
Mendota MHI	\$9,862,700	\$1,031,800	\$10,894,500	\$10,113,500	\$1,680,300	\$11,793,800
Winnebago MHI	5,946,600	12,577,500	18,524,100	6,097,800	12,897,300	18,995,100
Sand Ridge STC	7,496,400	0	7,496,400	7,687,000	0	7,687,000
Wis. Resource Center	5,567,300	0	5,567,300	5,804,700	0	5,804,700
Central Wis. Center	0	11,980,200	11,980,200	0	12,380,300	12,380,300
Northern Wis. Center	0	196,500	196,500	0	201,500	201,500
Southern Wis. Center	<u>0</u>	<u>1,361,200</u>	<u>1,361,200</u>	<u>0</u>	<u>1,396,800</u>	<u>1,396,800</u>
Total	\$28,873,000	\$27,147,200	\$56,020,200	\$29,703,000	\$28,556,200	\$58,259,200

5. FACILITY ELECTRONIC HEALTH RECORDS [LFB Paper 413]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,964,300	- \$1,789,000	\$175,300
PR	<u>988,800</u>	<u>- 884,700</u>	<u>104,100</u>
Total	\$2,953,100	- \$2,673,700	\$279,400

Governor: Provide \$1,443,000 (\$961,100 GPR and \$481,900 PR) in 2025-26 and \$1,510,100 (\$1,003,200 GPR and \$506,900 PR) in 2026-27 for projected increased costs to maintain the electronic health records systems used for patients and residents at the Department's care and treatment facilities.

Joint Finance/Legislature: Reduce funding by \$1,342,700 (-\$898,200 GPR and -\$444,500 PR) in 2025-26 and \$1,331,000 (-\$890,800 GPR and -\$440,200 PR) in 2026-27 to reflect a reestimate of the funding increase needed for anticipated electronic health records costs. The net increase for electronic health records costs would be \$100,300 (\$62,900 GPR and \$37,400 PR) in 2025-26 and \$179,100 (\$112,400 GPR and \$66,700 PR) in 2026-27.

6. RESIDENT FOOD AT DHS FACILITIES

GPR	\$929,600
PR	<u>465,600</u>
Total	\$1,395,200

Governor/Legislature: Provide \$558,300 (\$413,000 GPR and \$145,300 PR) in 2025-26 and \$836,900 (\$516,600 GPR and \$320,300 PR) in 2026-27 for projected increases in food costs at the Department's seven care and treatment facilities.

The Administration projects facility food costs by inflating actual 2023-24 per person food expenditures at each of the facilities, using an inflation index for food, as reported by the U.S. Bureau of Labor Statistics, and multiplying these inflated costs by the projected average daily population at each of the facilities. Base funding for food costs is \$6,481,900 (\$4,293,300 GPR and \$2,188,600 PR).

7. MENTAL HEALTH INSTITUTES FUND SOURCE REALLOCATION

	Funding	Positions
GPR	\$24,610,400	87.93
PR	<u>- 24,610,400</u>	<u>- 87.93</u>
Total	\$0	0.00

Governor/Legislature: Provide funding increases of \$12,305,200 GPR and 87.93 GPR positions annually and make corresponding decreases of \$12,305,200 PR and 87.93 PR positions annually to reallocate the funding source for services provided at the state mental health institutes.

The funding and position adjustments reflect the Administration's estimated changes in the percentage of patients whose care will be funded with GPR and PR, respectively, in the 2025-27 biennium. The state is responsible for the cost of caring for forensic patients, funded with GPR, while the Department collects PR assessments from counties or health insurers for the cost of care of civil patients, including emergency detention. For the 2025-27 biennium, the Administration

anticipates that the split between forensic and civil patients at the Winnebago Mental Health Institute will change from 16% forensic/84% civilian 2024-25 to 38% forensic/62% civil beginning in 2025-26, a shift that accounts for most of the fiscal effect under this item.

8. CONTRACTED COMMUNITY SERVICES FOR FORENSIC AND SEXUALLY VIOLENT PERSONS PROGRAMS [LFB Paper 414]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$10,047,500	- \$1,347,100	\$8,700,400

Governor: Provide \$3,742,500 in 2025-26 and \$6,305,000 in 2026-27 to fund contracts for community-based mental health services for the treatment and monitoring for forensic and sexually violent persons programs.

The funding in this item pertains to six contracted programs: (a) supervised release services; (b) conditional release services; (c) competency restoration services; (d) outpatient competency examinations; (e) Department of Corrections community supervision services; and (f) court liaison services. For the first five of these services, the Department's estimates generally use a caseload growth factor, based on recent trends, and an annual cost growth adjustment to the per client costs. For the cost adjustment, the estimate uses a 2.2% inflationary rate except for conditional release (7.4%) and the DOC contracts (5.0%), which are based on actual cost trends over the past four to six years. For court liaison services, the estimate adjusts the contract total by the 2.2% inflationary rate, rather than calculating the cost on a per-client basis.

In addition to the estimated contract costs, this item would reduce funding for limited-term employee (LTE) salaries, reflecting a reestimate of the cost for providing supportive living needs for individuals on supervised release. Unlike the other funding in this item, the funding for LTE salaries is provided in the general operations appropriation for the DHS facilities.

The following table summarizes the funding changes included in this item. The total change shown in the table does not match the funding that would be provided under this item because the Administration inadvertently counted the LTE salary cost twice in the calculation of the total cost.

Estimated Cost of Contracted Services and Resulting Funding Adjustment

<u>Program</u>	<u>Base</u>	<u>Funding Change</u>		<u>Total Funding</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
Supervised Release	\$8,532,200	\$13,300	\$313,700	\$8,545,500	\$8,845,900
Conditional Release	5,832,800	1,738,400	2,512,000	7,571,200	8,344,800
Competency Restoration	5,256,900	870,100	1,718,200	6,127,000	6,975,100
Outpatient Competency Exams	4,279,800	969,200	1,462,500	5,249,000	5,742,300
DOC Community Supervision	1,818,700	66,700	206,600	1,885,400	2,025,300
Court Liaison Services	<u>269,100</u>	<u>-20,600</u>	<u>-15,100</u>	<u>248,500</u>	<u>254,000</u>
Total Contract Cost	\$25,989,500	\$3,637,100	\$6,197,900	\$29,626,600	\$32,187,400
LTEs for Supervised Release	\$110,600	-\$5,200	-\$3,500	\$105,400	\$107,100
Total Funding Needed	\$26,100,100	\$3,631,900	\$6,194,400	\$29,732,000	\$32,294,500
<i>Actual Bill Funding Adjustment</i>		\$3,742,500	\$6,305,000		
<i>Over-Funding Due to Double-Count Error</i>		\$110,600	\$110,600		

Joint Finance/Legislature: Reduce funding by \$438,000 in 2025-26 and by \$909,100 in 2026-27 to reflect a reestimate of the cost of contracted services related to the treatment and monitoring of forensic and sexually violent persons programs. With these reductions, the resulting funding increases would be \$3,304,500 in 2025-26 and \$5,395,900 in 2026-27. The following table shows the total funding levels by program component in the contracts appropriation.

Total Estimated Contract Cost by Program Component

	<u>2025-26</u>	<u>2026-27</u>
Supervised Release	\$8,640,800	\$8,974,500
Conditional Release	6,965,700	7,214,000
Competency Restoration	6,362,400	7,267,000
Outpatient Comp Exams	5,307,600	5,825,700
DOC Community Supervision	1,769,000	1,850,200
Court Liaison Services	<u>248,500</u>	<u>254,000</u>
Total Estimated Contract Cost	\$29,294,000	\$31,385,400

9. LIMITED-TERM EMPLOYEE SALARY AND FRINGE BENEFIT FUNDING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,702,600	-\$5,702,600	\$0
PR	<u>2,191,100</u>	<u>- 2,191,100</u>	<u>0</u>
Total	\$7,893,700	-\$7,893,700	\$0

Governor: Provide \$3,896,700 (\$2,815,800 GPR and \$1,080,900 PR) in 2025-26 and

\$3,997,000 (\$2,886,800 GPR and \$1,110,200 PR) in 2026-27 to increase funding for limited term employee (LTE) salary and fringe benefits.

LTE staff are used at the facilities to supplement direct care staffing provided by permanent positions during periods of high demand for services or as an alternative to overtime staffing. The Department uses LTE staff to supplement psychiatric care technician, resident care technician, medical consultants, food service, correctional officers, and psychological support positions. The Administration indicates that the additional funding provided under this item is intended to address higher wage costs for LTE staff that the facilities have incurred as a result of pay increases provided in the 2023-25 biennium for direct care and security staff, as agencies do not receive LTE salary funding adjustments under pay plan supplements.

Joint Finance/Legislature: Provision not included.

10. GEROPSYCHIATRIC TREATMENT EXPANSION [LFB Paper 415]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,202,700	6.00	-\$1,202,700	- 6.00	\$0	0.00

Governor: Provide \$524,000 in 2025-26 and \$678,700 in 2026-27, and 6.0 positions, beginning in 2025-26, to increase staffing for the Department's geropsychiatric treatment unit (GTU) at the Mendota Mental Health Institute.

The GTU has 15 beds to provide treatment to older adults with mental illness or dementia who have are subject to a civil commitment order and who need specialized services not generally available at other skilled nursing facilities or psychiatric hospitals. Since the GTU is usually used for patients with a civil commitment (although it does serve some forensic patients), it is staffed with program revenue-supported positions. In 2025, DHS expects to move the GTU from Mendota to newly-renovated space at the adjacent Central Wisconsin Center. The Administration indicates that the additional GPR-supported positions include 4.0 nurse clinicians and 2.0 psychiatric care technicians, and would be intended to augment staffing for GTU services in the new location.

Joint Finance/Legislature: Provision not included.

11. FUEL AND UTILITIES REESTIMATE

GPR	\$2,370,600

Governor/Legislature: Provide \$1,009,500 in 2025-26 and \$1,361,100 in 2026-27 to reflect an estimate of GPR-funded fuel and utilities costs at the care and treatment facilities. Base funding for fuel and utilities costs is \$5,793,900. With the adjustments under this item, the GPR funding for fuel and utilities would be \$6,803,400 in 2025-26 and \$7,155,000 in 2026-27. The bill would not adjust the PR appropriation for fuel and utilities.

12. DEBT SERVICE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$16,937,000	\$7,350,400	- \$9,586,600

Governor: Reduce funding by \$9,044,800 in 2025-26 and by \$7,892,200 in 2026-27 to reflect estimates of debt service payments on bonds issued for capital projects at DHS care and treatment facilities. Base debt service funding is \$37,254,600. With the adjustments under this item, total debt service payments are estimated at \$28,209,800 in 2025-26 and \$29,362,400 in 2026-27.

Joint Finance/Legislature: Increase funding by \$3,808,200 in 2025-26 and \$3,542,200 in 2026-27 to reflect a reestimate of debt service payments on bonds issued for DHS facilities. With these adjustments, total debt service payments would be estimated at \$32,018,000 in 2025-26 and \$32,904,600 in 2024-25.

13. EXTENDED INTENSIVE TREATMENT SURCHARGE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- \$200,000	\$200,000	\$0

Governor: Modify current law to specify that any revenues collected under the surcharge for extended intensive treatment at the State Centers for Individuals with Intellectual Disabilities (State Centers) be credited to the DHS PR appropriation for alternative services at the State Mental Health Institutes and the State Centers, instead of the Department's extended intensive treatment surcharge appropriation.

Repeal the current law provisions under which the Department may use these revenues to provide moneys to counties to pay for one-time costs associated with the relocation of an individual from a State Center under the Community Integration Program (CIP), which ceased to operate with the statewide expansion of Family Care.

Repeal the extended intensive treatment surcharge appropriation from which such payments to counties are currently funded and delete base budget authority in this appropriation (\$100,000 annually). Modify the alternative services of institutes and centers appropriation to instead receive and expend the extended intensive treatment surcharge revenues.

Authorize the Department to transfer the unencumbered balance (\$1.3 million at the end of 2023-24) from the extended intensive treatment surcharge appropriation to the alternative services of institutes and centers appropriation.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. INDIAN MENTAL HEALTH PLACEMENTS

Governor: Modify an appropriation that reimburses Indian tribes and bands, or a county department, for placements by a tribal court of a member of a tribe or band that are unexpected or result in cumulative placement costs for the tribe or band that exceed \$50,000 annually so that the amount available for these reimbursements would be the amounts in the appropriation schedule.

Under current law, the total amount of funding for this purpose is \$250,000 PR (tribal gaming funds), or the amount remaining in the appropriation after all other transfers of tribal gaming revenue to other appropriations is made, whichever is less.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Quality Assurance

1. BUREAU OF ASSISTED LIVING STAFF [LFB Paper 420]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$374,600	3.00	-\$374,600	-3.00	\$0	0.00
PR	<u>1,123,900</u>	<u>8.00</u>	<u>-1,123,900</u>	<u>-8.00</u>	<u>0</u>	<u>0.00</u>
Total	\$1,498,500	11.00	-\$1,498,500	-11.00	\$0	0.00

Governor: Provide \$642,200 (\$160,500 FED and \$481,700 PR) in 2025-26 and \$856,300 (\$214,100 FED and \$642,200 PR) in 2026-27 to fund 11.0 (3.0 FED and 8.0 PR) positions, beginning in 2025-26, to address a backlog of surveys the Bureau of Assisted Living (BAL) conducts in response to complaints, to license new facilities, and to meet its standard of conducting a licensing survey for every facility at least once every two years.

BAL is responsible for licensing and surveying community-based residential facilities, some adult family homes, and residential care apartment complexes and certifying substance abuse and mental health treatment programs. The Bureau is currently authorized 74.0 positions, including 48.0 surveyors.

Joint Finance/Legislature: Provision not included.

2. BEHAVIORAL HEALTH LICENSURE AND OVERSIGHT STAFF [LFB Paper 420]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$198,800	1.11	- \$198,800	- 1.11	\$0	0.00
PR	<u>338,400</u>	<u>1.89</u>	<u>- 338,400</u>	<u>- 1.89</u>	<u>0</u>	<u>0.00</u>
Total	\$537,200	3.00	- \$537,200	- 3.00	\$0	0.00

Governor: Provide \$230,200 (\$85,200 FED and \$145,000 PR) in 2025-26 and \$307,000 (\$113,600 FED and \$193,400 PR) in 2026-27 to fund 3.0 (1.11 FED and 1.89 PR) positions, beginning in 2025-26, to support the certification, licensure, and oversight of behavioral health, and alcohol and other drug abuse treatment programs. Positions provided would be 2.0 surveyor positions and 1.0 license permit program associate position to provide administrative support to facilitate processing of this increased survey capacity.

The DHS Division of Quality Assurance Bureau of Assisted Living currently has one section dedicated to licensing and oversight of behavioral health, comprised of 12.0 positions.

Joint Finance/Legislature: Provision not included.

3. OFFICE OF PLAN REVIEW AND INSPECTION [LFB Paper 421]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$164,200	0.80	- \$164,200	- 0.80	\$0	0.00
PR	<u>246,000</u>	<u>1.20</u>	<u>- 246,000</u>	<u>- 1.20</u>	<u>0</u>	<u>0.00</u>
Total	\$410,200	2.00	- \$410,200	- 2.00	\$0	0.00

Governor: Provide \$177,100 (\$70,900 FED and \$106,200 PR) in 2025-26 and \$233,100 (\$93,300 FED and \$139,800 PR) in 2026-27 to fund 2.0 civil engineer-advanced or architect-advanced positions (0.8 FED and 1.2 PR), beginning in 2025-26, within the DHS Office of Plan Review and Inspection (OPRI).

Health care facilities, including hospitals and nursing homes, must submit construction project plan reviews to OPRI to ensure regulatory oversight of health care facility construction and renovation plan reviews, and project inspections. OPRI is currently budgeted 15.0 positions, of which 10.0 are architect-advanced and civil engineer-advanced staff who perform plan reviews and surveys.

Joint Finance/Legislature: Provision not included.

4. CONVERT OFFICE OF CAREGIVER QUALITY PROJECT POSITIONS TO PERMANENT POSITIONS

Governor: Convert 2.0 (0.8 FED and 1.2 PR) project positions to permanent positions within the DHS Division of Quality Assurance's Office of Caregiver Quality (OCQ). These positions were provided as four-year project positions, ending June 30, 2027, as part of 2023 Wisconsin Act 19 (the 2023-25 biennial budget act).

Specifically, 2023 Act 19 provided \$135,800 (\$54,300 FED and \$81,500 PR) in 2023-24 and \$168,000 (\$67,200 FED and \$100,800 PR) in 2024-25, to fund 2.0 (0.8 FED and 1.2 PR) four-year project positions in OCQ, beginning in 2023-24, to assist with caregiver background checks and investigations into allegations of misconduct in long-term care facilities.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. HEALTHCARE ENTITY OVERSIGHT AND TRANSPARENCY

Governor: Effective January 1, 2027, create new oversight requirements for significant healthcare entity ownership changes, partnership formations, joint ventures, entity closures, and discontinuances or significant reductions of any essential health services. DHS would conduct reviews of large-value transactions and approve, conditionally approve, or deny transactions based on factors including the transaction's effect on health care costs, service availability, market competition and health outcomes. Further, entities would be mandated to report annually on ownership or investment interests, controlling interests, significant equity investors, and comprehensive financial reports, among others. Under the bill, the corporate practice of medicine would be prohibited. These changes are discussed in greater detail as follows.

Material Change Transactions. Authorize DHS to promulgate rules to implement the statutory provisions relating to material change transactions. Require any health care entity, before consummating any material change transaction, to submit written notice to the Department not fewer than 180 days before the date of the proposed material change transaction. Require DHS to promulgate rules to define, for purposes of this requirement, what entities are considered health care entities and what constitutes a material change transaction. Require that written notice provided by a health care entity include and contain the information the Department determines is required. Specify that the health care entity may include any additional information supporting the written notice of the material change transaction. Specify that notice is complete when the Department determines that all required information has been received.

Specify that all information provided by the submitter as part of the notice be treated as public record unless the submitter designates documents or information as confidential when submitting the notice and the Department concurs with the designation in accordance with a process specified by DHS by rule. Specify that information that is otherwise publicly available, or that has not been confidentially maintained by the source, shall be considered public. Require that DHS maintain the confidentiality of all confidential information obtained in relation to a material change transaction, except that the Department may share confidential information with other

appropriate state agencies and departments to carry out their respective authorities and may disclose any information to an expert or consultant under contract with the Department, provided that the expert or consultant is bound by the same confidentiality requirements as DHS. Prohibit confidential information and documents from being treated as public records and specify that therefore they are not subject to inspection or copying under state statutes governing public records.

Require DHS to post on its publicly-available website information about the material change transaction no less than 30 days before the anticipated implementation of the material change transaction or, if the Department is notified less than 30 days before the anticipated implementation, as soon as is practicable. Require DHS to include in the information posted on its website at least all of the following information regarding the material change transaction: (1) a summary of the proposed transaction, including the identity of the parties to the transaction; (2) a description of the groups or individuals likely to be affected by the transaction; (3) information about services currently provided by the health care entity, commitments by the health care entity to continue such services, and any services that will be reduced or eliminated; (4) details about any public hearings and how to submit comments; and (5) any other information from the notice and other materials submitted by the health care entity that the Attorney General or DHS determines would be in the public interest, except for materials designated confidential. Specify that for purposes of calculating time periods under this requirement, notice shall be considered received on the first business day after the Department determines that notice is complete.

Within 30 days after receiving notice as previously described, require the Department to do one of the following: (1) approve the material change transaction and notify the health care entity in writing that a comprehensive review is not required for the material change transaction; (2) approve the material change transaction subject to conditions set by DHS and notify the health care entity in writing of the conditions under which the transaction may be completed; or (3) notify the health care entity in writing that the transaction is subject to a comprehensive review. Authorize the Department to request additional information necessary to perform a comprehensive review. Clarify that nothing in this provision limits or infringes upon the existing authority of any state agency or the Attorney General to review any transactions.

Specify that for purposes of the following provision, "market power" means possessing 30 percent or more market share in any line of service in the relevant geographic area or meeting other criteria that the Department may define by rule. Specify that a comprehensive review is required when any of the following applies to the material change transaction: (1) the transaction will result in the transfer of assets valued above \$20 million; (2) the transaction occurs in a highly consolidated market for any line of services offered by any party to the material change transaction; (3) the transaction will cause a significant change in market share such that any resulting health care entity possesses market power upon completion; (4) the transaction will otherwise reduce competition, including effects of vertical or cross-market transactions among different product or geographic markets; (5) either party to the material change transaction possesses market power prior to the transaction; or (6) the Department, at its sole discretion, determines that the material change transaction is likely to have a material impact on the cost of, quality of, equity of, or access to health care services in any region in the state.

No later than 90 days after determining a material change transaction is subject to a comprehensive review, require DHS to conduct the review and conduct one or more public hearings or public meetings, one of which must be in the county in which the health care entity is located, to hear comments from interested parties. Provide that, not more than 90 days after determining that the material change transaction is subject to a comprehensive review, the Department must produce a cost and market impact review report containing the findings and conclusions of the cost and market impact review, provided that the health care entity has complied with the requests for information or documents within 21 days of the request or by a later date set by mutual agreement of the health care entity and the department. Require that the cost and market impact review report be posted publicly and that it may not disclose confidential information.

Specify that the cost and market impact review may examine factors relating to the proposed material change transaction, transacting parties, and their relative market position, including any of the following: (1) the market share of each transacting party and the likely effects of the material change transaction on competition; (2) any previous material change transaction involving any transacting party, including acquisitions or mergers of similar health care providers, whether or not in the same state; (3) the prices charged by each transacting party for services, including their relative prices compared to others' prices for the same services in the same geographic area; (4) the quality of the services provided by any health care provider party to the material change transaction, including patient experience; (5) the cost and cost trends of any health care entity party in comparison to total health care expenditures statewide; (6) the availability and accessibility of services similar to those provided, or proposed to be provided, through any health care provider or provider organization party within its primary service areas and dispersed service areas; (7) the impact of the material change transaction on competing options for the delivery of health care services within the primary service areas and dispersed service areas of the transacting parties; (8) the role of the transacting parties in serving at-risk, underserved, and government-payer patient populations; (9) the role of the transacting parties in providing low-margin or negative margin services within its primary service areas and dispersed service areas; (10) consumer concerns, including complaints or other allegations that any provider or provider organization party has engaged in any unfair method of competition or any unfair or deceptive act or practice; (11) the parties' compliance with prior conditions and legal requirements related to competitive conduct, including compliance with statutory provisions prohibiting the corporate practice of medicine, reporting requirements regarding health care entity ownership and control as specified in statute, or restrictions on anticompetitive contracting provisions; (12) the impact of the material change transaction on the clinical workforce, including wages, staffing levels, supply, patient access, and continuity of patientcare relationships; (13) the impact of a real estate sale or lease agreement on the financial condition of any health care entity party and its ability to maintain patient care operations; (14) in the case of a proposed closure or discontinuance of a health care facility or any essential health services, the impact of the closure on health care access, outcomes, costs, and equity for those in the health care facility's service area and the health care facility's plan for ensuring equitable access, quality, affordability, and availability of essential health services within the service area; and (15) any other factors that DHS determines, by rules promulgated by the Department, to be in the public interest.

Specify that the Department may request additional information or documents from the transacting parties necessary to conduct a cost and market impact review. Specify that failure to

respond or insufficient responses to requests for information by transacting parties may result in the extension of the deadline for the Department to complete the cost and market impact review, the imposition of conditions for approval, or the disapproval of the material change transaction.

Require that the Department keep confidential all non-public information and documents obtained under these provisions and specify that the Department may not disclose the confidential information or documents to any person without the consent of the party that produced the confidential information or documents, except that DHS may disclose any information to an expert or consultant under contract with the Department to review the proposed transaction, provided that the expert or consultant is bound by the same confidentiality requirements as DHS. Specify that the confidential information and documents and work product of the Department may not be treated as public records and shall be exempt from inspection or copying under state statutes governing public records.

Authorize the Department, in its sole discretion, to: (1) contract with, consult, and receive advice from any state agency on those terms and conditions that the Department determines are appropriate with regard to reviewing a proposed material change transaction; or (2) contract with experts or consultants to assist in reviewing a proposed material change transaction. Specify that the Department is entitled to charge costs to or receive reimbursement from the transacting parties for all actual, reasonable, direct costs incurred in reviewing, evaluating, and making the determination referred to in this subsection, including administrative costs and costs of contracted experts or consultants.

Authorize the Department, at its discretion, to approve, conditionally approve, or disapprove of any material change transaction for which the Department receives notice. Require that any conditions imposed under this provision must specify a time period for compliance, an expiration date, or that the condition applies indefinitely. Require DHS to inform the health care entity of the determination within 30 days of notice, or in the case of comprehensive review, within 60 days of the completion of the cost and market impact review. Prohibit completion of a proposed material change transaction before the Department has informed the health care entity of the determination. Specify that in making the determination, the Department may consider any factors that it determines to be relevant, including any of the following: (1) the likely impact, as described in the cost and market impact review report, where applicable, of the material change transaction on any of the following: (a) health care costs, prices, and affordability; (b) the availability or accessibility of health care services to the affected community; (c) health care provider cost trends and containment of total state health care spending; (d) access to services in medically underserved areas; (e) rectifying historical and contemporary factors contributing to a lack of health equities or access to services; (f) the functioning and competitiveness of the markets for health care and health insurance; (g) the potential effects of the material change transaction on health outcomes, quality, access, equity, or workforce for residents of this state; and (h) the potential loss of or change in access to essential services; (2) whether the material change transaction is contrary to or violates any applicable law, including state antitrust laws, laws restricting the corporate practice of medicine, or consumer protection laws; (3) whether the benefits of the transaction are likely to outweigh any anticompetitive effect from the transaction; and (4) whether the transaction is in the public interest. Specify that this provision does not limit or alter any existing authority of the Attorney General or any state agency to enforce any other law, including state or federal antitrust

law, or to review non-profit transactions.

Authorize the Attorney General to subpoena any records necessary to enforce any provisions relating to material change transactions or to investigate suspected violations of any provisions relating to material change transactions or any conditions imposed by conditional approval. Authorize the Attorney General to enforce any requirement of this provision and any conditions imposed by a conditional approval to the fullest extent provided by law, including damages. Require that, in addition to any legal remedies the Attorney General may have, the Attorney General is entitled to specific performance, injunctive relief, and other equitable remedies a court deems appropriate for any violations or imminent violation of any requirement of the provisions relating to material change transactions or breach of any of the conditions and is entitled to recover its attorney fees and costs incurred in remedying each violation. Further, specify that, in addition to the aforementioned remedies, any person who violates this provision or of any conditions imposed pursuant to a conditional approval is subject to a forfeiture of \$10,000 per day, which the Attorney General may seek to recover by action on behalf of the state. Authorize the Attorney General to rescind or deny approval for any other past, pending, or future material change transactions involving the health care entity or an affiliate. Clarify that nothing in this provision narrows, abrogates, or otherwise alters the authority of the Attorney General to prosecute violations of antitrust or consumer protection requirements.

Authorize DHS to audit the books, documents, records, and data of any entity that is subject to a conditional approval to monitor compliance with the conditions. Provide that any entity that violates any items of this provision, any rules adopted pursuant thereto, or any condition imposed pursuant to a conditional approval be subject to a forfeiture of \$10,000 per day for any violation of this provision. Authorize the Department to refer any entity to the Attorney General to review for enforcement of any noncompliance and any conditions imposed by conditional approval.

Specify that, in order to effectively monitor ongoing compliance with the terms and conditions of any material change transaction subject to prior notice, approval, or conditional approval, DHS may, in its sole discretion, conduct a review or audit and may contract with experts and consultants to assist in this regard.

Require that one, two, and five years following the completion of the material change transaction approved or conditionally approved by DHS after a comprehensive review, and upon future intervals determined at the discretion of the Department, the health care entity or any person, corporation, partnership, or other entity that acquired direct or indirect control over the health care entity submit reports to the Department that do all of the following: (1) demonstrate compliance with conditions placed on the material change transaction, if any; (2) analyze cost trends and cost growth trends of the transacting parties; and (3) analyze any changes or effects of the material change transaction on patient access, availability of services, workforce, quality, or equity.

Require that DHS be entitled to charge costs to the transacting parties for all actual, reasonable, and direct costs incurred in monitoring ongoing compliance with the terms and conditions of the sale or transfer of assets, including contractor and administrative costs.

Corporate Practice of Medicine. Specify that the corporate practice of medicine is prohibited. Require DHS to promulgate rules to define what conduct constitutes the corporate

practice of medicine for purposes of this provision.

Transparency in Ownership and Control of Health Care Entities. In a form and manner required by DHS, require each health care entity to report to DHS on an annual basis and upon the consummation of a material change transaction involving the entity as previously described, all of the following information, as applicable: (a) legal name of the entity; (b) business address of the entity; (c) locations of operations; (d) business identification numbers of the entity, as applicable, including all of the following (1) taxpayer identification number, (2) national provider identifier, (3) employer identification number, (4) Centers for Medicare and Medicaid Services certification number, (5) National Association of Insurance Commissioners identification number, (6) a personal identification number associated with a license issued by the Commissioner of Insurance, and (7) pharmacy benefit manager identification number associated with a license or registration of the pharmacy benefit manager in this state; (e) name and contact information of a representative of the entity; (f) the name, business address, and business identification numbers listed under (d) for each person or entity that, with respect to the relevant health care entity, has an ownership or investment interest, has a controlling interest, is a management services organization, or is a significant equity investor; (g) a current organizational chart showing the business structure of the health care entity, including all of the following: (1) any entity listed under (f), (2) affiliates, including entities that control or are under common control as the health care entity, and (3) subsidiaries; (h) for a health care entity that is a provider organization or a health care facility, all of the following information, (1) the affiliated health care providers identified by name, license type, specialty, national provider identifier, and other applicable identification number listed under (d), (2) the address of the principal practice location, (3) whether the health care provider is employed or contracted by the entity, and (4) the name and address of affiliated health care facilities by license number, license type, and capacity in each major service area; (i) the names, national provider identifier, if applicable, and compensation of all of the following, (1) the members of the governing board, board of directors, or similar governance body for the health care entity, (2) any entity that is owned or controlled by, affiliated with, or under common control as the health care entity, and (3) any entity listed under (f); and (j) comprehensive financial reports of the health care entity and any ownership or control entities, including audited financial statements, cost reports, annual costs, annual receipts, realized capital gains and losses, accumulated surplus, and accumulated reserves.

Specify that all of the following health care entities are exempt from the reporting requirements previously described: (a) a health care entity that is an independent provider organization, without any ownership or control entities, consisting of two or fewer physicians, provided that if that health care entity experiences a material change transaction, the health care entity is subject to reporting as previously described upon the consummation of the transaction; and (b) a health care provider or provider organization that is owned or controlled by another health care entity, if the health care provider or provider organization is shown in the organizational chart submitted under the previously discussed reporting requirements and the owning or controlling health care entity reports all the information required under the previously discussed reporting requirements on behalf of the controlled or owned entity. Specify that health care facilities are not subject to this exception.

Require that DHS promulgate any rules necessary to: implement these requirements, specify

the format and content of reports, and impose penalties for noncompliance. Authorize the Department to require additional reporting of data or information that it determines is necessary to better protect the public's interest in monitoring the financial conditions, organizational structure, business practices, and market share of each registered health care entity. Further, authorize DHS to assess administrative fees on health care entities in an amount to help defray the costs in overseeing and implementing these requirements.

Specify that information provided under this provision is public information and may not be considered confidential, proprietary, or a trade secret, except that any individual health care provider's taxpayer identification that is also their social security number shall be confidential. Specify that not later than December 31, 2028, and annually thereafter, DHS must post on its publicly-available website a report with respect to the previous one-year period, including all of the following information: (1) the number of health care entities reporting for the year, disaggregated by the business structure of each specified entity; (2) the names, addresses, and business structure of any entities with an ownership or controlling interest in each health care entity; (3) any change in ownership or control for each health care entity; (4) any change in the tax identification number of a health care entity; (5) as applicable, the name, address, tax identification number, and business structure of other affiliates under common control, subsidiaries, and management services entities for the health care entity, including the business type and the tax identification number of each; and (6) an analysis of trends in horizontal and vertical consolidation, disaggregated by business structure and provider type. Authorize the Department to share information reported under this provision with the Attorney General, other state agencies, and other state officials to reduce or avoid duplication in reporting requirements or to facilitate oversight or enforcement under state law. Specify that any tax identification numbers that are individual social security numbers may be shared with the Attorney General, other state agencies, or other state officials that agree to maintain the confidentiality of such information. Authorize DHS, in consultation with the relevant state agencies, to merge similar reporting requirements where appropriate.

Authorize the Department to audit and inspect the records of any health care entity that has failed to submit complete information pursuant to this provision or if the Department has reason to question the accuracy or completeness of the information submitted pursuant to this provision. Require that DHS conduct annual audits of a random sample of health care entities to verify compliance with, accuracy, and completeness of the reported information pursuant to this provision. Provide that if a health care entity fails to provide a complete report under this provision, or submits a report containing false information, the entity must be subject to all of the following civil penalties, as appropriate: (1) for health care entities consisting of independent health care providers or provider organizations without any third-party ownership or control entities, with 10 or fewer physicians or less than \$10 million in annual revenue, a forfeiture of up to \$50,000 for each report not provided or containing false information; or (2) for all other health care entities, a forfeiture of up to \$500,000 for each report not provided or containing false information.

Definitions. Define "acquisition" to mean the direct or indirect purchase, including lease, transfer, exchange, option, receipt of a conveyance, or creation of a joint venture, or any other manner of purchase, such as by a health care system, private equity group, hedge fund, publicly traded company, real estate investment trust, management services organization, insurance carrier,

or any subsidiaries thereof, of a material amount of the assets or operations of a health care entity.

Define "affiliate" to mean: (a) a person, entity, or organization that directly, indirectly, or through one or more intermediaries controls, is controlled by, or is under common control or ownership of another person, entity, or organization; (b) a person whose business is operated under a lease, management, or operating agreement by another entity, or a person substantially all of whose property is operated under a management or operating agreement with that other entity; (c) an entity that operates the business or substantially all the property of another entity under a lease, management, or operating agreement; or (d) any out-of-state operations and corporate affiliates of an affiliate as defined in pars. (a) to (c), including significant equity investors, health care real estate investment trusts, or management services organizations.

Define "arrangement" to include any agreement, association, partnership, joint venture, management services agreement, professional services agreement, health care staffing company agreement, or other arrangement that results in a change of governance or control of a health care entity or a department, subdivision, or subsidiary of a health care entity.

Define "change of control" to mean an arrangement in which any person, corporation, partnership, or any entity acquires direct or indirect control over the operations of a health care entity in whole or in substantial part.

Define "control," "controlling," "controlled by," and "under common control with" to mean the direct or indirect power through ownership, contractual agreement, or otherwise to do any of the following: (a) vote 10 percent or more of any class of voting shares or interests of a health care entity, or (b) direct the actions or policies of the specified entity.

Define "health care facility" to mean an institution that provides health care services or a health care setting, including hospitals and other inpatient facilities, health systems consisting of one or more health care entities that are jointly owned or managed, ambulatory surgical or treatment centers, skilled nursing facilities, residential treatment centers, diagnostic, laboratory, and imaging centers, freestanding emergency facilities, outpatient clinics, and rehabilitation and other therapeutic health settings.

Define "health care provider" to mean any person, corporation, partnership, governmental unit, state institution, medical practice, or other entity that performs or provides health care services to persons in the state.

Define "health care services" to mean services and payments for the care, prevention, diagnosis, treatment, cure, or relief of a medical, dental, or behavioral health condition, illness, injury, or disease, including: (a) inpatient, outpatient, habilitative, rehabilitative, dental, palliative, therapeutic, supportive, home health, or behavioral services provided by a health care entity; (b) pharmacy, retail, and specialty, including any drug, device, or medical supply; (c) performance of functions to refer, arrange, or coordinate care; (d) equipment used such as durable medical equipment, diagnostic, surgical devices, or infusion; and (e) technology associated with the provision of services or equipment in (a) to (d), such as telehealth, electronic health records, software, claims processing, or utilization systems.

Define "health care staffing company" to mean a person, firm, corporation, partnership, or other business entity engaged in the business of providing or procuring, for temporary employment or contracting by a health care facility, any health care personnel, but does not include an individual who independently provides the individual's own services on a temporary basis to health care facilities as an employee or contractor.

Define "licensee" to mean an individual who is licensed in the state as a physician, a doctor of osteopathy, or a physician assistant or a nurse practitioner who is authorized to diagnose and treat in the applicable clinical setting.

Define "management services organization" to mean any organization or entity that contracts with a health care provider or provider organization to perform management or administrative services relating to, supporting, or facilitating the provision of health care services.

Define "medical practice" to mean a corporate entity or partnership organized for the purpose of practicing medicine and permitted to practice medicine in the state, including partnerships, professional corporations, limited liability companies, and limited liability partnerships.

Define "non-competition agreement" to mean a written agreement between a licensee and another person under which the licensee agrees that the licensee, either alone or as an employee, associate, or affiliate of a third person, will not compete with the other person in providing products, processes, or services that are similar to the other person's products, processes, or services for a period of time or within a specified geographic area after termination of employment or termination of a contract under which the licensee supplied goods to or performed services for the other person.

Define "non-disclosure agreement" to mean a written agreement under the terms of which a licensee must refrain from disclosing partially, fully, directly, or indirectly to any person, other than another party to the written agreement or to a person specified in the agreement as a 3rd-party beneficiary of the agreement, any of the following: (a) a policy or practice that a party to the agreement required the licensee to use in patient care, other than individually identifiable health information that the licensee may not disclose under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, P.L. 104-191, in effect on the effective date of this provision; (b) a policy, practice, or other information about or associated with the licensee's employment, conditions of employment, or rate or amount of pay or other compensation; or (c) any other information the licensee possesses or to which the licensee has access by reason of the licensee's employment by, or provision of services for or on behalf of, a party to the agreement, other than information that is subject to protection under applicable law as a trade secret of, or as otherwise proprietary to, another party to the agreement or to a person specified in the agreement as a third-party beneficiary of the agreement.

Define "non-disparagement agreement" to mean a written agreement under which a licensee must refrain from making to a 3rd party a statement about another party to the agreement or about another person specified in the agreement as a 3rd-party beneficiary of the agreement, the effect of which causes or threatens to cause harm to the other party's or person's reputation, business relations, or other economic interests.

Define "ownership or investment interest" to mean any of the following: (a) direct or indirect possession of equity in the capital, stock, or profits totaling more than five percent of an entity; (b) interest held by an investor or group of investors who engages in the raising or returning of capital and who invests, develops, or disposes of specified assets; or (c) interest held by a pool of funds by investors, including a pool of funds managed or controlled by private limited partnerships, if those investors or the management of that pool or private limited partnership employ investment strategies of any kind to earn a return on that pool of funds.

Define "private equity fund" to mean a publicly traded or non-publicly traded company that collects capital investments from individuals or entities and purchases a direct or indirect ownership share or controlling interest of a health care entity.

Define "provider organization" to mean any corporation, partnership, business trust, association, or organized group of persons that is in the business of health care delivery or management, whether incorporated or not, that represents one or more health care providers in contracting with insurance carriers for the payments of health care services. Specify that "provider organization" includes physician organizations, physician-hospital organizations, independent practice associations, provider networks, accountable care organizations, management services organizations, and any other organization that contracts with insurance carriers for payment for health care services.

Define "significant equity investor" to mean any of the following: (a) any private equity fund with a direct or indirect ownership or investment interest in a health care entity; (b) any investor, group of investors, or other entity with a direct or indirect possession of equity in the capital, stock, or profits totaling more than 10 percent of a health care provider or provider organization; or (c) any private equity fund, investor, group of investors, or other entity with a direct or indirect controlling interest in a health care entity or that operates the business or substantially all of the property of a health care entity under a lease, management, or operating agreement.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. STAFFING REQUIREMENT FOR HOSPITAL EMERGENCY SERVICES

Governor: Specify that DHS must require a hospital that provides emergency services to have sufficient qualified personnel at all times to manage the number and severity of emergency cases anticipated by the location. Specify, that at all times, a hospital that provides emergency services must have on-site at least one physician who, through education, training, and experience, specializes in emergency medicine [see "Safety and Professional Services -- Regulation of Professions"].

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

FoodShare and Medical Assistance Administration

1. FOODSHARE EMPLOYMENT AND TRAINING

GPR	- \$10,183,200
FED	<u>1,001,800</u>
Total	- \$9,181,400

Governor/Legislature: Reduce funding by \$9,571,600 (-\$9,794,100 GPR and \$222,500 FED) in 2025-26 and increase funding by \$390,200 (-\$389,100 GPR and \$779,300 FED) in 2026-27 to fund costs associated with participation in the FoodShare employment and training (FSET) program under the federal ABAWD (able-bodied adult without dependents) policy, at the time of enactment of Act 15.

ABAWD Work Requirement. Under federal law, able-bodied adults who are able to work, are 18 to 54 years of age, are not pregnant, and do not reside with any children under the age of 18, are required to meet a work requirement of at least 20 hours per week as a condition of receiving supplemental nutrition assistance program benefits. This work requirement can be met through paid work, volunteer work, in-kind work, or participation in FSET or a similar job training program. Individuals who do not meet this work requirement are limited to three months of FoodShare benefits in a 36-month period. In addition to individuals participating in FSET to meet the ABAWD work requirement, FSET participation is open to all FoodShare members age 16 and older.

Enrollee Expenditures. The Administration estimates that total per enrollee per month expenses will be \$337.22 in 2024-25, \$345.04 in 2025-26, and \$351.77 in 2026-27. These total expenses are primarily based on payments to the FSET program's vendors, but also include \$1,252,600 annually, which funds administrative expenses relating to the FSET program. Excluding the amounts for administrative expenses, the Administration estimates average per enrollee per month payments to the FSET vendors of \$334.61 in 2025-26 and \$341.42 in 2026-27.

Enrollment and Carry Over Funding. The Administration estimates that FSET funding for 2025-27 will be offset by unspent funding that will carry over funding from 2024-25, resulting from higher than anticipated 100% federal funding in federal fiscal year (FFY) 2024 and lower than anticipated average monthly FSET enrollment in the 2023-25 biennium.

Following the unwinding of federal flexibilities associated with the SARS-CoV-2 federal public health emergency, the ABAWD policy was reimplemented in Wisconsin over a six-month period from October, 2023, through March, 2024. However, despite the reimplementation, ABAWDs living in the city of Racine; the counties of Adams, Bayfield, Douglas, Florence, Forest, Iron, Marquette, and Menominee; and tribal members living on tribal lands, except the Oneida Reservation, have been exempt from the ABAWD requirement through FFY 2025 due to high local unemployment. The Administration assumes that DHS will continue to seek to exempt qualifying areas but also that economic conditions will improve in those areas and that they will no longer qualify for exemptions in FFY 2026 and FFY 2027.

As such, the Administration estimates that average monthly FSET enrollment will be 9,673 in 2024-25, 10,015 in 2025-26, and 10,087 in 2026-27.

The following table summarizes the Administration's caseload, cost, and funding estimates for the FSET program in for the 2025-27 biennium. As shown, the Administration's estimate would allow DHS to retain \$2 million GPR in reserve to address potential shortfalls over the biennium.

**FSET Expenses and Funding Estimates
Fiscal Years 2024-25 through 2026-27**

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Total Annual Administrative Expenses	\$1,252,600	\$1,252,600	\$1,252,600
Total Annual Vendor Expenses	\$37,891,400	\$40,214,000	\$41,327,500
Average Monthly Enrollment	9,673	10,015	10,087
Per Enrollee Per Month Vendor Expenses	<u>\$326.43</u>	<u>\$334.61</u>	<u>\$341.42</u>
Total Program Expenses (Total Annual Vendor + Administrative Expenses)	\$39,144,000	\$41,466,600	\$42,580,100
100% Federal Funding Offset	\$4,063,600	\$4,063,600	\$4,063,600
Total Program Expenses After FED Offset	\$35,080,400	\$37,403,000	\$38,516,500
50% GPR Expenses	\$17,540,200	\$18,701,500	\$19,258,300
50% FED Expenses	\$17,540,200	\$18,701,500	\$19,258,200
Existing GPR Funding			
GPR Base Funding	\$19,647,400	\$19,647,400	\$19,647,400
Projected GPR Carry Over	\$8,741,000	\$10,848,200	\$2,000,000
GPR Change		-\$9,794,100	-\$389,100
GPR Surplus/Deficit (Available GPR - 50% GPR Expenses)	\$10,848,200	\$2,000,000	\$2,000,000

2. HEALTHY FOOD INCENTIVE PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$977,200	- \$977,200	\$0

Governor: Provide \$488,600 annually for the Healthy Food Incentive Program, which aims to improve access to healthy, fresh, and locally-sourced fruits and vegetables for individuals participating in the FoodShare program. Funding provided is intended to cover the cost of benefits, as well as administrative and contract staffing costs associated with program implementation. Currently there is \$425,000 GPR in unspent one-time carryover funding available for this program.

Define "eligible retailer," for purposes of program participation, to mean any retailer authorized to participate in the federal supplemental nutrition assistance program.

Amend the program criteria to specify that DHS must contract with a third-party organization to administer the program. Currently, DHS must contract with a nonprofit

organization to administer the program.

Further, authorize DHS to require the third-party organization chosen to administer the program to seek any available federal matching funds from the Gus Schumacher Nutrition Incentive Program. Currently, DHS cannot require another entity to seek available federal matching funds for the program, but rather is required to seek the funds itself.

Finally, authorize the third-party organization chosen to administer the program to retain the lesser of: (a) up to 33 percent of the total contracted amount, or (b) the applicable cap found in federal law or guidance, for administrative purposes.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. PAYMENT PROCESSING EQUIPMENT FOR FARMERS MARKETS AND DIRECT MARKETING FARMERS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$735,000	- \$735,000	\$0

Governor: Provide \$367,500 annually to supply payment processing equipment and services to farmers markets and direct-marketing farmers to process debit and credit card payments, including electronic benefit transfer cards used by FoodShare recipients. Create a biennial GPR appropriation for this purpose. Require DHS to administer such a program and specify that to participate in the payment processing program, a vendor must also process any local purchasing incentives, even if those local purchasing incentives are funded by a local third party entity.

The federal Agricultural Act of 2014 requires that supplemental nutrition assistance program (SNAP or FoodShare in Wisconsin) retailers purchase their own EBT processing equipment. However, states may provide no-cost, EBT-only point of sale processing equipment to certain farmers markets and direct-marketing farmers that may be exempt from the federal requirement.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. REPEAL FOODSHARE WORK REQUIREMENT FOR ABLE-BODIED ADULTS WITH DEPENDENTS

Governor: Repeal provisions enacted in 2017 Act 264 relating to required participation in the FoodShare employment and training (FSET) program, subject to certain exceptions. Consequently, only able-bodied adults without dependents, subject to certain exceptions, would be required to participate in the program.

With the repeal, DHS must require, to the extent allowed by the federal government, that able-bodied adults without dependents (ABAWDs) participate in FSET, except for ABAWDs who are employed, as determined by DHS. The bill would retain the Department's current authority to require able individuals who are 18 to 60 years of age, or a subset of those individuals to the extent allowed by the federal government, who are not in a Wisconsin Works employment position, to participate in FSET.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. REPEAL FSET DRUG SCREENING, TESTING, AND TREATMENT REQUIREMENTS

Governor: Repeal the requirement that eligibility for an able-bodied adult without dependents (ABAWD) to participate in the FoodShare employment and training (FSET) program is subject to compliance with the statutory screening, testing, and treatment policy for illegal use of a controlled substance without a valid prescription for the controlled substance.

Repeal provisions, enacted as part of 2017 Act 370, that require DHS to implement a drug screening, testing, and treatment policy for ABAWDs participating in FSET. In addition, repeal nonstatutory provisions contained in 2017 Act 370 as they pertain to implementing the drug screening, testing, and treatment provisions by October 1, 2019, and requiring compliance with the waiver provisions contained in 2017 Act 370, as though the drug screening, testing, and treatment provisions were a waiver request approved on December 16, 2018.

Repeal a biennial GPR appropriation that was created to fund substance abuse treatment costs under the FSET drug screening, testing, and treatment requirements. No funding has been budgeted for this purpose.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. REPEAL PAY-FOR-PERFORMANCE PAYMENT SYSTEM FOR FSET VENDORS

Governor: Repeal provisions enacted in 2017 Act 266 that require DHS to create and implement a payment system based on performance for FoodShare Employment and Training (FSET) program vendors.

Current law requires DHS to establish performance outcomes for the payment system based on: (a) the placement of participants into unsubsidized employment; (b) whether the placement is full or part-time; (c) the job retention rate; (d) wages and benefits earned; (e) appropriate implementation of FSET; and (f) customer satisfaction. Implementation of the payment system is contingent on federal approval and must not affect the funding available for supportive services for participants in FSET. These provisions first applied to contracts DHS enters into or renews on

the Act's effective date (April 12, 2018). However the Department's current contracts with the FSET vendors, effective for federal fiscal year 2024-25 (October 1, 2024 through September 30, 2025), do not include performance outcomes as the basis for payments.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. MEDICAID AND FOODSHARE CONTRACTS [LFB Paper 425]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$56,672,800	- \$8,500,900	\$48,171,900
FED	<u>128,514,500</u>	<u>- 19,277,200</u>	<u>109,237,300</u>
Total	\$185,187,300	- \$27,778,100	\$157,409,200

Governor: Provide \$85,235,500 (\$28,576,200 GPR and \$56,659,300 FED) in 2025-26 and \$99,951,800 (\$28,096,600 GPR and \$71,855,200 FED) in 2026-27 to increase funding for contractual services and information technology systems costs for the administration of the MA and FoodShare programs. The following table summarizes GPR and FED funding that would be budgeted for contracted services for MA and FoodShare, and the funding increases in the bill to support these costs.

Funding for Medicaid and FoodShare Administrative Contracts Summary of Governor's Recommendations

	2025-26			2026-27		
	<u>GPR</u>	<u>FED</u>	<u>Total</u>	<u>GPR</u>	<u>FED</u>	<u>Total</u>
Contracts Appropriations						
FoodShare Electronic Benefit Contracts	\$4,237,200	\$4,237,200	\$8,474,400	\$4,378,500	\$4,378,500	\$8,757,000
MMIS -- Operations	42,529,500	91,859,700	134,389,200	44,712,500	97,325,200	142,037,700
MMIS Modules and Related Contracts	8,693,700	30,128,100	38,821,800	9,809,200	42,177,600	51,986,800
CARES	51,609,800	102,940,900	154,550,700	51,375,400	101,394,800	152,770,200
Major External Contracts	27,117,300	38,902,700	66,020,000	22,820,500	37,032,500	59,853,000
Telecommunications	1,946,500	3,314,800	5,261,300	2,388,800	4,086,600	6,475,400
Minor and Other Contracts	<u>1,556,600</u>	<u>1,186,400</u>	<u>2,743,000</u>	<u>1,580,100</u>	<u>1,209,400</u>	<u>3,096,600</u>
Subtotal	\$137,690,600	\$272,569,800	\$410,260,400	\$137,661,000	\$288,215,700	\$424,976,700
Costs Funded from Other Appropriations	<u>-\$3,500,000</u>	<u>\$0</u>	<u>-\$3,500,000</u>	<u>-\$3,500,000</u>	<u>\$0</u>	<u>-\$3,500,000</u>
Total Funding Budgeted for Contracts Appropriations	\$134,190,600	\$272,569,800	\$406,760,400	\$134,161,000	\$288,215,700	\$421,476,700
Base Funding -- Contracts Appropriation	<u>\$105,997,800</u>	<u>\$216,293,900</u>	<u>\$322,291,700</u>	<u>\$105,997,800</u>	<u>\$216,293,900</u>	<u>\$322,291,700</u>
Funding Request for Contracts Appropriations	\$28,192,800	\$56,275,900	\$84,468,700	\$28,163,200	\$71,921,800	\$99,185,000
General Program Operations Appropriations						
Benefits Recovery Investigation						
Tracking System	<u>\$383,400</u>	<u>\$383,400</u>	<u>\$766,800</u>	<u>\$383,400</u>	<u>\$383,400</u>	<u>\$766,800</u>
Governor's Bill -- Funding Increase	\$28,576,200	\$56,659,300	\$85,235,500	\$28,096,600	\$71,855,200	\$99,951,800

Major services and projects that would be funded under the bill are described as follows.

CARES. This item includes increases in GPR funding for programming services DHS purchases from Deloitte for the Client Assistance for Re-employment and Economic Support (CARES) system. The CARES system is used by county and state staff for eligibility determinations and managing cases for the state's public assistance programs. Under the bill, funding for these programming services would increase from \$67.8 million (\$22.0 million GPR and \$45.7 million FED) budgeted in 2024-25 to \$84.3 million (\$27.4 million GPR and \$56.9 million FED) in 2025-26 and \$90.8 million (\$29.5 million GPR and \$61.3 million FED) in 2026-27. The funding increase would support increases in: (a) the number of contracted programming hours, from 440,100 budgeted in 2024-25 to 520,400 in 2025-26 and 532,700 in 2026-27; and (b) hourly rates for programming services, from \$154.00 per hour in 2024-25 to \$162.00 per hour in 2025-26 and \$170.50 per hour in 2026-27.

This item also includes additional funding to support ongoing and new CARES projects to improve workflows for income maintenance (IM) staff, comply with changes in federal requirements, and improve Medicaid recipients' interactions with public assistance programs. These projects include: (a) enabling recipients to access the online eligibility portal, using mobile devices; (b) creating a "caseworker policy assistant," for use by IM staff; (c) integrating the Katie Beckett program into the CARES system; (d) converting federally-required recipient surveys from paper to electronic formats; (e) integrating federally-required FoodShare quality control measures into CARES; (f) centralizing all enrollment operations into a single system, as required by CMS; (g) developing an incarceration notification system to enable DHS to receive timely notification from the Department of Corrections and county jails and suspend or reinstate Medicaid coverage; and (h) creating an integrated data hub, to support outreach across programs.

Fiscal Agent and MMIS. This item includes additional funding to support contracts for services provided by the MA program's fiscal agent and contract vendor for the state's Medicaid management information system (MMIS), Gainwell Technologies. DHS will continue to "modularize" MMIS, which will enable various functions of MMIS to be modified without disrupting the entire system. In the 2025-27 biennium, DHS intends to fund contracts to support: (a) MMIS functions used by the DHS Office of the Inspector General (program integrity); (b) user acceptance testing to ensure that the modules meet the Department's business needs; (c) enterprise data warehouse and data analytics functions; (d) an enterprise project management office that provides organizational support to the Department and assistance in the re-procurement of the MMIS and CARES contracts; and (e) a care management module that will replace systems containing IRIS program information used by IRIS consultant agencies and IRIS fiscal employer agents.

Other Projects. Several other projects would be funded under this item, including: (a) costs to support the summer electronic benefits transfer program, a federal program that provides food benefits to households with low income with school-age children during summer months when children do not receive meals at school; (b) a new system to manage the Division of Medicaid Services contract costs; (c) integration of the human services reporting system into the ForwardHealth provider portal; (d) the creation of a documentation system to facilitate audits of nursing homes conducted by the Bureau of Rate Setting; and (e) improvements to the direct care

workforce (DCW) documentation portal to eliminate the need for DHS staff to manually reconcile amounts Family Care managed care organizations (MCOs) pay DCW providers with DCW payments Medicaid pays to each MCO.

BRITS. Finally, the bill would provide \$766,800 (\$383,400 GPR and \$383,400 FED) annually to support the Department's share of costs relating to the benefits recovery investigation tracking system (BRITS) administered by the Department of Children and Families.

Joint Finance/Legislature: Reduce funding by \$12,785,300 (-\$4,286,400 GPR and -\$8,498,900 FED) in 2025-26 and by \$14,992,800 (-\$4,214,500 GPR and -\$10,778,300 FED) in 2026-27 to fund approximately 85% of the funding increase recommended by the Governor. With this change, Act 15 increases funding by \$72,450,200 (\$24,289,800 GPR and \$48,160,400 FED) in 2025-26 and \$84,959,000 (\$23,882,100 GPR and \$61,076,900 FED) in 2026-27 for these contracts.

8. INCOME MAINTENANCE -- FUNDING FOR CONSORTIA AND TRIBAL AGENCIES [LFB Paper 426]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,090,600	- \$642,000	\$448,600
FED	<u>1,635,900</u>	<u>- 962,900</u>	<u>673,000</u>
Total	\$2,726,500	- \$1,604,900	\$1,121,600

Governor: Provide \$960,000 (\$384,000 GPR and \$576,000 FED) in 2025-26 and \$1,766,500 (\$706,600 GPR and \$1,059,900 FED) in 2026-27 to increase base contracts for income maintenance (IM) consortia and tribal IM agencies by 2% in 2025-26 and an additional 2% in 2026-27.

For calendar year (CY) 2025, IM contracts are estimated to be \$39,920,600 (\$15,968,200 GPR and \$23,952,400 FED, the estimated federal match on the state GPR funding). The estimate assumes a 40% GPR/60% FED funding split based on a federally-approved random moment sampling method that documents IM worker activity for the purpose of claiming federal funds. The funding increase in the bill is calculated by increasing the CY 2025 allocations by 2% each year, then converting the calendar year increases (for the IM consortia) and the federal fiscal year increases (for the tribal IM agencies) to state fiscal years increases. Base funding for IM contracts is \$15,743,900 GPR, which is \$224,300 less than the CY 2025 GPR base allocation.

Eligibility and caseload management functions related to MA, FoodShare, Wisconsin Shares, and other public assistance programs are performed by county employees in all counties (except Milwaukee County) by ten regional, multi-county IM consortia. In Milwaukee County, these functions are performed by DHS employees. In nine tribal jurisdictions, tribal agency staff provide these services. IM services are funded from a combination of state, federal, and local funds.

Joint Finance/Legislature: Reduce funding by \$399,200 (-\$159,700 GPR and -\$239,500 FED) in 2025-26 and by \$1,205,700 (-\$482,300 GPR and -\$723,400 FED) in 2026-27 to maintain

calendar year 2026 and calendar year 2027 base allocations at the calendar year 2025 level. Under Act 15, \$77,588,800 (\$15,968,200 GPR and \$61,620,600 FED) is budgeted in both 2025-26 and 2026-27 to fund these contracts. The FED amount includes estimates of federal funding that state will claim on both the GPR and local funds that support IM services.

9. FUNERAL AND CEMETERY AIDS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$1,612,600	- \$500,000	- \$2,112,600

Governor: Reduce funding by \$910,700 in 2025-26 and by \$701,900 in 2026-27 to reflect reestimates of the cost of payments under the Wisconsin funeral and cemetery aids program (WIFCAP).

Base funding for the program is \$8,323,900. The administration estimates that reimbursement payments will total \$6,913,200 in 2025-26 and \$7,122,00 in 2026-27, based on historical trends in WIFCAP eligible populations, program participation, and average reimbursement payments. However, due to inconsistency in program trends, the bill includes an additional \$500,000 annually that would be available if program costs exceed projections.

Under the program, DHS reimburses costs incurred by funeral homes, cemeteries, and crematories for services they provide to certain deceased individuals who were eligible for MA or Wisconsin Works benefits at the time of their death. DHS is required to pay up to \$1,000 for cemetery and crematory expenses and up to \$1,500 for funeral and burial expenses that are not covered by the decedent's estate or other persons. The program does not provide any reimbursement if the total cemetery expenses exceed \$3,500 or total funeral expenses exceed \$4,500.

Joint Finance/Legislature: Reduce funding by an additional \$250,000 annually so that \$7,163,200 in 2025-26 and \$7,372,000 in 2026-27 is budgeted for the program in Act 15.

10. USE OF INDIVIDUAL INCOME TAX FORMS TO INITIATE HEALTH CARE ELIGIBILITY DETERMINATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$554,800	- \$554,800	\$0

Governor: Provide \$554,800 in 2026-27 to implement an easy enrollment program for health care coverage.

Require the Department of Revenue (DOR) to include the following two questions and explanatory information on each individual income tax return, and a method for the taxpayer to

respond to each question:

- Are you, your spouse, your dependent children, or any eligible adult child dependent not covered under a health insurance policy, health plan, or other health care coverage? "Eligible adult child dependent" means a child who is under the age of 26 who is a full-time student or a child who is under the age of 27 who is called to active duty in the National Guard or armed forces reserve while enrolled as a full-time student.

- If you responded 'yes' to question 1, do you want to have evaluated your eligibility for Medical Assistance or your eligibility for subsidized health insurance coverage?

Require DOR to provide to each person who responds 'yes' to the second question that person's contact information and other relevant information from that person's individual income tax return to DHS to perform an evaluation of that person's eligibility for the Medical Assistance program or subsidized health insurance coverage through the health insurance marketplace for qualified health plans under the federal Patient Protection and Affordable Care Act. Prohibit DHS from using information it receives from DOR to determine that the individual is ineligible to enroll in the MA program. Authorize DHS staff to examine tax returns for the purposes of performing evaluations for health care eligibility.

Specify that these provisions would first apply to taxable years beginning after December 31, 2025.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. MEDICAL ASSISTANCE RECOVERIES -- QUI TAM CLAIMS

Governor: Create procedures under which a private individual could bring a *qui tam* claim against a person who knowingly:

- (a) Presents a false or fraudulent claim to a state agency, including a false or fraudulent claim for MA;

- (b) Makes, uses, or causes to be made or used a false record or statement material to a false or fraudulent claim to a state agency, including a false or fraudulent claim for MA;

- (c) Makes, uses, or causes to be made or used a false record or statement material to an obligation to pay or transmit money or property to the MA program, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the MA program;

- (d) Makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to a state agency, or conceals and improperly avoids or decreases an obligation to pay or transmit money to a state agency; or

- (e) Conspires to commit any violation listed above.

Provide that any person who is found to have committed such an offense is liable to the state for three times the amount of the damages sustained by the state, or would have been sustained by the state, whichever is greater, because of these actions, and is subject to forfeitures, for each violation, an amount within the range specified in federal law (\$5,000 to \$10,000 per violation).

Direct the Department of Justice to diligently investigate possible violations of these provisions and authorize the Department to bring a civil action against a person if the Department determines that a person has committed an act that is punishable under these provisions.

Reduced Penalties Under Certain Conditions. Authorize a court to assess violators not less than two nor more than three times the amount of the damages sustained by the state because of the acts of the person, and may not assess any forfeiture, if the court finds all of the following:

(a) The person who commits the acts furnished the Attorney General with all information known to the person about the acts within 30 days after the date on which the person obtained the information.

(b) The person fully cooperated with any investigation by the state of the acts.

(c) At the time that the person furnished the Attorney General with information concerning the acts, no criminal prosecution or civil or administrative enforcement action had been commenced with respect to any such act, and the person did not have actual knowledge of the existence of any investigation into any such act.

Process. Provide that any person may bring a civil action as a qui tam plaintiff against a person who commits a violation for the person and the state in the name of the state, subject to conditions specified in the bill involving actions by the Attorney General or court.

Require a plaintiff to serve upon the Attorney General a copy of the complaint and documents disclosing substantially all material evidence and information that the plaintiff possesses. Require the plaintiff to file a copy of the complaint with the court for inspection in camera. Provide that, unless extended by the Attorney General for good cause, the complaint must remain under seal for a period of 60 days from the date of filing and may not be served upon the defendant until the court so orders. Specify that within 60 days from the date of service upon the Attorney General of the complaint, evidence, and information, the Attorney General may intervene in the action.

Provide that any complaint filed by the state in intervention, whether filed separately or as an amendment to the qui tam plaintiff's complaint, must relate back to the filing date of the qui tam plaintiff's complaint to the extent that the state's claim arises out of the conduct, transactions, or occurrences set forth, or attempted to be set forth, in the qui tam plaintiff's complaint.

Provide that, before the expiration of the period during which the complaint remains under seal, the Attorney General must do one of the following:

1. Proceed with the action or an alternate remedy, in which case the action or proceeding would be prosecuted by the state.

2. Notify the court that he or she declines to proceed with the action, in which case the person bringing the action may proceed with the action.

Provide that, if a person brings a valid action under these provisions, no person other than the state may intervene or bring a related action based upon the same facts underlying the original action while the original action is pending. Specify that in any action brought under these provisions or alternative proceeding, the plaintiff is required to prove all essential elements of the cause of action or complaint, including damages, by a preponderance of the evidence.

Provide that if the state proceeds with the action or an alternate remedy, the state has primary responsibility for prosecuting the action or proceeding under the alternate remedy. Specify that the state is not bound by any act of the person bringing the action, but that person has the right to continue as a party to the action.

Settlements. Provide that, with the approval of the Governor, the Attorney General may compromise and settle an action or an administrative proceeding to which the state is a party, notwithstanding objection of the person bringing the action, if the court determines, after affording to the person bringing the action the right to a hearing at which the person is afforded the opportunity to present evidence in opposition to the proposed settlement, that the proposed settlement is fair, adequate, and reasonable considering the relevant circumstances pertaining to the violation.

Court-Imposed Limitations on Participation by Claimants. Provide that, upon a showing by the state that unrestricted participation in the prosecution of an action or an alternate proceeding to which the state is a party by the person bringing the action would interfere with or unduly delay the prosecution of the action or proceeding, or would result in consideration of repetitious or irrelevant evidence or evidence presented for purposes of harassment, the court may limit the person's participation in the prosecution, such as: (a) limiting the number of witnesses that the person may call; (b) limiting the length of the testimony of the witnesses; (c) limiting the cross-examination of witnesses by the person; and (d) otherwise limiting the participation by the person in the prosecution of the action or proceeding.

Provide that, upon a showing by a defendant that unrestricted participation in the prosecution of an action or alternate proceeding under to which the state is a party by the person bringing the action would result in harassment or would cause the defendant undue burden or unnecessary expense, the court may limit the person's participation in the prosecution.

Prosecution by Individuals. Provide that, if the state elects not to participate in an action, the person bringing the action may prosecute the action. Specify that, if the Attorney General so requests, the Attorney General must, at the state's expense, be served with copies of all pleadings and deposition transcripts in the action. Provide that, if the person bringing the action initiates prosecution of the action, the court, without limiting the status and rights of that person, may permit the state to intervene at a later date upon a showing by the state of good cause for the proposed intervention.

Provide that, whether or not the state participates in an action, upon a showing in camera by the Attorney General that discovery by the person bringing the action would interfere with the

state's ongoing investigation or prosecution of a criminal or civil matter arising out of the same facts as the facts upon which the action is based, the court may stay such discovery in whole or in part for a period of not more than 60 days. Provide that the court may extend the period of any such stay upon a further showing in camera by the Attorney General that the state has pursued the criminal or civil investigation of the matter with reasonable diligence and the proposed discovery in the action will interfere with the ongoing criminal or civil investigation or prosecution.

Alternate Remedy. Provide that the Attorney General may pursue a claim relating to an alleged violation through an alternate remedy available to the state or any state agency, including an administrative proceeding to assess a civil forfeiture. If the Attorney General elects any such alternate remedy, the Attorney General must serve timely notice of his or her election upon the person bringing the action, and that person has the same rights in the alternate venue as the person would have otherwise had. Provide that any finding of fact or conclusion of law made by a court or by a state agency in the alternate venue that has become final is conclusive upon all parties named in an action. For these purposes, a finding or conclusion would be final if it has been finally determined on appeal, if all time for filing an appeal or petition for review with respect to the finding or conclusion has expired, or if the finding or conclusion is not subject to judicial review.

Payment to Claimants. Provide that if the state proceeds with an action brought by a person or the state pursues an alternate remedy described above, the person who brings the action would receive at least 15 percent but not more than 25 percent of the proceeds of the action or settlement of the claim, depending upon the extent to which the person contributed to the prosecution of the action or claim.

Provide that, if an action or claim is one that the court or other adjudicator finds to be based primarily upon disclosures of specific information not provided by the person who brings the action or claim relating to: (a) allegations or transactions specifically disclosed in a criminal, civil, or administrative hearing; (b) legislative or administrative report, hearing, audit, or investigation; or (c) report made by the news media, the court or other adjudicator may award an amount to the person as it considers appropriate, but not more than 10 percent of the proceeds of the action or settlement of the claim, depending upon the significance of the information and the role of the person bringing the action in advancing the prosecution of the action or claim.

Provide that, in addition to any amount received under the person bringing an action described above, the person must be awarded his or her reasonable expenses necessarily incurred in bringing the action together with the person's costs and reasonable actual attorney fees. Require the court or other adjudicator to assess any such award against the defendant.

Provide that, if the state does not proceed with an action or an alternate proceeding, the person bringing the action must receive an amount that the court decides is reasonable for collection of the civil penalty and damages. Specify that the amount must be not less than 25 percent and not more than 30 percent of the proceeds of the action and must be paid from the proceeds. In addition, the person must be paid his or her expenses, costs, and fees described in the bill.

Provide that, whether or not the state proceeds with an action or an alternate proceeding, if the court or other adjudicator finds that an action was brought by a person who planned or initiated

the violation upon which the action or proceeding is based, then the court may, to the extent that the court considers appropriate, reduce the share of the proceeds of the action that the person would otherwise receive, taking into account the role of that person in advancing the prosecution of the action or claim and any other relevant circumstance pertaining to the violation, except that if the person bringing the action is convicted of criminal conduct arising from his or her role in a violation, the court or other adjudicator must dismiss the person as a party and the person shall not receive any share of the proceeds of the action or claim or any expenses, costs, or fees.

Create a continuing program revenue appropriation in the Department of Justice to transfer any monies owed to a "relator" (the individual bringing a qui tam claim).

Court Dismissal of Duplicative Allegations. Provide that, except if the action is brought by the Attorney General or the person bringing the action is an original source of the information, the court must dismiss an action or claim, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed in any of the following ways: (a) in a federal criminal, civil, or administrative hearing in which the state or its agent is a party; (b) in a congressional, government accountability office, or other federal report, hearing, audit, or investigation; or (c) from the news media.

State Immunity from Liability. Provide that the state is not liable for any expenses incurred by a private person in bringing an action.

Protections for Claimants. Provide that any employee, contractor, or agent who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful actions taken by the employee, contractor, or agent or by others in furtherance of an action or claim filed or on behalf of the employee, contractor, or agent, including investigation for, initiation of, testimony for, or assistance in an action or claim filed or to be filed, is entitled to all necessary relief to make the employee, contractor, or agent whole. Provide that such relief must in each case include reinstatement with the same seniority status that the employee, contractor, or agent would have had but for the discrimination, two times the amount of back pay, interest on the back pay at the legal rate, and compensation for any special damages sustained as a result of the discrimination, including costs and reasonable attorney fees. Specify that an employee, contractor, or agent may bring an action to obtain the relief to which the employee, contractor, or agent is entitled under these provisions within three years after the date the retaliation occurred.

Other Provisions. Provide that a civil action may be brought under these provisions based on acts occurring prior to the bill's general effective date if the action is brought within ten years after the cause of the action or claim accrues. Provide that a judgment of guilty entered against a defendant in a criminal action in which the defendant is charged with fraud or making false statements stops the defendant from denying the essential elements of the offense in any action under that involves the same elements as in the criminal action. Specify that the remedies provided for under this section are in addition to any other remedies provided for under any other law or available under the common law. Provide that these provisions must be liberally construed and applied to promote the public interest and to effect the congressional intent in enacting 31 USC 3729 to 3733, as reflected in the federal False Claims Act and the legislative history of the act.

Definitions. For these purposes, create the following definitions.

"Claim" means any request or demand, whether under a contract or otherwise, for money or property, whether the state has title to the money or property, that is any of the following: (a) presented to an officer, employee, agent, or other representative of the state; or (b) made to a contractor, grantee, or other person if the money or property is to be spent or used on the state's behalf or to advance a state program or interest and if the state provides any portion of the money or property that is requested or demanded or will reimburse directly or indirectly the contractor, grantee, or other person for any portion of the money or property that is requested or demanded. "Claim" includes a request or demand for services from a state agency or as part of a state program, but does not include requests or demands for money or property that the state has paid to an individual as compensation for state employment or as an income subsidy with no restriction on that individual's use of the money or property.

"Knowingly" means, with respect to information, having actual knowledge of the information, acting in deliberate ignorance of the truth or falsity of the information, or acting in reckless disregard of the truth or falsity of the information. "Knowingly" does not mean specifically intending to defraud.

"Material" means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property or the receipt of services.

"Medical assistance" is defined through a cross reference to state statutes.

"Obligation" is defined through a cross reference to federal statutes.

"Original source" is defined through a cross reference to federal statutes.

Proceeds" includes damages, civil penalties, surcharges, payments for costs of compliance, and any other economic benefit realized by this state as a result of an action or settlement of a claim.

"Qui tam" is a legal term that refers to cases in which individuals initiate lawsuits on behalf of the state.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. RECOVERY OF BIRTH COSTS

Governor: Prohibit DHS from recovering birth expenses from persons who apply for, or are enrolled in, MA. Repeal a provision that specifies that if a mother is enrolled in a health maintenance organization or other pre-paid health plan at the time of the child's birth, DHS may recover birth expenses incurred by the HMO or pre-paid health plan.

Under current law, as a condition of eligibility for MA, individuals are deemed to have assigned to the state any rights to medical support or other payment of medical expenses from any

other person, including rights to unpaid amounts accrued at the time of application for MA, as well as any rights to support accruing during the time the individual is enrolled in MA. This provision would create an exception for birth expenses to this assignment of medical expenses.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$43,590,500	0.00	-\$1,824,000	0.00	\$41,766,500	0.00
FED	45,941,100	- 17.00	- 3,166,400	0.00	42,774,700	- 17.00
PR	73,749,500	0.00	- 677,400	0.00	73,072,100	0.00
SEG	<u>- 321,100</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>- 321,100</u>	<u>0.00</u>
Total	\$162,960,000	- 17.00	-\$5,667,800	0.00	\$157,292,200	- 17.00

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	-\$4,692,600	-\$2,374,900	-\$3,347,500	\$0	-\$10,415,000
Removal of Noncontinuing Elements	-150,000	-1,109,600	0	0	-1,259,600
Full Funding of Cont. Pos. Salary/Fringe	10,603,700	25,909,900	27,389,100	-147,300	63,755,400
Overtime	15,610,200	0	11,255,900	0	26,866,100
Night and Weekend Differential	2,279,300	101,400	2,265,000	0	4,645,700
Full Funding of Lease/Directed Moves	<u>-1,531,700</u>	<u>752,800</u>	<u>-580,100</u>	<u>-12,400</u>	<u>-1,371,400</u>
Total	\$22,118,900	\$23,279,600	\$36,982,400	-\$159,700	\$82,221,200
2026-27					
Turnover Reduction	-\$4,692,600	-\$2,374,900	-\$3,347,500	\$0	-\$10,415,000
Removal of Noncontinuing Elements	-150,000	-1,137,300	0	0	-1,287,300
Full Funding of Cont. Pos. Salary/Fringe	10,603,700	25,909,900	27,389,100	-147,300	63,755,400
Overtime	15,610,200	0	11,255,900	0	26,866,100
Night and Weekend Differential	2,279,300	101,400	2,265,000	0	4,645,700
Full Funding of Lease/Directed Moves	<u>-2,179,000</u>	<u>162,400</u>	<u>-795,400</u>	<u>-14,100</u>	<u>-2,826,100</u>
Total	\$21,471,600	\$22,661,500	\$36,767,100	-\$161,400	\$80,738,800
Biennial Totals	\$43,590,500	\$45,941,100	\$73,749,500	-\$321,100	\$162,960,000

In addition, reduce authorized positions by 12.0 FED positions in 2025-26 and 17.0 FED positions in 2026-27 under the removal of noncontinuing elements standard budget adjustment.

Joint Finance/Legislature: Reduce funding by \$2,833,900 (-\$912,000 GPR, -\$1,583,200 FED, and -\$338,700 PR) annually to increase, from 3% to 5%, the turnover rate in the bill.

2. COMMUNITY AIDS BASIC COUNTY ALLOCATIONS [LFB Paper 430]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$6,860,800	- \$6,860,800	\$0

Governor: Provide \$1,698,200 in 2025-26 and \$5,162,600 in 2026-27 to increase basic county allocations (BCAs) under the community aids program. DHS distributes community aids to counties to support county-funded human services programs, including mental health and substance abuse treatment services. This item would increase base funding for the BCA (\$169,666,400 in calendar year (CY) 2025) by 2.52% in CY 2026 and an additional 3.04% in CY 2027.

Joint Finance/Legislature: Provision not included.

3. INFORMATION TECHNOLOGY AND FACILITY REPAIR AND MAINTENANCE [LFB Paper 431]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,194,000	- \$2,194,000	\$0

Governor: Provide \$1,097,000 annually to fund projected increases in costs to maintain the Department's internal information technology (IT) network (\$1,061,200) and to provide a 5% increase in funding to support repair and maintenance costs at the DHS residential facilities (\$35,800).

The costs of IT personnel that assist DHS employees, network infrastructure, personal computer replacements, and software are funded through charges to DHS divisions and offices, is based on the number of users in each division and office. In 2023-24, these costs totaled \$22,515,500 (all funds). This item would increase GPR appropriations for DHS divisions and offices that support these IT network costs by 5%, beginning in 2025-26.

Joint Finance/Legislature: Provision not included.

4. OFFICE OF GRANTS MANAGEMENT

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,254,100	10.00	-\$1,254,100	- 10.00	\$0	0.00
FED	<u>- 654,100</u>	<u>- 10.00</u>	<u>654,100</u>	<u>10.00</u>	<u>0</u>	<u>0.00</u>
Total	\$600,000	0.00	-\$600,000	0.00	\$0	0.00

Governor: Provide \$600,000 (\$1,254,100 GPR and -\$654,100 FED) in 2026-27 and convert 10.0 FED positions to 10.0 GPR positions, beginning in 2026-27, to support the Office of Grants Management (OGM).

In July, 2024, the Department of Administration (DOA) approved DHS' request to establish OGM to centralize grant-making functions within DHS to improve service to grantees, compliance with federal requirements, and consistency of the grant process. In addition, DOA approved 25.0 FED positions and provided funding to support these positions and to create a grants management system, supported by one-time federal ARPA funds through 2025-26. Under the bill, beginning in 2026-27, OGM would be staffed and funded as follows: (a) 10.0 GPR positions and \$1,254,100 GPR; (b) \$1,753,800 FED in ARPA funds, expiring December 31, 2026; and (c) 15.0 positions from reallocating current staff to OGM and \$831,100 (all funds).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. MYWISCONSIN ID -- INFORMATION TECHNOLOGY SECURITY [LFB Paper 432]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,900,900	-\$925,000	\$984,900

Governor: Provide \$1,432,400 in 2025-26 and \$477,500 in 2026-27 to develop the MyWisconsin identification account management system to comply with updated information technology security standards.

The Department of Administration's Division of Enterprise Technology has required all state agencies to upgrade their systems that allow the public and external partners to access and authenticate various online services by December 31, 2026. MyWisconsin ID is a modern authentication system that will replace the current Web Access Management System (WAMS) and the Wisconsin Logon Management System (WILMS)

DHS has identified 37 applications supported by the Bureau of Information Technology Services that must be upgraded, with a total cost of \$4.4 million, including costs of 8.0 contracted positions. The Department began making these upgrades in 2023-24, and will complete the work in 2026-27, based on the following schedule.

Costs to Migrate Applications to MyWisconsin

<u>Component</u>	<u>Cost Estimates</u>				<u>Total</u>
	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	
Application Updates	\$524,100	\$524,000	\$601,400	\$200,500	\$1,850,000
Contractor Workload	<u>363,000</u>	<u>638,000</u>	<u>1,281,300</u>	<u>277,700</u>	<u>2,560,000</u>
Total	\$887,100	\$1,162,000	\$1,882,700	\$478,200	\$4,410,000

This item would provide GPR to support costs that would otherwise be funded with base funding contributed by DHS divisions. Based on the number of applications used by each division, DHS estimates that the net costs assigned to each DHS division in the 2025-27 biennium would be as follows: (a) Division of Public Health, \$1,342,100; (b) Division of Quality Assurance, \$258,100; (c) Division of Medicaid Services, \$154,900; (d) Departmentwide, \$103,200; and (e) the Division of Care and Treatment Services, \$51,600.

Joint Finance/Legislature: Reduce funding by \$693,700 in 2025-26 and by \$231,300 in 2026-27 so that \$738,700 in 2025-26 and \$246,200 in 2026-27 in one-time funding is provided to complete work on implementing MyWisconsin ID, based on the estimated costs of migrating 19 of the 37 applications.

6. INTERPRETER SERVICES FOR BADR STAFF

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$179,000	- \$179,000	\$0

Governor: Provide \$89,500 annually to fund interpreter services for staff in the Bureau of Aging and Disability Resources (BADR) who require American Sign Language (ASL) interpretation services. Currently, these services are provided by a combination of 1.0 state staff, two full-time contracted staff, and ad hoc contracted interpretation services.

Joint Finance/Legislature: Provision not included.

7. FEDERAL APPROPRIATIONS -- FUNDING ADJUSTMENTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$178,123,400	- \$178,123,400	\$0

Governor: Provide \$89,061,700 annually to reflect the net effect of funding adjustments to certain appropriations funded from federal revenue.

The following table shows the base funding amount for each appropriation, the funding change under this item, the net funding changes to these appropriations under other items in the bill, and the total amount that is budgeted for the appropriations under the bill.

Federal Appropriation Funding Adjustments

	Base	2025-26			2026-27		
		<u>This Item</u>	<u>Other Items</u>	<u>Total</u>	<u>This Item</u>	<u>Other Items</u>	<u>Total</u>
Public Health							
Medical Assistance State Administration	\$8,776,800	\$1,806,200	\$1,670,400	\$12,253,400	\$1,806,200	\$1,670,400	\$12,253,400
Federal Program Operations -- Aging Programs	1,647,600	41,800	524,000	2,213,400	41,800	524,000	2,213,400
Federal Project Operations	48,588,400	47,300,600	13,645,900	109,534,900	47,300,600	13,642,500	109,531,500
Federal Project Aids	60,675,000	27,552,000	0	88,227,000	27,552,000	0	88,227,000
Maternal and Child Health Block Grant	7,450,000	1,421,000	0	8,871,000	1,421,000	0	8,871,000
Programs for the Elderly -- Aids	36,217,200	5,918,800	0	42,136,000	5,918,800	0	42,136,000
Care and Treatment Services							
Federal Project Aids	16,289,700	403,300	0	16,693,000	403,300	0	16,693,000
Federal Program Aids	835,100	11,900	0	847,000	11,900	0	847,000
Community Mental Health Block Grant -- Operations	3,272,100	275,900	77,200	3,625,200	275,900	62,000	3,610,000
Community Mental Health Block Grant -- Local Assistance	2,513,600	361,400	0	2,875,000	361,400	0	2,875,000
Quality Assurance							
Federal Program Operations	517,800	27,800	2,100	547,700	27,800	2,100	547,700
Medicare -- State Administration	9,307,300	944,300	127,100	10,378,700	944,300	143,800	10,395,400
Disability and Elder Services							
Social Services Block Grant -- Local Assistance	21,155,200	-150,800	0	21,004,400	-150,800	0	21,004,400
General Administration							
Indirect Cost Reimbursements	5,319,100	2,453,800	1,021,200	8,794,100	2,453,800	430,800	8,203,700
Federal Program Operations	2,598,100	33,500	2,244,300	4,875,900	33,500	1,590,200	4,221,800
FoodShare Administration	994,800	213,200	33,300	1,241,300	213,200	33,300	1,241,300
Office of the Inspector General -- Local Assistance	2,000,000	<u>447,000</u>	0	2,447,000	<u>447,000</u>	0	2,447,000
Total		\$89,061,700			\$89,061,700		

Joint Finance/Legislature: Provision not included.

8. PROGRAM REVENUE APPROPRIATIONS -- FUNDING ADJUSTMENTS

PR	\$11,070,700

Governor/Legislature: Provide \$5,491,300 in 2025-26 and \$5,579,400 in 2026-27 to reflect the net effect of funding adjustments to certain appropriations funded from program revenue.

The following table shows the base funding amount for each appropriation, the funding change under this item, the net funding changes to these appropriations under other items in Act 15, and the total amount that is budgeted for these appropriations under Act 15.

Program Revenue Appropriation Funding Adjustments

		2025-26			2026-27		
	<u>Base</u>	<u>This Item</u>	<u>Other Items</u>	<u>Total</u>	<u>This Item</u>	<u>Other Items</u>	<u>Total</u>
Public Health							
Vital Records	\$9,970,700	\$267,900	-\$354,000	\$9,884,600	\$356,000	-\$442,100	\$9,884,600
Cancer Information	18,000	82,000	0	100,000	82,000	0	100,000
Radiation Monitoring	226,700	4,900	7,100	238,700	4,900	7,100	238,700
EMS Licensing Fees	31,600	38,400	0	70,000	38,400	0	70,000
Interagency and Intra-agency Programs	8,548,300	304,000	21,100	8,873,400	304,000	1,000	8,853,300
Interpretive Services for Hearing Impaired	39,900	10,000	0	49,900	10,000	0	49,900
Congenital Disorders -- Operations	616,600	650,000	0	1,266,600	650,000	0	1,266,600
Asbestos Abatement Certification	798,900	38,400	-16,900	820,400	38,400	-16,900	820,400
Mental Health and Developmental Disabilities Facilities							
Gifts and Grants	93,800	131,200	0	225,000	131,200	0	225,000
Medicaid Services							
Interagency and Intra-agency Programs	8,866,600	871,800	-150,900	9,587,500	871,800	-278,100	9,460,300
Quality Assurance							
Caregiver Background Checks	1,672,300	1,000,000	9,700	2,682,000	1,000,000	9,700	2,682,000
General Administration							
Administrative Support -- Adult							
Protective Services	87,600	400	0	88,000	400	0	88,000
Bureau of Information and							
Technology Services	37,305,200	1,000,000	212,700	38,517,900	1,000,000	212,700	38,517,900
Gifts and Grants	10,000	562,700	0	572,700	562,700	0	572,700
Interagency and Intra-agency Programs	41,800	<u>529,600</u>	0	571,400	<u>529,600</u>	0	571,400
Total		\$5,491,300			\$5,579,400		

9. ADMINISTRATIVE TRANSFERS

Governor/Legislature: Transfer funding and positions to reflect administrative transfers that occurred within the Department in the 2023-25 biennium. These transfers are intended to more accurately align base staff costs with funding sources that reflect the positions' current responsibilities.

The following table summarizes the funding and position transfers in Act 15.

Administrative Transfers

		Annual Change	
	Source	Funding	Positions
Public Health			
Federal Projects Operations	FED	-\$124,200	-1.00
Maternal and Child Health Block Grant -- Operations	FED	-22,900	-0.20
Mental Health and Developmental Disabilities Facilities			
General Program Operations	GPR	-4,905,600	-30.60
Wisconsin Resource Centers -- Units for Males	GPR	229,200	1.80
Sand Ridge Secure Treatment Center	GPR	4,384,700	26.75
Alternative Services of Institutes and Centers	PR	493,100	3.10
Developmental Disabilities State Centers -- Operations	PR	-512,800	-3.30
Mental Health Institutes -- Operations (Budget Line Transfer)	PR	0	0.00
Division of Medicaid Services			
General Program Operations	GPR	-284,500	0.00
Care and Treatment Services			
General Program Operations	GPR	291,700	2.05
Alcohol and Drug Abuse Initiatives	PR	12,300	0.10
Quality Assurance			
Caregiver Background Check Fees	PR	7,400	0.10
Medicaid Survey and Certification Operations	FED	37,100	0.50
General Administration			
General Program Operations	GPR	284,500	0.00
Indirect Cost Reimbursements	FED	-74,700	-0.80
Federal Program Operations	FED	161,800	1.30
Federal WIC Program Operations	FED	22,900	0.20
Total		\$0	0.00

10. DELETE VACANT POSITIONS

Joint Finance/Legislature: Delete 19.23 vacant positions (-5.0 GPR, -9.4 FED, and -4.83 PR positions), beginning in 2025-26. Reduce funding by \$1,288,700 (-\$362,700 GPR, -\$587,900 FED, and -\$338,100 PR) annually to reflect the salary and fringe benefit costs of these positions.

	Funding	Positions
GPR	- \$725,400	-5.00
FED	- 1,175,800	- 9.40
PR	<u>- 676,200</u>	<u>- 4.83</u>
Total	- \$2,577,400	- 19.23

HIGHER EDUCATIONAL AIDS BOARD

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$285,757,000	\$347,500,200	\$307,226,800	\$307,226,800	\$307,226,800	\$21,469,800	7.5%
FED	300,000	300,000	300,000	300,000	300,000	0	0.0
PR	<u>3,334,800</u>	<u>3,527,600</u>	<u>3,409,500</u>	<u>3,409,500</u>	<u>3,409,500</u>	<u>74,700</u>	2.2
TOTAL	\$289,391,800	\$351,327,800	\$310,936,300	\$310,936,300	\$310,936,300	\$21,544,500	7.4%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	11.50	11.50	11.50	11.50	11.50	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	- \$102,600

Governor/Legislature: Adjust funding for standard budget adjustments as shown in the following table.

2025-26

Full Funding of Cont. Pos. Salary/Fringe	-\$41,100
Full Funding of Lease/Directed Moves	<u>-6,700</u>
Total	-\$47,800

2026-27

Full Funding of Cont. Pos. Salary/Fringe	-\$41,100
Full Funding of Lease/Directed Moves	<u>-13,700</u>
Total	-\$54,800

Biennial Total	-\$102,600

2. WISCONSIN GRANTS -- UW SYSTEM [LFB Paper 435]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$24,757,800	- \$18,900,400	\$5,857,400

Governor: Increase funding for Wisconsin Grants for UW System students by \$12,378,900 annually. This would be an increase of 20% over 2024-25. Annual base level funding for this program is \$61,894,100.

Joint Finance/Legislature: Provide \$1,889,500 GPR in 2025-26 and \$3,967,900 GPR in 2026-27 for Wisconsin Grants to UW System students.

3. WISCONSIN GRANTS -- TECHNICAL COLLEGES [LFB Paper 435]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$21,600,000	- \$11,742,500	\$9,857,500

Governor: Increase funding for Wisconsin Grants for technical college students by \$10,800,000 annually. DOA indicates that of this amount, \$4,594,400 annually would reflect a 20% increase in grant funding over 2024-25, consistent with the other grant sectors. The remaining \$6,205,600 of the annual increase is intended to address the increase in eligible technical college students attending less than half-time who became newly eligible for Wisconsin grants under 2023 Act 80. Prior to 2023 Act 80, eligibility was limited to students enrolled at least half-time. Annual base level funding for this program is \$22,971,700.

Joint Finance/Legislature: Provide an increase of \$3,889,500 in 2025-26 and \$5,968,000 in 2026-27 for Wisconsin Grants to students at Wisconsin Technical College System institutions. This includes \$2,000,000 annually related to half-time eligibility.

4. WISCONSIN GRANTS -- PRIVATE, NONPROFIT COLLEGES [LFB Paper 435]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$11,402,000	- \$5,544,500	\$5,857,500

Governor: Increase funding for Wisconsin Grants for private, nonprofit college students by \$5,701,000 annually. This would be an increase of 20% over 2024-25. Annual base level funding for this program is \$28,504,600.

Joint Finance/Legislature: Provide an increase of \$1,889,500 in 2025-26 and \$3,968,000 in 2026-27 for Wisconsin Grants to students at private, nonprofit colleges.

5. WISCONSIN GRANTS -- TRIBAL COLLEGES [LFB Paper 435]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$192,800	- \$118,100	\$74,700

Governor: Increase funding for Wisconsin Grants for tribal college students by \$96,400 annually. This would be an increase of 20% over 2024-25. Annual base level funding for this program is \$481,800.

Joint Finance/Legislature: Provide an increase of \$24,100 in 2025-26 and \$50,600 in 2026-27.

6. NURSE EDUCATORS PROGRAM EXPANSION [LFB Paper 436]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,000,000	- \$4,000,000	\$0

Governor: Provide \$2,000,000 annually for the nurse educators program above base level funding of \$5,000,000 and retitle the program Financial Assistance for Educators in Nursing, Allied Health, Behavioral Health, and Dentistry. In addition, require the program to provide: (a) fellowships for students who enroll in an institution of higher education's masters or doctoral program that trains students for practice as an allied health professional, a behavioral health professional, or a dentistry professional; (b) postdoctoral fellowships to recruit institution of higher education faculty for programs that train students to be allied health professionals, behavioral health providers, or dentistry professionals; and (c) educational loan repayment assistance to recruit and retain institution of higher education faculty for programs that train students to be allied health professionals, behavioral health providers, or dentistry professionals. Further, specify that, under the program, faculty refers to individuals employed either full-time or part-time at an institution of higher education.

Specify that an allied health professional is any individual who is a health care provider other than a physician, dentist, pharmacist, chiropractor, or podiatrist and who provides diagnostic, technical, therapeutic, or direct patient care and support services to the patient. In addition, specify that behavioral health provider includes an individual who is licensed in Wisconsin, or another state or territory with substantially the same qualifications, as a psychologist or certified as a social worker or licensed as a clinical social worker, a marriage and family therapist, or a professional counselor or has been licensed as such within the previous 10 years, if the license or certification was never revoked, limited, suspended or denied renewal. Further, specify that dentistry professional means an individual who practices dentistry in Wisconsin, a dental assistant, dental hygienist, or dental therapist licensed in Wisconsin. Also, specify that dental assistant means an individual who holds a certified dental assistant credential issued by a national credentialing organization.

2021 Act 58 provided \$5,000,000 GPR in 2022-23 in the Joint Committee on Finance

supplemental appropriation for release to HEAB upon request and approval by the Committee for a Nurse Educators program. The Act also created a new, continuing appropriation under HEAB for the program, to which funding was transferred upon release by the Committee. The Act specified that the nurse educator program applies to students and graduates of institutions of higher education, defined as private, non-profit colleges located in Wisconsin, colleges within the Wisconsin Technical College System (WTCS), and UW System institutions or campuses. The program is required to provide: (a) fellowships to students who enroll in programs for degrees in doctor of nursing practice, doctor of philosophy in nursing, or master of science in nursing in an institution of higher education; (b) educational loan repayment assistance to recruit and retain faculty for nursing programs in an institution of higher education; and (c) postdoctoral fellowships to recruit faculty for nursing programs in an institution of higher education. Individuals who receive fellowships or loan repayment assistance are required to teach for three consecutive years in a nursing program at an institution of higher education. Funds were released in February, 2022, and \$5 million annually became base level funding for the program. In 2023-24, 169 awards were made under the program, and expenditures totaled \$4.5 million.

Joint Finance/Legislature: Provision not included.

7. SUPPLIES AND SERVICES INCREASE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$86,000	- \$86,000	\$0

Governor: Provide \$46,500 in 2025-26 and \$39,500 in 2026-27 to increase the general program operations appropriation supply funding. DOA indicates that the funding would be used to cover increased costs due to inflation, including increased computer support and maintenance costs.

Joint Finance/Legislature: Provision not included.

8. EMERGENCY MEDICAL SERVICES TRAINING COSTS

Joint Finance/Legislature: Provide \$3.5 million in 2026-27 in the Joint Finance Committee supplemental appropriation for release to HEAB, and create an annual, amounts in the schedule appropriation in HEAB, for Emergency Medical Services (EMS) training cost reimbursements related to training and materials incurred in completing a course at a Wisconsin Technical College System institution. The fiscal effect of this item is shown under "Program Supplements."

[Act 15 Section: 21]

9. RURAL DENTISTRY SCHOLARSHIP

Governor: Specify that the dentistry scholarship administered by HEAB may be provided to a student for each year of a student's dental general practice residency in addition to each year

of a student's enrollment at Marquette University School of Dentistry (MUSD), not exceeding four years.

The 2019-21 budget (2019 Act 9) created a scholarship program administered by HEAB to encourage health services professionals to practice in health shortage areas in Wisconsin. The Act required the Board, in consultation with the Department of Health Services, to establish a program for awarding an annual scholarship, including a stipend, for each year of a student's enrollment, not to exceed four years, and provided \$800,000 GPR in 2020-21 in a new annual appropriation for this purpose. Under the program, HEAB awarded scholarships of \$30,000 each to dentists, primary care physicians, and psychiatrists for each academic year in which they applied and were eligible and \$25,000 per year each to physician's assistants and nurse practitioners for a maximum of four years. In 2023-24, HEAB awarded four scholarships for a total of \$110,000, including two dentist scholarships, one physician assistant scholarship, and one nurse practitioner scholarship. Beginning with awards made for the 2024-25 academic year, 2023 Act 90 limited the scholarship to Wisconsin resident students attending the Marquette University School of Dentistry who agree to practice in a dental shortage area in Wisconsin. The bill would expand the scholarship eligibility to students in dental general practice residency in addition to those currently attending MUSD but retain the cap of four years total.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. ADMINISTRATIVE ATTACHMENT TO DOA

Governor: Specify that the Higher Educational Aids Board and Distance Learning Authorization Board would be administratively attached to the Department of Administration for budgeting, program coordination, and related management purposes. Create a program revenue service appropriation for all moneys received from other state agencies to carry out the purposes for which received. Under current law, HEAB is responsible for its own administrative services, while the Distance Learning Authorization Board is attached to HEAB. [See "Administration -- General Agency Provisions."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

HISTORICAL SOCIETY

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over <u>Base Year Doubled</u>	
						Amount	Percent
GPR	\$54,637,600	\$57,770,900	\$56,383,500	\$56,383,500	\$56,383,500	\$1,745,900	3.2%
FED	5,555,600	5,523,300	5,523,300	5,523,300	5,523,300	-32,300	- 0.6
PR	11,583,200	13,763,000	13,751,200	13,751,200	13,751,200	2,168,000	18.7
SEG	<u>13,672,600</u>	<u>12,616,500</u>	<u>12,556,300</u>	<u>12,556,300</u>	<u>12,556,300</u>	<u>- 1,116,300</u>	- 8.2
TOTAL	\$85,449,000	\$89,673,700	\$88,214,300	\$88,214,300	\$88,214,300	\$2,765,300	3.2%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	112.65	115.65	118.65	118.65	118.65	6.00
FED	15.86	11.86	11.86	11.86	11.86	- 4.00
PR	23.95	23.95	23.35	23.35	23.35	- 0.60
SEG	<u>32.09</u>	<u>32.09</u>	<u>32.09</u>	<u>32.09</u>	<u>32.09</u>	<u>0.00</u>
TOTAL	184.55	183.55	185.95	185.95	185.95	1.40

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor <u>(Chg. to Base)</u>		Jt. Finance/Leg. <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$989,400	0.00	- \$343,800	0.00	\$645,600	0.00
FED	- 32,300	- 4.00	0	0.00	- 32,300	- 4.00
PR	268,200	0.00	0	0.00	268,200	0.00
SEG	<u>106,500</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>106,500</u>	<u>0.00</u>
Total	\$1,331,800	- 4.00	- \$343,800	0.00	\$988,000	- 4.00

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	-\$257,800	\$0	\$0	\$0	-\$257,800
Removal of Noncontinuing Elements	0	-258,500	0	0	-258,500
Full Funding of Cont. Pos. Salary/Fringe	741,200	294,700	126,200	49,100	1,211,200
Reclassification/Pay Progression	0	0	2,400	4,000	6,400
Overtime	7,300	0	0	0	7,300
Night and Weekend Differential	12,400	0	0	0	12,400
Full Funding of Lease/Directed Moves	<u>-8,400</u>	<u>800</u>	<u>4,600</u>	<u>0</u>	<u>-3,000</u>
Total	\$494,700	\$37,000	\$133,200	\$53,100	\$718,000
2026-27					
Turnover Reduction	-\$257,800	\$0	\$0	\$0	-\$257,800
Removal of Noncontinuing Elements	0	-365,000	0	0	-365,000
Full Funding of Cont. Pos. Salary/Fringe	741,200	294,700	126,200	49,100	1,211,200
Reclassification/Pay Progression	0	0	2,500	4,300	6,800
Overtime	7,300	0	0	0	7,300
Night and Weekend Differential	12,400	0	0	0	12,400
Full Funding of Lease/Directed Moves	<u>-8,400</u>	<u>1,000</u>	<u>6,300</u>	<u>0</u>	<u>-1,100</u>
Total	\$494,700	-\$69,300	\$135,000	\$53,400	\$613,800
Biennial Totals	\$989,400	-\$32,300	\$268,200	\$106,500	\$1,331,800

In addition, reduce authorized positions by 1.00 in 2025-26 and 4.00 in 2026-27 under the removal of noncontinuing elements standard budget adjustment.

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$171,900 GPR annually.

2. WISCONSIN HISTORY CENTER [LFB Paper 440]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$2,230,900	3.00	\$609,900	3.00	\$2,840,800	6.00

Governor: Provide \$2,000,000 in 2025-26 and \$230,900 in 2026-27 in the Society's general program operations appropriation and provide 3.0 positions in 2026-27 to support the exhibit installation, training, equipment, and marketing of the new Wisconsin History Center.

Joint Finance/Legislature: Increase funding by \$300,000 GPR in 2025-26 and \$309,900 GPR in 2026-27 for a net funding increase of \$2,300,000 GPR in 2025-26 and \$540,800 GPR in 2026-27, and provide an additional 3.0 GPR positions annually beginning in 2026-27 for a net increase of 6.0 GPR positions to support the planning, preparation, and operation of the new Wisconsin History Center.

3. WISCONSIN BLACK HISTORICAL SOCIETY AND MUSEUM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,000,000	- \$2,000,000	\$0

Governor: Provide an increase of \$2,000,000 in 2025-26 over base level funding of \$84,500 for the Wisconsin Black Historical Society.

The Wisconsin Black Historical Society documents and preserves historical records and artifacts related to African Americans and their history in Wisconsin. The Society operates a museum located in Milwaukee.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. SECURITY AND SAFETY [LFB Paper 441]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$796,400	- \$234,400	\$562,000

Governor: Provide \$437,200 in 2025-26 and \$359,200 in 2026-27 to make security and safety improvements to facilities, historic sites, and collections.

The Historical Society indicates that this funding would be used to support one-time and ongoing costs, including infrastructure upgrades, security systems, electronic access controls, equipment installation and configuration, ongoing maintenance, and contracted security services Circus World Museum and Old World Wisconsin, the two largest and most attended locations, and select special events at other locations. The funding is in response to a recent safety and risk assessment conducted in collaboration with the Capitol Police, which indicated security vulnerabilities.

Joint Finance/Legislature: Reduce funding by \$97,200 GPR in 2025-26 and \$137,200 GPR in 2026-27 for a net increase of \$340,000 GPR in 2025-26 and \$222,000 GPR in 2026-27 in one-time funding to make security and safety improvements to facilities, historic sites, and collections.

5. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$3,307,200	\$1,061,700	- \$2,245,500
PR	<u>- 200</u>	<u>0</u>	<u>- 200</u>
Total	- \$3,307,400	\$1,061,700	- \$2,245,700

Governor: Decrease funding by \$1,580,900 GPR and \$100 PR in 2025-26 and \$1,726,300 GPR and \$100 PR in 2026-27 as a reestimate of debt service payments. Base level funding is \$6,910,300 GPR and \$100 PR annually.

Joint Finance/Legislature: Increase funding by \$541,100 GPR in 2025-26 and \$520,600 GPR in 2026-27 for a net funding decrease of \$1,039,800 GPR in 2025-26 and \$1,205,700 GPR in 2026-27 as a reestimate of debt service payments.

6. STATE OPERATIONS ADJUSTMENT [LFB Paper 442]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$637,800	- \$480,800	\$157,000
PR	11,800	-11,800	0
SEG	<u>200</u>	<u>- 200</u>	<u>0</u>
Total	\$649,800	- \$492,800	\$157,000

Governor: Provide \$318,900 GPR, \$5,900 PR, and \$100 SEG annually beginning in 2025-26 to support increased supplies and services costs, including service contracts, printing, technology equipment, and maintenance supplies and services. These amounts represent 5% of the appropriations' supplies and services allotment.

Joint Finance/Legislature: Reduce funding by \$243,900 GPR, \$5,900 PR, and \$100 SEG in 2025-26 and \$236,900 GPR, \$5,900 PR, and \$100 SEG in 2026-27 for a net funding increase of \$75,000 GPR in 2025-26 and \$82,000 GPR in 2026-27 to support estimated future increases in assessments for services provided by DOA.

7. FUEL AND UTILITIES REESTIMATE

GPR	- \$214,000

Governor/Legislature: Decrease funding by \$210,000 in 2025-26 and \$4,000 in 2026-27 to reflect estimated costs for fuel and utilities at Historical Society facilities. Base level funding is \$1,233,300 annually.

8. NORTHERN GREAT LAKES VISITOR CENTER

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$60,000	- \$60,000	\$0

Governor: Provide \$30,000 annually to support operational and interpretive programming at the Northern Great Lakes Visitor Center. Modify the appropriation to allow funds to be expended on operational support of the Northern Great Lakes Center.

Joint Finance/Legislature: Provision not included.

9. REVENUE REESTIMATES FOR CONTINUING APPROPRIATIONS

PR	\$1,900,000
SEG	<u>- 1,222,800</u>
Total	\$677,200

Governor/Legislature: Provide \$165,200 (\$870,000 PR and -\$704,800 SEG) in 2025-26 and \$512,000 (\$1,030,000 PR and -\$518,000 SEG) in 2026-27 to reflect current revenue and expenditure projections for the following continuing PR and SEG appropriations:

- a. \$900,000 PR in 2025-26 and \$1,050,000 PR in 2026-27 for foundation contributed income for the gifts, grants, and memberships sales appropriation;
- b. -\$30,000 PR in 2025-26 and -\$20,000 PR in 2026-27 for general donations for the gifts, grants, and memberships sales appropriation;
- c. \$226,900 SEG annually for general program operations for the endowment appropriation; and
- d. -\$931,700 SEG in 2025-26 and -\$744,900 SEG in 2026-27 for the history preservation partnership trust fund appropriation.

10. DELETE VACANT POSITIONS

	Governor (Chg. to Base) Positions	Jt. Finance/Leg. (Chg. to Gov) Positions	Net Change Positions
PR	0.00	- 0.60	- 0.60

Joint Finance/Legislature: Delete 0.6 PR position from the Society's appropriation for general program operations-service funds, which has been vacant for more than 18 months.

INSURANCE

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$33,070,000	\$63,932,600	\$72,564,100	\$72,564,100	\$72,564,100	\$39,494,100	119.4%
FED	426,930,000	398,297,400	422,435,900	422,435,900	422,435,900	- 4,494,100	- 1.1
PR	46,160,400	60,835,400	47,696,300	47,696,300	47,696,300	1,535,900	3.3
SEG	<u>126,197,800</u>	<u>126,163,400</u>	<u>126,163,400</u>	<u>126,163,400</u>	<u>126,163,400</u>	<u>- 34,400</u>	0.0
TOTAL	\$632,358,200	\$649,228,800	\$668,859,700	\$668,859,700	\$668,859,700	\$36,501,500	5.8%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	0.00	10.00	0.00	0.00	0.00	0.00
PR	132.15	163.82	133.15	133.15	133.15	1.00
SEG	<u>10.68</u>	<u>10.68</u>	<u>10.68</u>	<u>10.68</u>	<u>10.68</u>	<u>0.00</u>
TOTAL	142.83	184.50	143.83	143.83	143.83	1.00

Budget Change Items

Agency Operations and Current Programs

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$989,800	- \$426,200	\$563,600
SEG	<u>- 34,400</u>	<u>0</u>	<u>- 34,400</u>
Total	\$955,400	- \$426,200	\$529,200

Governor: Adjust funding annually for standard budget adjustments as shown in the following table.

	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Turnover Reduction	-\$319,600	\$0	-\$319,600
Full Funding of Cont. Pos. Salary/Fringe	1,230,500	-12,500	1,218,000
Full Funding of Lease/Directed Moves	<u>-416,000</u>	<u>-4,700</u>	<u>-420,700</u>
Total	\$494,900	-\$17,200	\$477,700
Biennial Totals	\$989,800	-\$34,400	\$955,400

Joint Finance/Legislature: Reduce funding by \$213,100 PR annually to reflect an increase, from 3% to 5%, to the rate used to calculate the standard budget adjustment for turnover reduction.

2. WISCONSIN HEALTHCARE STABILITY PLAN -- STATE FUNDING SHARE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$28,632,600	- \$24,138,500	\$4,494,100
FED	<u>- 28,632,600</u>	<u>24,138,500</u>	<u>- 4,494,100</u>
Total	\$0	\$0	\$0

Governor: Provide \$14,316,300 GPR annually and a corresponding funding decrease of \$14,316,300 FED annually to reflect reestimates of the funding needed to make reinsurance payments under the Wisconsin healthcare stability plan (WHSP).

WHSP is a state-operated reinsurance program, supported with state and federal funding, that is intended to reduce premiums for health insurance policies sold in the individual market. Reinsurance payments reimburse insurers for a portion of the total annual claims for individuals with high costs. Each year, the Office of the Commissioner of Insurance (OCI) establishes reinsurance payment parameters based on a total expenditure target, set by statute at \$230,000,000. Reinsurance payments are made with a combination of state funds, paid with a sum sufficient GPR appropriation, and federal funds the state receives under the terms of a reinsurance waiver program established under the Affordable Care Act.

The following table shows the appropriation base and estimated funding for reinsurance payments in the 2025-27 biennium with these adjustments.

	<u>Base</u>	<u>Change to Base</u>		<u>Total Funding</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
GPR	\$16,535,000	\$14,316,300	\$14,316,300	\$30,851,300	\$30,851,300
FED	<u>213,465,000</u>	<u>-14,316,300</u>	<u>-14,316,300</u>	<u>199,148,700</u>	<u>199,148,700</u>
Total	\$230,000,000	\$0	\$0	\$230,000,000	\$230,000,000

The amount of GPR funding used for payments is the difference between the total of all reimbursement claims and the amount of federal "pass through" funding available for the plan

year. The state will receive \$195,640,448 in federal pass-through funds for plan year 2024. When combined with \$4,508,282 in unused pass-through funding from the prior year (due to total claims coming in below the \$230 million target), the state will have \$199,148,730 available for making the 2024 plan year reinsurance payments, which will be made in state fiscal year 2025-26. This item adjusts the GPR appropriation to provide the difference between available pass-through funding at the \$230 million target. In addition, the bill reflects the administration's assumption that the same amount of federal pass-through funding will be available for the 2025 plan year reinsurance payments, which will be made in 2026-27.

Joint Finance/Legislature: Reduce funding by \$24,138,500 GPR in 2026-27 and increase federal funding by a corresponding amount to reflect a reestimate of federal pass-through funding available for making reinsurance payments in the 2025 plan year. Subsequent to the introduction of SB 45/AB 50, OCI was notified of the actual amount of pass-through funding that the state will receive for the 2025 plan year, which at \$223,287,200, exceeds the estimate upon which the Governor's bill was based. The reestimate adopted by the Committee decreases GPR funding by the difference.

The following table shows the revised funding split for reinsurance payments during the biennium, under the current law \$230,000,000 payment caps for the program. Another provision adopted by the Committee, summarized separately, would increase the payment cap for the 2025 plan year up to \$265,000,000.

	<u>Base</u>	<u>Change to Base</u>		<u>Total Funding</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
GPR	\$16,535,000	\$14,316,300	-\$9,822,200	\$30,851,300	\$6,712,800
FED	<u>213,465,000</u>	<u>-14,316,300</u>	<u>9,822,200</u>	<u>199,148,700</u>	<u>223,287,200</u>
Total	\$230,000,000	\$0	\$0	\$230,000,000	\$230,000,000

3. WISCONSIN HEALTHCARE STABILITY PLAN -- 2025 PLAN YEAR PAYMENTS

GPR	\$35,000,000

Joint Finance/Legislature: Require OCI to make reinsurance payments for all eligible claims submitted by insurers for the 2025 plan year, up to a maximum of \$265,000,000, notwithstanding the current law \$230,000,000 payment limit otherwise applicable to the 2025 plan year. Increase funding by \$35,000,000 GPR in 2026-27 to reflect estimated state funding needed to make all 2025 plan year reinsurance payments to reflect this change.

The federal Department of Health and Human Services determines the amount of pass-through funding that the state will receive at the start of the plan year based on 2025 payment parameters and rate filings. Since that amount remains fixed (\$223,287,200 for 2025), the state is responsible for the cost of any subsequent increase to the payment cap. Under this item, it is assumed that payments would increase to the new maximum, and that this increase would result in an equal increase in GPR expenditures made from the program's sum sufficient appropriation. The following table shows the revised funding share for 2025 plan year payments (paid in state fiscal year 2026-27), in comparison to the current law estimate.

	2026-27 Payments (2025 Plan Year) Under:		Change to
	<u>Current Law Cap</u>	<u>\$265,000,000 Cap</u>	<u>Current Law</u>
GPR	\$6,712,800	\$41,712,800	\$35,000,000
FED	<u>223,287,200</u>	<u>223,287,200</u>	<u>0</u>
Total	\$230,000,000	\$265,000,000	\$35,000,000

[Act 15 Section: 9123(1)]

4. **WISCONSIN HEALTHCARE STABILITY PLAN -- ANNUAL REINSURANCE LIMIT** [LFB Paper 445]

Governor: Increase the annual maximum amount of reinsurance payments under the Wisconsin healthcare stability plan from \$230,000,000, under current law, to \$250,000,000, beginning in plan year 2026. Specify that, beginning for plan year 2027, the annual maximum amount of reinsurance payments shall be the maximum amount for the prior year, adjusted to reflect the percentage increase, if any, in the consumer price index for all urban consumers, U.S. city average, for the medical care group, as determined by the U.S. Department of Labor, for the 12-month period ending on December 31 of the year before the year in which the amount is determined. Require OCI to determine the annual adjustment for a particular year in January of the previous year and publish the new maximum each year in the Wisconsin Administrative Register.

Modify a provision that allows for the Joint Committee on Finance to adjust the maximum amount of reinsurance payments upon request of the Insurance Commissioner submitted under s. 13.10 of the statutes, to specify, instead, that the Governor could adjust the maximum payment upon request of the Commissioner. Clarify that the program shall be administered in accordance with any extensions of the federal waiver that was approved by the Department of Health and Human Services on July 29, 2018.

Reinsurance payments are made in the next fiscal year beginning after the close of the plan year (typically in August). Consequently, the adjustment to the annual limit under this item, first applicable to plan year 2026, would first affect payments made in state fiscal year 2027-28.

Joint Finance/Legislature: Increase the annual maximum reinsurance payment limit to \$265,000,000, beginning in plan year 2026. Delete provisions in the Governor's bill that would have adjusted the limit annually by the rate of inflation for medical costs, and that would have allowed the Governor to adjust the payment limit, instead of the Joint Committee on Finance, upon request of the Insurance Commissioner.

[Act 15 Section: 348]

5. WISCONSIN HEALTHCARE STABILITY PLAN -- PROGRAM MANAGER POSITION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
PR	\$247,400	1.00	-\$247,400	- 1.00	\$0	0.00

Governor: Provide \$500,000 annually to support grants for licensed health insurance navigators or navigator entities, and require the Insurance Commissioner to award \$500,000 in grants in each year of the biennium to a navigator to prioritize services for the direct workforce population. A navigator is a person or entity who assists with enrollment in qualified health plans sold on the health insurance exchange, as well as conducts educational activities to raise awareness of the availability of plans sold on the exchange.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. HEALTH INSURANCE NAVIGATOR FUNDING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$1,000,000	-\$1,000,000	\$0

Governor: Provide \$87,500 in 2025-26 and \$116,600 in 2026-27, and 1.0 insurance examiner position to assist with OCI's insurance fraud investigation activities. The 2023-25 biennial budget established new statutory responsibilities for investigation of fraudulent insurance acts and created an attorney position in OCI for this purpose. This item would create an additional position assigned to investigate insurance fraud.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. INSURANCE FRAUD EXAMINER POSITIONS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
PR	\$204,100	1.00	-\$61,100	0.00	\$143,000	1.00

Governor: Provide \$87,500 in 2025-26 and \$116,600 in 2026-27, and 1.0 insurance examiner position to assist with OCI's insurance fraud investigation activities. The 2023-25 biennial budget established new statutory responsibilities for investigation of fraudulent insurance

acts and created an attorney position in OCI for this purpose. This item would create an additional position assigned to investigate insurance fraud.

Joint Finance/Legislature: Reduce funding by \$26,200 in 2025-26 and \$34,900 in 2026-27, to reflect the funding needed for a paralegal position, instead of an insurance examiner position, for OCI's insurance fraud enforcement functions. Net funding for the paralegal position would be \$61,300 in 2025-26 and \$81,700 in 2026-27.

8. BOARD ON AGING AND LONG-TERM CARE'S MEDIGAP HELPLINE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$222,600	-\$111,300	\$111,300

Governor: Provide \$100,600 in 2025-26 and \$122,000 in 2026-27 to increase the amount of insurance fee revenue used to support telephone counseling services provided by the Board on Aging and Long-Term Care (BOALTC) for individuals seeking information on Medicare supplemental insurance policies ("Medigap" policies), Medicare Part D policies (policies that cover prescription drugs), and SeniorCare. In 2024-25, OCI transferred \$545,400 to BOALTC for the Helpline.

The BOALTC Helpline provides free one-on-one insurance counseling services to state residents over the age of 60. The Helpline is supported from two sources -- federal funds that the state receives under the state health insurance assistance program (SHIP) and state insurance fee revenue budgeted as part of OCI's general program operations appropriation that OCI transfers to BOALTC.

Joint Finance/Legislature: Reduce funding for providing the transfer by \$50,300 in 2025-26 and \$61,000 in 2026-27, to provide one-half of the amounts included in the Governor's bill.

9. INFORMATION TECHNOLOGY

PR	\$618,000

Governor/Legislature: Provide \$309,000 annually to fund projected increases in OCI's information technology costs, including for contracted staffing, equipment replacement and maintenance, and software.

10. ELECTRONIC SECURITY PROTECTION

PR	\$100,000

Governor/Legislature: Provide \$50,000 annually to upgrade and maintain electronic security systems used to safeguard confidential documents generated and used in the course of financial and market regulation examinations conducted by OCI.

11. OFFICE POSITION ADJUSTMENTS

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$132,200	1.67	- \$132,200	- 1.67	\$0	0.00

Governor: Provide \$66,100 annually and 1.67 positions, beginning in 2025-26, for the following position adjustments: (a) create 0.5 operations program associate position; (b) convert a dual LTE communications specialist position to a permanent position, at the same salary level; (c) provide position authority increases of 0.07 and 0.1 to establish full time positions from existing fractional positions.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. HIRSP ACCOUNT BALANCE TRANSFER

PR-REV	\$471,700

Governor/Legislature: Specify that any balance of moneys that was credited to the appropriations for the wind-down plan and the operational expenses of the Health Insurance Risk-Sharing Plan (HIRSP), and that was not lapsed as a result of 2015 Act 55 is transferred in 2025-26 to OCI's general program operations appropriation. In its supporting materials for the Governor's budget bill, the Administration has reflected transferred revenues of \$471,700 associated with this item.

HIRSP was a health insurance plan offered by the state and made available to individuals who had been denied coverage by commercial health plans due to preexisting conditions. HIRSP was eliminated by 2013 Act 20, and two appropriations were created to support costs associated with remaining operational and wind-down expenses. Although these appropriations were subsequently eliminated, there remains unencumbered balances of moneys from subrogation recoveries, drug rebates, and other sources associated with HIRSP that was not transferred to OCI at that time. This item would transfer these balances to OCI's general operations appropriation.

[Act 15 Section: 9223(1)]

13. MEDICAL DEBT COLLECTIONS REPORTING

Governor: Prohibit any health care provider that provided services to a patient, or any billing administrator or debt collector acting on behalf of that health care provider, from reporting to a consumer reporting agency that a debt arising from services provided by the health care provider is in collections status unless all of the following are true: (a) the health care provider, billing administrator, or debt collector sent a written statement to the patient describing the unpaid amount and due date, and that included the name and address of the health care provider that provided the services; (b) the written statement includes a statement indicating that if payment is

not received, the debt may be reported to a credit reporting agency; (c) six months have passed since the due date listed on the statement; and (d) the patient does not dispute the charges. Define the terms "health care provider" and "patient" with reference to current law definitions of those terms in provisions related to the keeping of medical records, and define "consumer reporting agency" with reference to the definition used for the purposes of statutes regulating the access to credit rating reports.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Health Insurance

1. STATE-BASED HEALTH INSURANCE EXCHANGE

	Governor (Chg. to Base)			Jt. Finance/Leg. (Chg. to Gov)			Net Change		
	Funding	Positions	Revenue	Funding	Positions	Revenue	Funding	Positions	Revenue
GPR	\$2,230,000	10.00	\$0	-\$2,230,000	- 10.00	\$0	\$0	0.00	\$0
PR	<u>3,000,000</u>	<u>0.00</u>	<u>4,018,900</u>	<u>- 3,000,000</u>	<u>0.00</u>	<u>- 4,018,900</u>	<u>0</u>	<u>0.00</u>	<u>0</u>
Total	\$5,230,000	10.00	\$4,018,900	-\$5,230,000	- 10.00	-\$4,018,900	\$0	0.00	\$0

Governor: Provide \$975,000 GPR in 2025-26 and \$4,255,000 (\$1,255,000 GPR and \$3,000,000 PR) in 2026-27, and 10.0 GPR positions, beginning in 2025-26, to develop and implement a state-based health insurance exchange, as described below. Modify OCI's PR appropriation for general program operations to specify that it may fund costs related to operating the exchange and to specify that the appropriation account would receive revenues collected from exchange user fees charged to participating insurers. Create an annual GPR-funded general program operations appropriation to support the GPR positions that would be provided under this item. The Administration estimates that the health exchange user fee established under this item would generate \$4,018,900 in program revenue in 2026-27, an amount that would be credited to OCI's general operations appropriation.

Require OCI to: (a) establish and operate an exchange that is at first a state-based exchange on the federal platform and then subsequently transitions to a state-based exchange without the federal platform; and (b) develop procedures to address the transition from the state-based exchange on the federal platform to the state-based exchange without the federal platform, including the circumstances that must be met in order for the transition to occur.

Define the terms "exchange," "state-based exchange on the federal platform," and "state-based exchange without the federal platform" by reference to federal regulations for the establishment of state-based and state-federal exchanges.

Require OCI to impose a user fee, as authorized under federal regulations, on each insurer that offers a health plan through the state-based exchange on the federal platform or the state-based exchange without the federal platform. Specify that the user fee must be applied at one of the following rates on the total monthly premiums charged by an insurer for each policy under the plan where enrollment is through the exchange: (a) for any plan year for which OCI operates a state-based exchange on the federal platform, the rate is 0.5%; (b) for the first two plan years for which OCI operates a state-based exchange without the federal platform, the rate shall equal the user fee rate established by the federal government for the federal health insurance exchange; (c) beginning with the third plan year for which OCI operates a state-based exchange without the federal platform, the rate would be set by OCI by rule.

Specify that OCI may enter into any agreement with the federal government necessary to facilitate the implementation of these provisions, and may promulgate administrative rules to implement these provisions.

The state-based insurance exchange would, for Wisconsin residents and individual market insurance plans, perform the functions currently performed by an insurance exchange established by the federal government under provisions of the federal Patient Protection and Affordable Care Act (ACA). These functions include providing a website for the comparison of individual market health insurance policies and to facilitate selection and enrollment, reviewing plans to ensure compliance with ACA requirements, determining eligibility of individuals for federal premium tax credits and cost-sharing reductions, providing funding for outreach and enrollment assistance activities, and collecting user fees from participating insurers to support the costs of the exchange. Under this item, the state-based exchange would initially utilize the federal exchange technology platform, but would eventually be transitioned to a fully state-based exchange. The Administration indicates that the intent would be to move to a state-based exchange on the federal platform for plan year 2027 and then a fully state-based exchange for 2028.

The positions established by this item would include six policy initiatives advisors, an insurance examiner, an insurance program manager, and two operations program associates.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. PUBLIC OPTION HEALTH PLAN STUDY

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$500,000 annually to fund the development and operation of a public option health insurance plan. Modify OCI's general program operations PR appropriation to include the development of a public option health insurance plan as an eligible expense. Specify that OCI may spend not more than \$500,000 in each year of the 2025-27 biennium for the development of the public option health plan.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. OFFICE OF THE PUBLIC INTERVENOR

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$2,797,100	10.00	-\$2,797,100	- 10.00	\$0	0.00

Governor: Establish the Office of the Public Intervenor, attached to the Office of the Commissioner of Insurance. Provide \$1,370,200 in 2025-26 and \$1,426,900 in 2026-27, and 10.0 positions, beginning in 2025-26 to support the operations of the Office. Require the Office of the Public Intervenor to assist individuals with insurance claims, policies, appeals, and other legal actions to pursue insurance coverage for medical procedures, prescription medications, and other health care services. Authorize the Insurance Commissioner to provide by rule for the governance, duties, and administration of the Office of the Public Intervenor.

Authorize the Office of the Public Intervenor to levy an assessment on each insurer that is authorized to engage in the business of insurance in Wisconsin, based on the insurer's premium volume for health insurance policies written in the state. Deposit the revenue collected from this assessment into OCI's PR appropriation for general program operations.

The Administration indicates that the positions for the Office would include a director, 4.0 attorneys, and 5.0 insurance examiners.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. HEALTH INSURANCE CLAIM DENIAL PRACTICES

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$535,400	2.00	-\$535,400	- 2.00	\$0	0.00

Governor: Provide \$229,500 in 2025-26 and \$305,900 in 2026-27, and 2.0 positions, beginning in 2025-26 to support OCI's activities related to conducting audits of an insurer's claim denials, as authorized under this item.

Prohibit insurers from doing any of the following practices related to processing claims under health insurance policies: (a) use vague or misleading policy terms to justify a claim denial; (b) fail to provide a specific and comprehensible reason for a claim denial; (c) cancel coverage under the policy after a claim is submitted due to alleged misstatements on the policy application;

(d) deny a claim based on hidden or ambiguous exclusions in a disability insurance policy; (e) stall review of a claim to avoid timely payment; (f) reject a claim without reviewing all relevant medical records or consulting qualified experts; (g) fail to properly review or respond to an insured's appeal in a timely manner; (h) allow non-physician personnel to determine whether care is medically necessary; (i) apply different medical necessity criteria based on financial interests rather than patient needs; (j) disregard a treating health care provider's medical assessment without a valid clinical reason; (k) mandate prior approval for routine or urgent procedures in a manner that causes harmful delays; (l) for a health insurance policy that provides coverage of emergency medical services, refuse to cover emergency medical services provided by out-of-network providers; (m) list a health care provider as in-network on a provider directory and then deny a claim by stating the health care provider is out-of-network; (n) deny coverage based on age, gender, disability, or a chronic condition rather than medical necessity; (o) apply stricter standards in reviewing claims related to mental health conditions than claims related to physical health conditions; (p) perform a blanket denial of claims for high-cost conditions without an individualized review of each claim; (r) reclassify a claim to a lower-cost treatment to reduce insurer payout; (s) require an insured to fail a cheaper treatment before approving coverage for necessary care; and (t) manipulate cost-sharing rules to shift higher costs to insureds.

Require insurers to process claims under a health insurance policy within a time frame that is reasonable and prevents an undue delay in an insured's care, taking into account the medical urgency of the claim. Specify that if the insurer determines that additional information is needed to process a claim, the insurer must request the information from the insured within five business days of making that determination and must provide at least 15 days for the insured to respond.

Require all claim denials to include all of the following: (a) a specific and detailed explanation of the reason for the denial that cites the exact medical or policy basis for the denial; (b) a copy of, or a publicly accessible link to, any policy, coverage rules, clinical guidelines, or medical evidence relied upon in making the denial decision, with specific citation to the provision justifying the denial; and (c) additional documentation, medical rationale, or criteria that must be met or provided for approval of the claim, including alternative options available under the policy.

Specify that insureds have the right to request a review by the Office of the Public Intervenor (established under a separate item in the bill) of any claim denial, in addition to the right to an independent review procedure that insurers are required to establish for certain claim denials under current law.

Define "claim denial," for the purposes of these provisions, as the refusal by an insurer to provide payment under a health insurance policy for a service, treatment, or medication recommended by a health care provider, including the prospective refusal to pay for a service, treatment, or medication when a policy requires advance approval before a prescribed medical service, treatment, or medication is provided. Define the term "health care provider" in reference to a current law list of provider types used for provisions related to keeping of health care records, with the exception of ambulance or emergency medical services providers.

Require any insurer that uses artificial intelligence or algorithmic decision-making in processing a claim to notify the insured in writing of that fact and specify that the notice must

include all of the following: (a) a disclosure that artificial intelligence or algorithmic decision-making was used at any stage in reviewing the claim, even if a human later reviewed the outcome; (b) a detailed explanation of how the artificial intelligence or algorithmic decision-making reached its decision, including any factors the artificial intelligence or algorithmic decision-making weighed; and (c) a contact point for requesting a human review of the claim if the claim was denied.

Specify that the Insurance Commissioner may conduct an audit of an insurer if the insurer's claim denials are of such frequency as to indicate a general business practice, and specify that this authority is supplemental to, and does not limit, any other powers or duties of the Commissioner. Specify that the Commissioner may collect any relevant information from an insurer that is necessary to conduct an audit and that the Commissioner may contract with a third party to conduct an audit. Specify that the Commissioner may, based on the findings of an audit, order the insurer who is the subject of the audit to comply with a corrective action plan approved by the Commissioner. Require the Commissioner to specify in any corrective action plan the deadline by which an insurer must be in compliance with the corrective action plan. Specify that if an insurer fails to comply with a corrective action plan by the deadline, the Commissioner may order the insurer to pay a forfeiture pursuant to current law enforcement procedures. Require an insurer who is the subject of an audit to provide a written response to any adverse findings of the audit. Include these provisions in a statutory list of insurance provisions for which the examinees must pay for the reasonable costs of examinations and audits conducted under those provisions.

Require insurers, beginning on January 1, 2027, to annually publish a report detailing the insurer's claim denial rates, reasons for claim denials, and the outcome of any appeal of a claim denial for the previous year for all health insurance policies under which the insurer provides coverage. Require the Insurance Commissioner to maintain a public database of insurers' claim denial rates and the outcomes of independent reviews under current law claim denial review procedures.

Require any insurer that uses artificial intelligence or algorithmic decision-making in claims processing, beginning on January 1, 2027, to annually publish a report detailing all of the following for the previous year for all health insurance policies under which the insurer provides coverage: (a) the percentage of claims submitted to the insurer that were reviewed by artificial intelligence or algorithmic decision-making; (b) the claim denial rate of claims reviewed by artificial intelligence or algorithmic decision-making compared to the claim denial rate of claims reviewed by humans; (c) the steps the insurer takes to ensure fairness and accuracy in decisions made by artificial intelligence or algorithmic decision-making.

Specify that a violation of the requirements or prohibitions under these provisions that results in a harmful delay in an insured's care or an adverse health outcome for an insured shall be subject to a civil forfeiture of \$10,000 per occurrence, in addition to any other penalties provided for under current law.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. HEALTH INSURANCE AND COVERAGE REQUIREMENTS

Governor: Modify statutory provisions related to health insurance and health benefit plan regulations, as they relate to issuance and renewal of policies, premiums, cost sharing, and coverage requirements, as described below.

Guaranteed Issue and Renewal of Policies. Require every individual health benefit plan and every group health benefit plan to accept every individual and every employer, as applicable, that applies for coverage, regardless of the sexual orientation, the gender identity, or any preexisting condition of any individual or employee who will be covered by the plan. Specify that a health benefit plan may restrict enrollment in coverage to open or special enrollment periods. Require OCI to establish a statewide open enrollment period that is no shorter than 30 days, during which every individual health benefit plan must allow individuals, including individuals who do not have coverage, to enroll in coverage.

Prohibit Preexisting Condition Exclusions. Prohibit an insurer that offers a group health benefit plan or an individual insurance policy from imposing a preexisting condition exclusion (the denial or reduction of a claim related to a condition that existed prior to the effective date of coverage). Modify related statutory definitions and provisions that place limits on preexisting condition exclusions to reflect the change to a general prohibition against the practice.

Prohibit Discrimination Based on Health Status -- Enrollment, Premiums and Cost Sharing. Prohibit an individual health benefit plan or a government self-insured plan from establishing rules for the eligibility of any individual to enroll, or the continued eligibility to remain enrolled in a plan based on any of the following: (a) health status; (b) medical condition, including both physical and mental illnesses; (c) claims experience; (d) receipt of health care; (e) medical history; (f) genetic information; (g) evidence of insurability, including conditions arising out of acts of domestic violence; or (h) disability.

Prohibit an insurer offering an individual health benefit plan or a self-insured plan from requiring any individual, as a condition of enrollment or continued enrollment under the plan, to pay, on the basis of any health status-related factor listed above, with respect to the individual or a dependent of the individual, a premium or contribution or a deductible, copayment, or coinsurance amount that is greater than that required for an otherwise similarly situated individual enrolled under the plan.

Specify that these restrictions do not prevent an insurer from offering an individual health benefit plan or a self-insured health plan from establishing premium discounts or rebates or modifying otherwise applicable cost sharing in return for adherence to programs of health promotion and disease prevention.

Modify a current law provision, applicable to group health benefit plans, from charging different premiums to similarly-situated individuals based on any health status-related factor, to also prohibit charging a different deductible, copayment, or coinsurance amount to similarly-situated individuals based on health status.

Restrictions on Premium Rate Variation. Specify that a health benefit plan offered on the

individual or small employer market (between two and 50 employees) or a government self-insured health plan may vary premium rates for a specific plan based only on the following considerations: (a) whether the policy or plan covers an individual or a family; (b) the rating area in the state, as established by OCI; (c) age, except that the rate may not vary by more than three-to-one for adults over the age groups and the age bands shall be consistent with recommendations of the National Association of Insurance Commissioners; and (d) tobacco use, except that the rate may not vary by more than 1.5-to-one.

Statewide Risk Pool. Specify that an insurer offering a health benefit plan may not segregate enrollees into risk pools other than a single statewide risk pool for the individual market and a single statewide risk pool for the small employer market or a single statewide risk pool that combines the individual and small employer markets.

Prohibit Annual and Lifetime Limits. Prohibit an individual or group health benefit plan or a government self-insured health plan from establishing lifetime or annual limits on the dollar value of benefits for an enroll or a dependent of an enrollee under the plan.

Cost Sharing Maximum. Specify that a health benefit plan offered on the individual or small employer market may not require an enrollee to pay more in cost sharing (deductibles, coinsurance, copayments, or similar charges) than the maximum amount calculated under provisions of the federal Affordable Care Act, including the annual indexing of the limits.

Medical Loss Ratio. Establish the minimum medical loss ratios for health benefit plans as follows: (a) 80 percent for a plan on the individual or small employer market; (b) 85 percent for a group health plan not in the small employer market. Define medical loss ratio as the proportion, expressed as a percentage, of premium revenues spent by a health benefit plan on clinical services and quality improvement.

Actuarial Values of Plan Tiers. Require any health benefit plan offered on the individual or small employer market to provide a level of coverage that is designed to provide benefits that are actuarially equivalent to at least 60 percent of the full actuarial value of the benefits provided under the plan. The actuarial value represents the average cost of the benefits covered by plan over an average population, with the rest covered by enrollee cost sharing.

Essential Health Benefits. Require every health insurance policy (except for specified restricted-benefit policies) and every government self-insured health plan to provide coverage for essential health benefits, as determined by OCI by rule, on a date specified by OCI by rule. Require OCI, in determining the essential health benefits for which coverage is required, to include benefits, items, and services in, at least, all of the following categories: (a) ambulatory patient services; (b) emergency services; (c) hospitalization; (d) maternity and newborn care; (e) mental health and substance use disorder services, including behavioral health treatment; (f) prescription drugs; (g) rehabilitative and habilitative services and devices; (h) laboratory services; (i) preventive and wellness services and chronic disease management; and (j) pediatric services, including oral and vision care.

Require OCI to do the following with respect to essential health benefits: (a) conduct a survey of employer-sponsored coverage to determine benefits typically covered by employers and

ensure that the scope of essential health benefits for which coverage is required is equal to the scope of benefits covered under a typical insurance policy offered by an employer to its employees; (b) ensure that essential health benefits reflect a balance among the essential health benefit categories such that benefits are not unduly weighted toward one category; (c) ensure that essential health benefit coverage is provided with no or limited cost-sharing requirements; (d) require that insurance policies and self-insured health plans do not make coverage decisions, determine reimbursement rates, establish incentive programs, or design benefits in ways that discriminate against individuals because of their age, disability, or expected length of life; (e) establish essential health benefits in a way that takes into account the health care needs of diverse segments of the population, including women, children, persons with disabilities, and other groups; (f) ensure that essential health benefits are not subject to a coverage denial based on an insured's or plan participant's age, expected length of life, present or predicted disability, degree of dependency on medical care, or quality of life; (g) require that insurance policies and government self-insured health plans cover emergency department services that are essential health benefits without imposing any requirement to obtain prior authorization for those services and without limiting coverage for services provided by an emergency services provider that is not in the provider network of a policy or plan in a way that is more restrictive than requirements or limitations that apply to emergency services provided by a provider that is in the provider network of the policy or plan; (h) require an insurance policy or government self-insured health plan to apply to emergency department services that are essential health benefits provided by an emergency department provider that is not in the provider network of the policy or plan the same copayment amount or coinsurance rate that applies if those services are provided by a provider that is in the provider network of the policy or plan; and (i) periodically update, by rule, the essential health benefits to address any gaps in access to coverage.

Specify that if an essential health benefit is also subject to other coverage mandates specified in state statute and the coverage requirements are not identical, the insurance policy or government self-insured health plan shall provide coverage under whichever provision provides the insured or plan participant with more comprehensive coverage of the medical condition, item, or service. Specify that the essential health benefit provisions or rules promulgated under these provisions do not prohibit an insurance policy or a government self-insured health plan from providing benefits in excess of the essential health benefit coverage.

Coverage of Preventive Services and other Mandatory Coverage Requirements. Require every health insurance policy (except for specified restricted-benefit policies) and every government self-insured health plan to provide coverage for the preventive services listed below. These preventive services are generally from the list of services given an "A" or "B" rating by the U.S. Preventive Services Task Force. Under federal regulations developed to implement provisions of the Affordable Care Act, these services must be covered with no cost sharing by insurance policies and health plans.

- Mammography.
- Genetic breast cancer screening and counseling and preventive medication for adult women at high risk for breast cancer.

- Papanicolaou test for cancer screening for women 21 years of age or older with an intact cervix.
- Human papillomavirus testing for women who have attained the age of 30 years but have not attained the age of 66 years.
- Colorectal cancer screening.
- Annual tomography for lung cancer screening for adults who have attained the age of 55 years but have not attained the age of 80 years and who have health histories demonstrating a risk for lung cancer.
- Skin cancer screening for individuals who have attained the age of 10 years but have not attained the age of 22 years.
- Counseling for skin cancer prevention for adults who have attained the age of 18 years but have not attained the age of 25 years.
- Abdominal aortic aneurysm screening for men who have attained the age of 65 years but have not attained the age of 75 years and who have ever smoked.
- Hypertension screening for adults and blood pressure testing for adults, for children under the age of three years who are at high risk for hypertension, and for children three years of age or older.
- Lipid disorder screening for minors two years of age or older, adults 20 years of age or older at high risk for lipid disorders, and all men 35 years of age or older.
- Aspirin therapy for cardiovascular health for adults who have attained the age of 55 years but have not attained the age of 80 years and for men who have attained the age of 45 years but have not attained the age of 55 years.
- Behavioral counseling for cardiovascular health for adults who are overweight or obese and who have risk factors for cardiovascular disease.
- Type II diabetes screening for adults with elevated blood pressure.
- Depression screening for minors 11 years of age or older and for adults when follow-up supports are available.
- Hepatitis B screening for minors at high risk for infection and adults at high risk for infection.
- Hepatitis C screening for adults at high risk for infection and one-time hepatitis C screening for adults born in any year from 1945 to 1965.
- Obesity screening and management for all minors and adults with a body mass index indicating obesity, counseling and behavioral interventions for obese minors who are six years of age or older, and referral for intervention for obesity for adults with a body mass index of 30 kilograms per square meter or higher.

- Osteoporosis screening for all women 65 years of age or older and for women at high risk for osteoporosis under the age of 65 years.
- Immunizations.
- Anemia screening for individuals six months of age or older and iron supplements for individuals at high risk for anemia and who have attained the age of six months but have not attained the age of 12 months.
- Fluoride varnish for prevention of tooth decay for minors at the age of eruption of their primary teeth.
- Fluoride supplements for prevention of tooth decay for minors six months of age or older who do not have fluoride in their water source.
- Gonorrhea prophylaxis treatment for newborns.
- Health history and physical exams for prenatal visits and for minors.
- Length and weight measurements for newborns and height and weight measurements for minors.
- Head circumference and weight-for-length measurements for newborns and minors who have not attained the age of three years.
- Body mass index for minors two years of age or older.
- Blood pressure measurements for minors three years of age or older and a blood pressure risk assessment at birth.
- Risk assessment and referral for oral health issues for minors who have attained the age of six months but have not attained the age of seven years.
- Blood screening for newborns and minors who have not attained the age of two months.
- Screening for critical congenital health defects for newborns.
- Lead screenings.
- Metabolic and hemoglobin screening and screening for phenylketonuria, sickle cell anemia, and congenital hypothyroidism for minors including newborns.
- Tuberculin skin test based on risk assessment for minors one month of age or older.
- Tobacco counseling and cessation interventions for individuals who are five years of age or older.
- Vision and hearing screening and assessment for minors including newborns.

- Sexually transmitted infection and human immunodeficiency virus counseling for sexually active minors.
- Risk assessment for sexually transmitted infection for minors who are ten years of age or older and screening for sexually transmitted infection for minors who are 16 years of age or older.
- Alcohol misuse screening and counseling for minors 11 years of age or older.
- Autism screening for minors who have attained the age of 18 months but have not attained the age of 25 months.
- Developmental screening and surveillance for minors including newborns.
- Psychosocial and behavioral assessment for minors including newborns.
- Alcohol misuse screening and counseling for pregnant adults and a risk assessment for all adults.
- Fall prevention and counseling and preventive medication for fall prevention for community-dwelling adults 65 years of age or older.
- Screening and counseling for intimate partner violence for adult women.
- Well-woman visits for women who have attained the age of 18 years but have not attained the age of 65 years and well-woman visits for recommended preventive services, preconception care, and prenatal care.
- Counseling on, consultations with a trained provider on, and equipment rental for breastfeeding for pregnant and lactating women.
- Folic acid supplement for adult women with reproductive capacity.
- Iron deficiency anemia screening for pregnant and lactating women.
- Preeclampsia preventive medicine for pregnant adult women at high risk for preeclampsia.
- Low-dose aspirin after 12 weeks of gestation for pregnant women at high risk for miscarriage, preeclampsia, or clotting disorders.
- Screenings for hepatitis B and bacteriuria for pregnant women.
- Screening for gonorrhea for pregnant and sexually active females 24 years of age or younger and females older than 24 years of age who are at risk for infection.
- Screening for chlamydia for pregnant and sexually active females 24 years of age and younger and females older than 24 years of age who are at risk for infection.
- Screening for syphilis for pregnant women and adults who are at high risk for infection.

- Human immunodeficiency virus screening for adults who have attained the age of 15 years but have not attained the age of 66 years and individuals at high risk of infection who are younger than 15 years of age or older than 65 years of age.
- All contraceptives and services in accordance with separate statutory provisions.
- Any services not already specified having an A or B rating in current recommendations from the U.S. Preventive Services Task Force.
- Any preventive services not already specified that are recommended by the federal Health Resources and Services Administration's Bright Futures project.
- Any immunizations, not already specified under a separate statutory coverage mandate provision, that are recommended and determined to be for routine use by the federal Advisory Committee on Immunization Practices.

Prohibit insurance policies and government self-insured health plans, with certain exceptions for restricted benefit policies, from subjecting the coverage of any of the listed preventive services to any deductible, copayments, or coinsurance under the policy or plan, and modify various statutory mandatory coverage provisions related to these preventive services to conform to this restriction.

Specify that the insurance policy or plan may apply deductibles to and impose copayments or coinsurance in the following circumstances: (a) if an office visit and a preventive service are billed separately by the health care provider, applicable only on the office visit but not on the preventive service; (b) if the primary reason for an office visit is not to obtain a preventive service, applicable on the office visit; or (c) if a preventive service is provided by a health care provider that is outside the policy's or plan's network of providers, unless the preventive service is provided by an out-of-network provider because there is no available health care provider in the policy's or plan's network of providers that provides the preventive service. Specify that if more than one well-woman visit is necessary to provide all necessary preventive services as determined by a qualified health care provider and in accordance with applicable recommendations for preventive services, the insurance policy or health plan may not apply a deductible to or impose a copayment or coinsurance on any such well-woman visit.

Other Insurance Mandatory Coverage Provisions. Modify a provision that requires health insurance plans and government self-insured plans to cover certain immunizations to add the following immunizations: (a) hepatitis A; (b) herpes zoster; (c) human papillomavirus; (d) meningococcal meningitis; (e) pneumococcal pneumonia; (f) influenza; and (g) rotavirus. Modify the immunization coverage mandate to extend the coverage requirement to any insured or plan participant, rather than just a child from birth to age six who is a child of the insured.

Modify a current law provision that requires health insurance policies and government self-insured plans to cover outpatient consultations, examinations, procedures, and medical services that are necessary to prescribe, administer, maintain, or remove a contraceptive, if these services are covered for any other drug benefits under the policy or plan, to remove the clause that makes the coverage requirement contingent upon whether these services are coverage for any other drug

benefits. Add to the coverage mandate sterilization procedures, and patient education and counseling for all females with reproductive capacity. Specify that an insurance policy or self-insured health plan may not may not apply a deductible or impose a copayment or coinsurance to at least one of each type of contraceptive method approved by the federal Food and Drug Administration for which coverage is required. Specify that the insurance policy or health plan may apply reasonable medical management to a method of contraception to limit coverage that is provided without being subject to a deductible, copayment, or coinsurance, to prescription drugs without a brand name. Authorize the insurance policy or health plan to apply a deductible or impose a copayment or coinsurance for coverage of a contraceptive that is prescribed for a medical need if the services for the medical need would otherwise be subject to a deductible, copayment, or coinsurance.

Initial Applicability. Specify that these provisions first apply to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

Some of the provisions contained in this item are intended to conform state laws to insurance market regulations contained in the federal Affordable Care Act (ACA). Since the ACA preempts state regulations with respect to many insurance market regulations, these provisions have no effect as long as the ACA market regulations are in effect. If the ACA's market regulations were to be repealed, the provisions in this item would maintain some of the ACA's market regulations for the individual and small group policies and for self-insured plans offered by a government entity, although this item would not affect non-governmental self-insured plans since federal law preempts state law with respect to these benefit plans.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. SHORT-TERM, LIMITED DURATION HEALTH INSURANCE PLANS

Governor: Establish requirements related to the guaranteed issue, discrimination based on preexisting conditions, premium rate variation, and annual and lifetime limits for short-term, limited duration health insurance plans, as described below. Modify a provision in current law that establishes the definition of a short-term, limited duration plan in reference to the duration of the coverage term, as follows: (a) reduce the maximum coverage term of a qualifying plan from 12 months to three months; and (b) reduce the maximum aggregated coverage term for consecutive periods of the policy from 18 months to six months. (This definition is established in a current law provision that creates an exception to a requirement for guaranteed renewal of individual health insurance policies. Consequently, the effect of reducing the maximum term of what qualifies for the short-term plan exemption would be to reduce the scope of exceptions to the guaranteed renewal requirement.)

Guaranteed Issue and Prohibiting Health Status Discrimination. Require that any insurer that offers a short-term, limited duration plan to accept every individual in Wisconsin who applies

for coverage whether or not any individual has a preexisting condition. Prohibit an insurer that offers a short-term, limited duration plan from establishing rules for eligibility of any individual to enroll, or for the continued eligibility of any individual to remain enrolled, under the plan based on any of the following health status-related factors in relation to the individual or a dependent of the individual: (a) health status; (b) medical condition, including both physical and mental illnesses; (c) claims experience; (d) receipt of health care; (e) medical history; (f) genetic information; (g) evidence of insurability, including conditions arising out of acts of domestic violence; or (h) disability.

Repeal a provision that establishes the conditions under which a short-term, limited duration plan may impose preexisting condition exclusions, and, instead, prohibit such plans from imposing any preexisting condition exclusions.

Prohibit any insurer that offers a short-term, limited duration plan from requiring any individual as a condition of enrollment or continued enrollment under the plan, to pay, on the basis of any of these health status-related factors, with respect to the individual or a dependent of the individual, a premium or contribution, or a deductible, copayment, or coinsurance amount that is greater than the premium or contribution, or deductible, copayment, or coinsurance amount respectively for a similarly situated individual enrolled under the plan.

Premium Rate Variation Restrictions. Specify that an insurer that offers a short-term, limited duration plan may vary premium rates for such a plan based only on the following considerations: (a) whether the policy or plan covers an individual or a family; (b) the rating area in the state, as established by OCI; (c) age, except that the rate may not vary by more than three-to-one for adults over the age groups and the age bands shall be consistent with recommendations of the National Association of Insurance Commissioners; and (d) tobacco use, except that the rate may not vary by more than 1.5-to-one.

Annual and Lifetime Limits. Specify that a short-term, limited duration plan may not establish any of the following coverage limits: (a) lifetime limits on the dollar value of benefits for an enrollee or a dependent of an enrollee under the plan; or (b) limits on the dollar value of benefits for an enrollee or a dependent of an enrollee under the plan for the initial or cumulative duration of the plan.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. LIMITATIONS ON BALANCE BILLING AND COVERAGE RESTRICTIONS FOR CERTAIN OUT-OF-NETWORK MEDICAL SERVICES

Governor: Establish restrictions and requirements related to provider and insurer billing, applicable to certain services rendered by out-of-network providers or facilities to enrollees of a defined network plan, preferred provider plan, or self-insured governmental plan, as described below. These provisions would generally codify, in state law, provisions of federal law (the "No Surprises Act") that prohibit certain medical providers and emergency medical services who are out-of-network for a patient's insurance from billing the patient by an amount that exceeds what

the patient would be billed for an in-network provider.

Insurer and Health Benefit Plan Requirements and Restrictions

Emergency Medical Services. Specify that any defined network plan, preferred provider plan, or self-insured governmental plan that covers any benefits or services provided in an emergency department of a hospital or emergency medical services provided in an independent freestanding emergency department may not, with respect to emergency medical services, require a prior authorization determination and may not deny coverage based on whether or not the health care provider rendering the services is a participating provider or participating emergency facility.

Specify that if the emergency medical services are provided to an enrollee by a provider or in a facility that is not a participating provider or facility (hereafter an "out-of-network provider or facility"), the plan must comply with the following requirements: (a) the services are covered without imposing a prior authorization or coverage limitation that is more restrictive than requirements or limitations that apply to emergency medical services provided by an in-network provider or facility; (b) any cost-sharing requirement imposed on an enrollee for the emergency medical service must be no greater than the requirements that would apply if the emergency medical service were provided by an in-network provider or facility; (c) any cost-sharing amount imposed on an enrollee for the emergency medical service is calculated as if the total amount that would have been charged for the emergency medical service if provided by an in-network provider or facility is equal to the recognized amount for such services, plan or coverage, and year; and (d) the plan counts any cost-sharing payment made by the enrollee toward any in-network deductible or out-of-pocket maximum applied by the plan in the same manner as if the cost-sharing payment was made for an emergency medical service provided by an in-network provider or facility.

Require the plan, if an emergency service is provided to an enrollee by an out-of-network provider or facility, to do all of the following: (a) no later than 30 days after the provider or facility transmits to the plan the bill for emergency medical services, sends to the provider or facility an initial payment or a notice of denial of payment; and (b) pays to the provider or facility a total amount that, incorporating any initial payment, is equal to the amount by which the out-of-network rate exceeds the enrollee cost-sharing amount.

Services Rendered by an Out-of-Network Provider in an In-Network Facility. Specify that for items or services, other than emergency medical services, that are rendered to an enrollee by an out-of-network provider within an in-network facility, the plan must provide coverage for the item or service in accordance with all of the following: (a) the plan may not impose on an enrollee a cost-sharing requirement for the item or service that is greater than the cost-sharing requirement that would have been imposed if the item or service was provided by an in-network provider; (b) any cost-sharing amount imposed on an enrollee for the item or service is calculated as if the total amount that would have been charged for the item or service if provided by an in-network provider is equal to the recognized amount for such item or service, plan or coverage, and year; (c) no later than 30 days after the provider transmits the bill for services, the plan shall send to the provider an initial payment or a notice of denial of payment; (d) the plan shall make a total payment directly to the provider that rendered the item or service to the enrollee that, when added to any initial payment, is equal to the amount by which the out-of-network rate for the item or service exceeds the cost-sharing amount; and (e) the plan counts any cost-sharing payment made by the enrollee

for the item or service toward any in-network deductible or out-of-pocket maximum applied by the plan in the same manner as if the cost-sharing payment was made for the item or service when rendered by an in-network provider.

Specify that the terms "recognized amount" and "out-of-network rate," as used in these provisions, have the meaning established by OCI by rule, or, in the absence of a rule, as defined in the federal No Surprises Act. Define the terms "emergency medical condition" and "emergency medical services" as those terms are defined in the federal No Surprises Act.

Limitations on Provider Billing

Specify that an out-of-network provider of an item or service rendered in an in-network facility may not bill or hold liable an enrollee for any amount for an ancillary item or service that is more than the cost-sharing amount determined as if the service were rendered by an in-network provider for the item or service, whether or not provided by a physician or non-physician practitioner, unless OCI specifies by rule that the provider may balance bill for the specified item or service, if the ancillary item or service is any of the following: (a) related to an emergency medical service; (b) anesthesiology; (c) pathology; (d) radiology; (e) neonatology; (f) an item or service provided by an assistant surgeon, hospitalist, or intensivist; (g) diagnostic service, including a radiology or laboratory service; (h) an item or service provided by a specialty practitioner that OCI specifies by rule; or (i) an item or service provided by an out-of-network provider when there is no in-network provider who can furnish the item or service at the in-network facility.

Prohibit an out-of-network provider of an item or service that is rendered in an in-network facility from billing or holding liable an enrollee for any amount for the item or service that is more than the cost-sharing amount determined as if the services were rendered by an in-network provider for the item or service unless the out-of-network provider provides notice and obtains consent in accordance with all of the following: (a) the notice states that the provider is an out-of-network provider in the enrollee's plan; (b) the notice provides a good faith estimate of the amount that the provider may charge the enrollee for the item or service involved, including notification that the estimate does not constitute a contract with respect to the charges estimated for the item or service; (c) the notice includes a list of the in-network providers at the facility that would be able to render the item or service and notification that the enrollee may be referred to one of those providers; (d) the notice includes information about whether or not prior authorization or other care management limitations may be required before receiving an item or service at the in-network facility; (e) the notice clearly states that consent is optional and that the patient may elect to seek care from an in-network provider; (f) the notice is worded in plain language; (g) the notice is available in languages other than English, as identified by OCI; (h) the enrollee provides consent to the provider to be treated by the out-of-network provider, and the consent acknowledges that the enrollee has been informed that the charge paid by the enrollee may not meet a limitation that the enrollee's plan places on cost sharing, such as an in-network deductible; and (i) a signed copy of the consent is provided to the enrollee.

Specify that, to be considered adequate, the notice and consent described above shall meet one of the following requirements, as applicable: (a) if the enrollee makes an appointment for the item or service at least 72 hours before the day on which the item or service is to be provided, any

notice shall be provided to the enrollee at least 72 hours before the day of the appointment at which the item or service is to be provided; or (b) if the enrollee makes an appointment for the item or service less than 72 hours before the day on which the item or service is to be provided, any notice shall be provided to the enrollee on the day that the appointment is made. Specify that the notice and consent may not extend to items or services furnished as a result of unforeseen, urgent medical needs that arise at the time the item or service is provided. Require the provider to retain any consent provided under these provisions for no less than seven years.

Specify that, beginning no later than January 1, 2026, a health care provider or health care facility shall make available, including posting on a website, to enrollees in defined network plans, preferred provider plans, and self-insured governmental plans notice of the requirements applicable to providers or facilities under the provisions of this item and of any other applicable state law requirements on the provider or facility with respect to charging an enrollee for an item or service if the provider or facility does not have a contractual relationship with the plan, and of information on contacting appropriate state or federal agencies in the event the enrollee believes the provider or facility violates any of these requirements.

Negotiation and Dispute Resolution

Specify that an out-of-network provider or facility that is entitled to receive an initial payment or notice of denial under these provisions may initiate, within 30 days of receiving the initial payment or notice of denial, open negotiations with the defined network plan, preferred provider plan, or self-insured governmental plan to determine a payment amount for the emergency medical service or other item or service for a period that terminates 30 days after initiating open negotiations. Specify that if the open negotiation period terminates without determination of a payment amount, the provider, facility, defined network plan, preferred provider plan, or self-insured governmental plan may initiate, within the four days beginning on the day after the open negotiation period ends, the independent dispute resolution process as specified by OCI.

Specify that if the independent dispute resolution decision maker determines the payment amount, the party to the independent dispute resolution process whose amount was not selected shall pay the fees for the independent dispute resolution, but if the parties to the independent dispute resolution reach a settlement on the payment amount, the parties to the independent dispute resolution shall equally divide the payment for the fees for the independent dispute resolution.

Continuity of Care

Modify statutory provisions related to the billing for and coverage of services rendered to a continuing care enrollee in circumstances in which the status provider of those services changes from in-network to out-of-network provider or facility, as described below. Define, for the purposes of this provision, a "continuing care patient" as an individual who is any of the following: (a) undergoing a course of treatment for a serious and complex condition from a provider or facility; (b) undergoing a course of institutional or inpatient care from a provider or facility; (c) scheduled to undergo nonelective surgery, including receipt of postoperative care, from a provider or facility; (d) pregnant and undergoing a course of treatment for the pregnancy from a provider or facility; or (e) terminally ill and receiving treatment for the illness from a provider or facility.

Define a "serious and complex condition" to mean any of the following: (a) in the case of an acute illness, a condition that is serious enough to require specialized medical treatment to avoid the reasonable possibility of death or permanent harm; or (b) in the case of a chronic illness or condition, a condition that is life-threatening, degenerative, potentially disabling, or congenital and requires specialized medical care over a prolonged period.

Specify that if an enrollee is a continuing care patient and is obtaining items or services from an in-network provider or facility and the contract between the defined network plan, preferred provider plan, or self-insured governmental plan and the provider or facility is terminated because of a change in the terms of the participation of the provider or facility, or the contract between the plan and the provider or facility is terminated, resulting in a loss of benefits provided under the plan, the plan shall do all of the following: (a) notify each enrollee of the termination of the contract or benefits and of the right for the enrollee to elect to continue transitional care from the provider or facility; (b) provide the enrollee an opportunity to notify the plan of the need for transitional care; and (c) allow the enrollee to elect to continue to have the benefits provided under the plan under the same terms and conditions as would have applied to the item or service if the termination had not occurred for the course of treatment related to the enrollee's status as a continuing care patient beginning on the date on which the notice is provided and ending 90 days after the date on which the notice is provided or the date on which the enrollee is no longer a continuing care patient, whichever is earlier.

Specify that current law continuing care requirements shall not be applied in a manner that limits the enrollee's rights for, or length of, continuing care established under this item. Specify that a defined network plan may not contract or arrange with a participating provider for the provider to provide the notice that the plan is required to provide to enrollees under current law, of termination of the participating provider's participation in the plan's network.

Administrative Rules

Authorize OCI to promulgate any rules necessary to implement these provisions, including specifying the independent dispute resolution process and any modification to the list of those items and services for which a provider may not balance bill. Specify that, in promulgating these rules, OCI may consider any rules promulgated by the federal Department of Health and Human Services pursuant to the federal No Surprises Act.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. INSURER NETWORK ADEQUACY STANDARDS

Governor: Authorize OCI to promulgate administrative rules to establish minimum network time and distance standards and minimum network wait-time standards for defined network plans and preferred provider plans. Specify that, in promulgating rules, OCI must consider standards adopted by the federal Centers for Medicare and Medicaid Services for qualified health plans offered through the federal health insurance exchange.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. TELEHEALTH COVERAGE PARITY

Governor: Prohibit any health insurance policy, state employee health plan, or governmental self-insured health plan from denying coverage of any treatment or service provided through telehealth on the basis that the treatment or service is provided through telehealth, if that treatment or service is covered by the policy or plan when provided in person. Specify that an insurance policy or health plan may limit coverage of treatments or services provided through telehealth to those treatments or services that are medically necessary. Specify that an insurance policy or health plan may not subject a treatment or services provided through telehealth to any of the following: (a) any greater deductible, copayment, or coinsurance amount than would be applicable if the treatment or service is provided in person; (b) any policy or calendar year or lifetime benefit limit or other maximum limitation that is not imposed on other treatments or services covered by the plan that are not provided through telehealth; (c) prior authorization requirements that are not required for the same treatment or service when provided in person; or (d) unique location requirements. Specify that an insurance policy or health plan that covers a telehealth treatment or service that has no equivalent in-person treatment or service, such as remote patient monitoring, shall specify in policy or plan materials the coverage of that telehealth treatment or service.

Define "telehealth" as a practice of health care delivery, diagnosis, consultation, treatment, or transfer of medically relevant data by means of audio, video, or data communications that are used either during a patient visit or consultation or are used to transfer medically relevant data about a patient. Specify that the term "telehealth" does not include communications delivered solely by audio-only telephone, facsimile machine, or e-mail unless specified otherwise by rule.

Specify that for policies or plans containing provisions inconsistent with the requirements in this item, the requirements first apply to policy or plan years beginning on January 1 of the year following the effective date of the bill, except that for policies or plans that are affected by a collective bargaining agreement that are inconsistent, the requirement first applies to plan years beginning on the effective date of the bill or on the day on which the collective bargaining agreement is newly established, modified, or renewed, whichever is later.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. EXEMPTIONS FROM PRIOR AUTHORIZATION REQUIREMENTS

Governor: Authorize the Insurance Commissioner to provide, by administrative rule, that any health benefit plan or self-insured health plan that uses a prior authorization process shall exempt health care providers from obtaining prior authorizations for a health care item or service for a period of time established by the Commissioner if, in the most recent evaluation period, the health benefit plan or self-insured health plan has approved or would have approved a proportion

of prior authorization requests submitted by the health care provider for the health care item or service that is not less than a benchmark threshold specified by the Commissioner. Require the Commissioner to establish a minimum threshold for the proportion of prior authorization requests submitted by a health care provider that have to be approved for the provider to qualify for an exemption from obtaining prior authorizations.

Authorize the Commissioner to specify by rule the health care items or services that may be subject to the exemption from obtaining prior authorizations under this provision and how health care providers may obtain an exemption from obtaining prior authorizations, including by providing a process for automatic evaluation. Authorize the Commissioner to promulgate further rules necessary to implement these provisions.

Specify that these provisions are applicable to limited-service health organizations, preferred provider plans, and defined network plans. Define, for the purposes of these provisions, the following terms: (a) "prior authorization" as a determination by a health benefit plan, self-insured health plans, or person contracting with a health benefit plan or self-insured health plan that health care items or services proposed to be provided to a patient are medically necessary and appropriate; (b) "health care item or service" as including all of the following: (i) prescription drugs; (ii) laboratory testing; (iii) medical equipment; and (iv) medical supplies; (c) "evaluation period" as the period of time established by the Commissioner by rule that is used to evaluate whether a health care provider qualifies for an exemption from obtaining prior authorizations; (d) "health care provider" by reference to a current law list of providers in a provision related to medical record keeping, with the exception of ambulance and emergency services providers; (e) "health benefit plan" and "self-insured health plan" as those terms are defined in current law insurance statutes.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. PRIOR AUTHORIZATION RESTRICTIONS AND DISCLOSURE REQUIREMENTS

Governor: Specify that the clinical review criteria used by any health care plan for any prior authorization requirement or restriction must: (a) be based on nationally recognized, generally accepted standards except where provided by law; (b) be developed in accordance with the current standards of a national medical accreditation entity; (c) ensure quality of care and access to needed health care services; (d) be evidence-based; (e) be sufficiently flexible to allow deviations from current standards when justified; and (f) be evaluated and updated when necessary and no less frequently than once every year.

Specify that no health care plan may deny a claim for failure to obtain prior authorization if the prior authorization requirement was not in effect on the date that the service was provided. Specify that no health care plan nor any utilization review organization contracted with a health care plan may deem supplies or services as incidental, or deny a claim for supplies or services if a provided health care service associated with the supplies or services receives prior authorization or if a provided health care service associated with the supplies or services does not require prior authorization.

Specify that if a health care plan intends to impose a new prior authorization requirement or restriction or intends to amend a prior authorization requirement or restriction, it must provide all providers contracted with the plan advanced written notice of the new or amended requirement or restriction no less than 60 days before the new or amended requirement or restriction is implemented. Specify that the advanced written notice may be provided in an electronic format if the provider has agreed in advance to receive the notices electronically. Specify that no health care plan may implement a new or amended prior authorization requirement or restriction unless the health care plan or a contracted utilization review organization has updated the post on its website required to reflect the new or amended prior authorization requirement or restriction.

Require any health care plan to maintain a complete list of services for which prior authorization is required, including services where prior authorization is performed by an entity under contract with the health care plan. Require the plan to publish the list on its website, and specify that the list must be accessible by members of the general public without requiring the creation of an account or the entry of any credentials or personal information. Specify that the list is not required to contain any clinical review criteria applicable to the services.

Require any health care plan to make any current prior authorization requirements and restrictions along with the clinical review criteria applicable to those requirements or restrictions accessible and conspicuously posted on its website to enrollees and providers. Specify that any content published by a third party and licensed for use by a health care plan or a contracted utilization review organization may satisfy this requirement if it is available to access through the website of the health care plan or the contracted utilization review organization, provided that the website does not unreasonably restrict access. Specify that the prior authorization requirements and restrictions under must be described in detail, and must be written in easily understandable, plain language. Specify, in addition, that the prior authorization requirements and restrictions under must indicate all of the following for each service subject to the prior authorization requirements and restrictions: (a) when the requirement or restriction began for policies issued or delivered in Wisconsin, including effective dates and any termination dates; (b) the date that the requirement or restriction was listed on the website of the health care plan or a contracted utilization review organization; (c) the date that the requirement or restriction was removed in Wisconsin; and (d) a method to access a standardized electronic prior authorization request transaction process.

Define the following, for the purposes of these provisions: (a) "prior authorization" as the process by which a health care plan or a contracted utilization review organization determines the medical necessity and medical appropriateness of otherwise covered health care services, including any requirement that an enrollee or provider notify the health care plan or a contracted utilization review organization before, at the time of, or concurrent to providing a health care service; (b) "health care plan" as an insurance contract providing coverage of health care expenses; and (c) "provider" as a health care professional, a health care facility, or a health care service or organization.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. PRIOR AUTHORIZATION FOR INPATIENT MENTAL HEALTH SERVICES

Governor: Prohibit any health insurance policy, limited-service health organization, preferred provider plan, defined network plan, or government self-insured health plan that covers inpatient mental health services from requiring prior authorization for the provision or coverage of those services.

Specify that this provision first applies to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. COVERAGE OF OVER-THE-COUNTER ORAL CONTRACEPTION

Governor: Require health insurance policies and self-insured governmental health plans to provide coverage of oral contraceptives that are lawfully furnished over the counter without a prescription.

Specify that this provision first applies to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. COVERAGE OF INFERTILITY SERVICES

Governor: Specify that any health insurance policy, including any preferred provider plan or defined network plan, and any government self-insured health plan that provides coverage for medical or hospital expenses must cover diagnosis of, and treatment for, infertility and standard fertility preservation services. Specify that the coverage, for the purposes of this requirement, must include at least four completed oocyte retrievals with unlimited embryo transfers, in accordance with the guidelines of the American Society for Reproductive Medicine or its successor organization, and that a single embryo transfer may be used when recommended and medically appropriate. Specify that the policy or plan must provide coverage of infertility services to any covered individual under the policy or plan, including any spouse or non-spouse dependent, to the same extent as other pregnancy-related benefits covered under the policy or plan.

Specify that a policy or plan may not do any of the following: (a) impose any exclusion, limitation, or other restriction on coverage of infertility services based on a covered individual's participation in fertility services provided by or to a third party; (b) impose any exclusion, limitation, or other restriction on coverage of medications that are required to be covered for infertility services that are different from those imposed on any other prescription medications covered under the policy or plan; or (c) impose any exclusion, limitation, cost-sharing requirement, benefit maximum, waiting period, or other restriction on the diagnosis of and treatment for infertility and standard fertility preservation services that is different from an exclusion, limitation, cost-sharing requirement, benefit maximum, waiting period, or other restriction imposed on benefits for services that are covered by the policy or plan and that are not related to infertility.

Specify that these coverage requirements do not apply to coverage that is only accident or disability income insurance, supplemental liability insurance, worker's compensation coverage, automobile medical payment insurance, credit-only insurance, coverage for on-site medical clinics, or other similar coverage under which benefits for medical care are secondary or incidental to other insurance benefits.

Define terms, for the purposes of these provisions, as follows: (a) "infertility" means a disease, condition, or status characterized by any of the following: (i) the failure to establish a pregnancy or carry a pregnancy to a live birth after regular, unprotected sexual intercourse for, if the woman is under the age of 35, no longer than 12 months or, if the woman is 35 years of age or older, no longer than six months, including any time during those 12 months or six months that the woman has a pregnancy that results in a miscarriage; (ii) an individual's inability to reproduce either as a single individual or with a partner without medical intervention; (iii) a physician's findings based on a patient's medical, sexual, and reproductive history, age, physical findings, or diagnostic testing; (b) "diagnosis of and treatment for infertility" means any recommended procedure or medication to treat infertility at the direction of a physician that is consistent with established, published, or approved medical practices or professional guidelines from the American College of Obstetricians and Gynecologists, or its successor organization, or the American Society for Reproductive Medicine, or its successor organization; and (c) "standard fertility preservation service" means a procedure that is consistent with established medical practices or professional guidelines published by the American Society for Reproductive Medicine or its successor organization, or the American Society of Clinical Oncology or its successor organization, for a person who has a medical condition or is expected to undergo medication therapy, surgery, radiation, chemotherapy, or other medical treatment that is recognized by medical professionals to cause a risk of impairment to fertility.

Require OCI, after consulting with the Department of Health Services on appropriate treatment for infertility, to promulgate any rules necessary to implement these requirements. Specify that before the promulgation of rules, policies and plans are considered to be in compliance with the coverage requirements if the coverage conforms to the standards of the American Society for Reproductive Medicine.

Specify that these provisions first apply to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement

containing provisions that are inconsistent with these coverage requirements, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later. Specify that for policies and plans that have a term greater than one year and contain provisions inconsistent with these provisions, the coverage requirements first apply to policy or plan years beginning on January 1 of the year following the year in which the policy or plan is extended, modified, or renewed, whichever is later.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. COVERAGE OF SERVICES PROVIDED BY DENTAL THERAPISTS

Governor: Specify that no health policy, plan, or contract, including any limited-service health organization, preferred provider plan, or defined network plan, may exclude coverage for dental services, treatments, or procedures provided by a dental therapist within the scope of the dental therapist's license if the policy, plan, or contract covers the dental services, treatments, or procedures when provided by another health care provider. This provision would replace a current law prohibition against excluding coverage for diagnosis and treatment of a condition or complaint by a licensed dental therapist with the scope of the dental therapist's license if covered by another health care provider.

Specify that this provision first applies to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. COVERAGE OF SERVICES PROVIDED BY QUALIFIED TREATMENT TRAINEES

Governor: Prohibit any health insurance policy, limited service health organization, preferred provider plan, defined network plan, or government self-insured health plan from excluding coverage for mental health or behavioral health treatment or services provided by a qualified treatment trainee within the scope of the qualified treatment trainee's education and training if the policy or plan covers the mental health or behavioral health treatment or services when provided by another health care provider.

Define "qualified treatment trainee" for the purposes of this provision using a cross reference to a definition of the term in a DHS administrative rule relating to outpatient mental health clinics, in which the term means either: (a) a graduate student who is enrolled in an accredited institution in psychology, counseling, marriage and family therapy, social work, nursing or a closely related

field; or (b) a person with a graduate degree from an accredited institution and course work in psychology, counseling, marriage and family therapy, social work, nursing or a closely related field who has not yet completed the supervised practice requirements applicable to the degree.

Specify that this provision first applies to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. COVERAGE OF SERVICES PROVIDED BY SUBSTANCE ABUSE COUNSELORS

Governor: Specify that no health insurance policy, limited-service health organization, preferred provider plan, defined network plan, or government self-insured health plan may exclude coverage for alcoholism or other drug abuse treatment or services provided by a substance abuse counselor within the scope of the substance abuse counselor's education and training if the policy or plan covers the alcoholism or other drug abuse treatment or services when provided by another health care provider.

Specify that this provision first applies to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. SPECIAL ENROLLMENT PERIOD FOR PREGNANCY

Governor: Require health insurance plans and self-insured governmental health plans, including preferred provider plans and defined network plans, to permit a pregnant individual who is eligible for coverage under the plan, and any individual who is eligible for coverage under the plan because of a relationship to the pregnant individual, to enroll for coverage at any time during the pregnancy.

Specify that the coverage must begin no later than the first day of the first calendar month in which the pregnant individual receives medical verification of the pregnancy, except that a pregnant individual may direct coverage to begin on the first day of any month occurring during the pregnancy. Require any insurer offering group health insurance coverage to provide notice of

this right to enroll during pregnancy at or before the time an individual is initially offered the opportunity to enroll for coverage under the plan.

Specify that this provision first applies to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

19. EMERGENCY AMBULANCE SERVICES REIMBURSEMENT

Governor: Specify that any defined network plan, preferred provider plan, or self-insured governmental plan that provides coverage of emergency medical services must cover emergency ambulance services (defined to exclude air ambulance services) provided by an ambulance provider that is not in the plan's provider network at a payment rate that is not lower than the greatest rate of the following: (a) a rate that is set or approved by a local governmental entity in the jurisdiction in which the emergency ambulance services originated; (b) a rate that is 400 percent of the current Medicare reimbursement rate for the emergency ambulance service in the same geographic area or a rate that is equivalent to the rate billed by the ambulance service provider for emergency ambulance services provided, whichever is less; or (c) the contracted rate at which the plan would reimburse a participating ambulance service provider for the same emergency ambulance services.

Prohibit defined network plans, preferred provider plans, and self-insured governmental plans from imposing a cost-sharing amount on an enrollee for emergency ambulance services provided by an out-of-network ambulance service provider at a rate that is greater than the requirements that would apply if the emergency ambulance services were provided by an in-network ambulance service provider.

Prohibit ambulance service providers that receive reimbursement under these conditions from billing an enrollee for any additional amount for emergency ambulance services except for any copayment, coinsurance, deductible, or other cost-sharing responsibilities required to be paid by the enrollee.

Require any health insurance policy or self-insured governmental plan to, within 30 days after receipt of a clean claim for covered emergency ambulance services, promptly remit payment for the services directly to the ambulance provider, and specify that the policy or plan may not send a payment for covered ambulance services to an enrollee. Define a "clean claim" as a claim that has no defect of impropriety, including a lack of required substantiating documentation or any particular circumstance that requires special treatment that prevents timely payment from being made on the claim.

Require any health insurance policy or self-insured governmental plan to respond to a claim for covered emergency ambulance services that is not a clean claim by sending a written notice, within 30 days after receipt of the claim, acknowledging the date of receipt of the claim and informing the ambulance service provider of one of the following: (a) that the disability insurance policy or self-insured health plan is declining to pay all or part of the claim, including the specific reason or reasons for the denial; or (b) that additional information is necessary to determine if all or part of the claim is payable and the specific additional information that is required.

Require any health insurance policy or self-insured governmental plan to remit payment for any patient by ambulance as a medically necessary emergency ambulance service if the transportation was requested by an emergency medical services practitioner, an emergency medical responder, a firefighter, a law enforcement officer, or a health care provider, as those terms are defined in current law.

Specify that these provisions first apply to policy or plan years beginning on January 1 of the year following the year of the first day of the fourth month beginning after the bill's general effective date, or, for policies and plans that are affected by a collective bargaining agreement containing provisions that are inconsistent with the bill, to policy or plan years beginning on the day on which the collective bargaining agreement is entered into, extended, modified, or renewed, whichever is later.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Drug Costs and Pricing

1. OFFICE OF PRESCRIPTION DRUG AFFORD-ABILITY

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$3,828,400	16.00	-\$3,828,400	- 16.00	\$0	0.00

Governor: Provide \$1,957,300 in 2025-26 and \$1,871,100 in 2026-27, and 16.0 positions, beginning in 2025-26, to administer new initiatives related to prescription drug supply chain regulation and consumer assistance in a new Office of Prescription Drug Affordability within OCI. Specify that all moneys received from the regulation of pharmacy benefit management brokers, pharmacy benefit management consultants, pharmacy services administration organizations, and pharmaceutical representatives shall be credited to OCI's program revenue appropriation for general program operations.

Of the funding provided by the bill, \$500,000 in 2025-26 would be one-time financing for implementation costs associated with the Office, while the remainder, \$1,457,300 in 2025-26 and \$1,871,100 in 2026-27, would fund salary, fringe benefit, and supplies costs associated with the positions. The positions would include five insurance examiners, four policy initiatives advisors, two attorneys, an insurance program manager, two insurance administrators, and two operations program associates. The prescription drug affordability initiatives are summarized in subsequent items in this section.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. PRESCRIPTION DRUG AFFORDABILITY REVIEW BOARD

Governor: Establish a Prescription Drug Affordability Review Board, attached to the Officer of the Commissioner of Insurance for the purpose of budgeting, program coordination and related management functions, but with independence with respect to exercise its powers, duties and functions prescribed by law, including rule making, licensing and regulation, and operational planning within its area of program responsibility. Specify that the provisions of this item take effect on the first day of the seventh month beginning after the effective date of the bill.

Board Membership

Specify that the Board shall be composed of the following members: (a) the Commissioner of Insurance or his or her designee; (b) two members appointed for four-year terms who represent the pharmaceutical drug industry, including pharmaceutical drug manufacturers and wholesalers, at least one of whom is a licensed pharmacist; (c) two members appointed for four-year terms who represent the health insurance industry, including insurers and pharmacy benefit managers; (d) two members appointed for four-year terms who represent the health care industry, including hospitals, physicians, pharmacies, and pharmacists, at least one of whom shall be a licensed practitioner; and (e) two members appointed for four-year terms who represent the interests of the public. Board members would be appointed by the Governor, subject to Senate confirmation.

Specify that, notwithstanding the terms established for the Board members, two of the initial members shall be appointed for terms expiring on May 1, 2027, two members with terms expiring on May 1, 2028, two members with terms expiring on May 1 2029, and two members with terms expiring on May 1, 2030.

Specify that, other than the two Board members selected to represent the pharmaceutical drug industry, no member appointed to the Board may be an employee of, a board member of, or a consultant to, a drug manufacturer or trade association for drug manufacturers. Specify that any conflict of interest, including any financial or personal association, that has the potential to bias or has the appearance of biasing an individual's decision in matters related to the Board or the conduct of the Board's activities shall be considered and disclosed when appointing that individual to the Board.

Purpose, Powers and Duties, Meeting Requirements, and Conflicts of Interest

Purpose. Specify that the purpose of the Prescription Drug Affordability Review Board is to protect state residents, the state, local governments, health plans, healthcare providers, pharmacies licensed in Wisconsin, and other stakeholders of the healthcare system in Wisconsin from the high costs of prescription drug products.

Meeting Requirements. Require the Board to meet in open session at least four times per year to review prescription drug product pricing information, except that the chairperson may cancel or postpone a meeting if there is no business to transact. Require the Board, to the extent practicable, to access and assess pricing information for prescription drug products by doing all of the following: (a) accessing and assessing information from other states by entering into memoranda of understanding with other states to which manufacturers report pricing information; (b) assessing spending for specific prescription drug products in Wisconsin; and (c) accessing other available pricing information.

Powers and Duties. Specify that the Board may: (a) promulgate rules for the administration of its statutory duties; or (b) enter into a contract with an independent third party for any service necessary to carry out the powers and duties of the Board. Specify that, unless written permission is granted by the Board, any person with whom the Board contracts may not release, publish, or otherwise use any information to which the person has access under the contract.

Require the Board to provide public notice of each Board meeting at least two weeks prior to the meeting and to make the materials for each meeting publicly available at least one week prior to the meeting. Require the Board to provide an opportunity for public comment at each open meeting and to provide the public with the opportunity to provide written comments on pending decisions of the Board. Specify that any portion of a meeting of the Board concerning proprietary data and information shall be conducted in closed session and shall in all respects remain confidential. Specify that the Board may allow expert testimony at any meeting, including when the Board meets in closed session. Require the Board to establish and maintain a website to provide public notices, make meeting materials available, and to disclose any conflicts of interest of Board members.

Conflicts of Interest. Require a member of the Board to recuse himself or herself from a decision relating to a prescription drug product if the member or an immediate family member of the Board member has received or could receive any of the following: (a) a direct financial benefit deriving from a determination, or a finding of a study or review, by the Board relating to the prescription drug product; (b) a financial benefit in excess of \$5,000 in a calendar year from any person who owns, manufactures, or provides a prescription drug product to be studied or reviewed by the Board.

Specify that a conflict of interest shall be disclosed by the Board when hiring Board staff, by the appointing authority when appointing members to the Board, and by the Board when a member of the Board is recused from any final decision resulting from a review of a prescription drug product. Specify that any conflict of interest shall be disclosed no later than five days after the conflict is identified, except that, if the conflict is identified within five days of an open meeting of the Board, the conflict shall be disclosed prior to the meeting. Require the Board to disclose a

conflict of interest on the Board's website unless the chairperson of the Board recuses the member from a final decision resulting from a review of the prescription drug product. Specify that the disclosure shall include the type, nature, and magnitude of the interests of the member involved.

Prohibit any member of the Board or a third-party contractor from accepting any gift or donation of services or property that indicates a potential conflict of interest or has the appearance of biasing the work of the Board.

Drug Cost Affordability Review

Require the Board to identify any drug products that are any of the following: (a) a brand name drug or biologic that, as adjusted annually to reflect adjustments to the U.S. consumer price index for all urban consumers, U.S. city average (CPI), has a launch wholesale acquisition cost of at least \$30,000 per year or course of treatment, or whose wholesale acquisition cost increased by at least \$3,000 during a 12-month period; (b) a biosimilar that has a launch wholesale acquisition cost that is not at least 15 percent lower than the referenced brand biologic at the time the biosimilar is launched; (c) a generic drug that has a wholesale acquisition cost, as adjusted annually to reflect adjustments to the CPI, that meets all of the following conditions: (i) is at least \$100 for a supply lasting a patient for a period of 30 consecutive days based on the recommended dosage approved for labeling by the U.S. Food and Drug Administration (FDA), a supply lasting a patient for fewer than 30 days based on the recommended dosage approved for labeling by the FDA, or one unit of the drug if the labeling approved by the FDA does not recommend a finite dosage; or (ii) increased by at least 200 percent during the preceding 12-month period, as determined by the difference between the resulting wholesale acquisition cost and the average of the wholesale acquisition cost reported over the preceding 12 months; or (d) other prescription drug products, including drugs to address public health emergencies, that may create affordability challenges for the healthcare system and patients in Wisconsin.

Require the Board, after identifying prescription drugs that meet the above conditions, to determine whether to conduct an affordability review for each identified prescription drug product by seeking stakeholder input about the prescription drug product and considering the average patient cost share of the prescription drug product. Specify that the information to conduct an affordability review may include any document and research related to the manufacturer's selection of the introductory price or price increase of the prescription drug product, including life cycle management, net average price in Wisconsin, market competition and context, projected revenue, and the estimated value or cost-effectiveness of the prescription drug product. Specify that the failure of a manufacturer to provide the Board with information for an affordability review does not affect the authority of the Board to conduct the review.

Drug Affordability Challenge and Upper Payment Limit

Require the Board, when conducting an affordability review of a prescription drug product, to determine whether use of the prescription drug product that is fully consistent with the labeling approved by the FDA or standard medical practice has led or will lead to an affordability challenge for the healthcare system in Wisconsin, including high out-of-pocket costs for patients. Require the Board, to the extent practicable, in determining whether a prescription drug product has led or will lead to an affordability challenge, to consider all of the following factors: (a) the wholesale

acquisition cost for the prescription drug product; (b) the average monetary price concession, discount, or rebate the manufacturer provides, or is expected to provide, to health plans as reported by manufacturers and health plans, expressed as a percentage of the wholesale acquisition cost for the prescription drug product under review; (c) the total amount of the price concessions, discounts, and rebates the manufacturer provides to each pharmacy benefit manager for the prescription drug product under review, as reported by the manufacturer and pharmacy benefit manager and expressed as a percentage of the wholesale acquisition cost; (d) the price at which therapeutic alternatives to the prescription drug product have been sold; (e) the average monetary concession, discount, or rebate the manufacturer provides or is expected to provide to health plan payors and pharmacy benefit managers for therapeutic alternatives; (f) the costs to health plans based on patient access consistent with labeled indications by the FDA and recognized standard medical practice; (g) the impact on patient access resulting from the cost of the prescription drug product relative to insurance benefit design; (h) the current or expected dollar value of drug-specific patient access programs that are supported by the manufacturer; (i) the relative financial impacts to health, medical, or social services costs that can be quantified and compared to baseline effects of existing therapeutic alternatives; (j) the average patient copay or other cost sharing for the prescription drug product; (k) any information a manufacturer chooses to provide; and (l) any other factors as determined by the Board by rule.

Require the Board, if it determines that the use of a prescription drug product has led or will lead to an affordability challenge, to establish an upper payment limit for the prescription drug product after considering all of the following: (a) the cost of administering the drug; (b) the cost of delivering the drug to consumers; and (c) other relevant administrative costs related to the drug.

Require the Board, with respect to drugs that the Board determines had a price increase in excess of the 12-month thresholds, to solicit information from the manufacturer regarding the price increase. Require the Board to establish an upper payment limit for a drug to the extent that the price increase is not a result of the need for increased manufacturing capacity or other effort to improve patient access during a public health emergency. Specify that the limit shall be the cost to consumers prior to the price increase.

Specify that the upper payment limit established by the Board shall apply to all purchases and payor reimbursements of the prescription drug product dispensed or administered to individuals in Wisconsin in person, by mail, or by other means, and is applicable to state sponsored and state regulated health plans and health programs. Specify that a plan subject to the federal Employee Retirement Income Security Act of 1974 (ERISA) or Medicare Part D may choose to reimburse more than the upper payment limit. Specify that a provider who dispenses and administers a prescription drug product to an individual in Wisconsin may not bill a payor more than the upper payment limit to the patient, regardless of whether a plan subject to ERISA or Medicare Part D chooses to reimburse the provider above the upper payment limit.

Other Provisions

Specify that information submitted to the Board shall be open to public inspection only as provided under the state's open records laws (sections 19.31 to 19.39 of the statutes).

Specify that these provisions may not be construed to prevent a manufacturer from

marketing a prescription drug product approved by the FDA while the prescription drug product is under review by the Board.

Specify that a person aggrieved by a decision of the Board may request an appeal of the decision no later than 30 days after the Board makes the determination. Require the Board to hear the appeal and make a final decision no later than 60 days after the appeal is requested. Specify that a person aggrieved by a final decision of the Board may petition for judicial review in a court of competent jurisdiction.

Definitions

Establish the following definitions used in these provisions: (a) "biologic" means a drug that is produced or distributed in accordance with a biologics license application approved under federal law; (b) "biosimilar" means a drug that is produced or distributed in accordance with a biologics license application approved under federal law; (c) "brand name drug" means a drug that is produced or distributed in accordance with an original new drug application approved under federal law, other than an authorized generic drug; (d) "financial benefit" includes an honorarium, fee, stock, the value of the stock holdings of a member of the board or any immediate family member, and any direct financial benefit deriving from the finding of a drug cost affordability review; (e) "generic drug" means any of the following: (i) a retail drug that is marketed or distributed in accordance with an abbreviated new drug application; (ii) an authorized generic drug, as defined under federal regulations; (iii) a drug that entered the market prior to 1962 and was not originally marketed under a new drug application; (f) "immediate family member" means a spouse, grandparent, parent, sibling, child, stepchild, or grandchild of spouse of a grandparent, parent, sibling, child, stepchild, or grandchild; (g) "manufacturer" means an entity that does all of the following: (i) engages in the manufacture of a drug product or enters into a lease with another entity to market and distribute a prescription drug product under the entity's own name; or (ii) sets or changes the wholesale acquisition cost of the prescription drug product; (h) "pharmacy benefit manager" mean an entity doing business in Wisconsin that contracts to administer or manage prescription drug benefits on behalf of any insurer or other entity that provides prescription drug benefits to state residents; and (i) "prescription drug product" means a brand name drug, a generic drug, a biologic, or a biosimilar.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. PRESCRIPTION DRUG IMPORTATION PROGRAM

Governor: Require the Insurance Commissioner, in consultation with persons interested in the sale and pricing of prescription drugs and appropriate officials and agencies of the federal government, to design and implement a prescription drug importation program for the benefit of, and that generates savings for, Wisconsin residents.

Program Requirements. Specify that the program must satisfy all the following: (a) OCI must designate a state agency to become a licensed wholesale distributor or to contract with a licensed wholesale distributor and shall seek federal certification and approval to import

prescription drugs; (b) the program must comply with all relevant requirements under federal law; (c) the program must import drugs from Canadian suppliers regulated under any appropriate Canadian or provincial laws; (d) the program must have a process to sample the purity, chemical composition, and potency of imported prescription drugs; (e) the program must import only prescription drugs for which importation creates substantial savings, are not brand-name, and have fewer than four competitor prescription drugs in the United States; and (f) OCI must ensure that prescription drugs imported under the program are not distributed, dispensed, or sold outside of Wisconsin.

Specify that the program must ensure all of the following: (a) participation by any pharmacy or health care provider in the program is voluntary; (b) any pharmacy or health care provider participating in the program has the appropriate license or other credential in Wisconsin; and (c) any pharmacy or health care provider participating in the program charges a consumer or health plan the actual acquisition cost of the imported prescription drug that is dispensed.

Specify that the program must ensure that a payment by a health plan or health insurance policy for a prescription drug imported under the program reimburses no more than the actual acquisition cost of the imported prescription drug that is dispensed.

Requirements Relating to Health Plans and Health Insurance Policies. Specify that the program must ensure that any health plan or health insurance policy participating in the program does all of the following: (a) maintains a formulary and claims payment system with current information on prescription drugs imported under the program; (b) bases cost-sharing amounts for participants or insureds under the plan or policy on no more than the actual acquisition cost of the prescription drug imported under the program that is dispensed to the participant or insured; and (c) demonstrates to OCI or a state agency designated by OCI how premiums under the policy or plan are affected by savings on prescription drugs imported under the program.

Additional Restrictions Relating to Importation. Specify that the program must ensure that: (a) any wholesale distributor importing prescription drugs under the program must limit its profit margin to the amount established by OCI or a state agency designated by OCI; (b) the program may not import any generic prescription drug that would violate federal patent laws on branded products in the United States; and (c) the program complies, to the extent practical and feasible, with tracking and tracing requirements specified in federal regulations.

Program Finance. Specify that the program must establish a fee or other mechanism to finance the program that does not jeopardize significant savings to Wisconsin residents.

Audit Function. Provide that the program must have an audit function that ensures all of the following: (a) OCI has a sound methodology to determine the most cost-effective prescription drugs to include in the importation program; (b) OCI has a process in place to select Canadian suppliers that are high quality, high performing, and in full compliance with Canadian laws; (c) prescription drugs imported under the program are pure, unadulterated, potent, and safe; (d) the program is complying with the requirements specified under this item; (e) the program is adequately financed to support administrative functions of the program while generating cost savings to Wisconsin residents; (f) the program does not put Wisconsin residents at a higher risk than if the program did not exist; and (g) the program is projected to continue to provide substantial cost savings to Wisconsin residents.

Anti-Competitive Behavior. Require OCI, in consultation with the Attorney General, to identify the potential for, and monitor anticompetitive behavior in industries affected by the program.

Program Approval. Require OCI to submit a report on the design of the program to the Joint Committee on Finance for approval no later than the first day of the seventh month beginning after the effective date of the bill. Within 14 days of approval by the Committee, require OCI to submit the plan to the U.S. Department of Health and Human Services (DHHS) for certification. Provide that OCI may not submit the program to DHHS for certification unless it is first approved by the Committee.

Program Implementation. Upon certification of the program by DHHS, require OCI to begin implementing the program so that the program is fully operational within 180 days of certification.

Require OCI to do all of the following to implement the program: (a) become a licensed wholesale distributor, designate another state agency to become a licensed wholesale distributor, or contract with a licensed wholesale distributor; (b) contract with one or more Canadian suppliers; (c) create an outreach and marketing plan to communicate with and provide information to health plans and health insurance policies, employers, pharmacies, health care providers, and Wisconsin residents on participating in the program; (d) develop and implement a registration process for health plans and health insurance policies, pharmacies, and health care providers interested in participating in the program; (e) create a publicly accessible source for listing prices of prescription drugs imported under the program; (f) create, publicize, and implement a method of communication to promptly answer questions from, and address the needs of, persons affected by the implementation of the program before the program is fully operational; (g) establish the audit functions described above with a timeline to complete each audit function every two years; and (h) conduct any other activities determined by OCI to be important to successful implementation of the program.

Authorize OCI to promulgate any administrative rules necessary to implement the program.

Report. Require OCI, by January 1 and July 1 of each year, to submit to the Joint Committee on Finance a report including all of the following: (a) a list of prescription drugs included in the program; (b) the number of pharmacies, health care providers, and health plans and health insurance policies participating in the program; (c) the estimated amount of savings to Wisconsin residents, health plans and health insurance policies, and employers resulting from the implementation of the program reported from the date of the previous report and from the date the program was fully operational; and (d) findings of any audit functions completed since the date of the previous report. Require OCI to submit the first report by the next January 1 or July 1, whichever is earliest, that is at least 180 days after the date of the prescription drug importation program is operational. Require OCI to include in the first three reports it submits information on the implementation of the audit functions specified in this item.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. PRESCRIPTION DRUG PURCHASING ENTITY STUDY

Governor: Require OCI to conduct a study on the viability of creating or implementing a state prescription drug purchasing entity during the 2025-27 biennium.

As described in the final report of the Governor's 2020 Task Force on Reducing Prescription Drug Prices, a drug purchasing entity would pool state agency and local government purchasers of prescription drugs to leverage greater purchasing power in negotiations with drug manufacturers, with the intent of securing lower drug prices.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. DRUG REIMBURSEMENT FOR CERTAIN ENTITIES UNDER FEDERAL 340B DRUG DISCOUNT PROGRAM

Governor: Provide that no person, including a pharmacy benefit manager or third-party payer, may do any of the following, with respect to reimbursement of drugs for certain entities (specified below) that participate under the federal 340B drug discount program:

- Reimburse the entity for a drug that is subject to a price discount agreement under the 340B program at a rate lower than that paid for the same drug to pharmacies that are not eligible entities under 340B and are similar in prescription volume to the covered 340B covered entity; or
- Assess a covered entity any fee, charge back, or other adjustment based on the entity's participation in 340B.

Specify that this provision would apply to the following 340B entities: federally qualified health centers, critical access hospitals, and grantees under the Ryan White HIV/AIDS program, as well as any pharmacy of these entities of pharmacy contracted with these entities to dispense drugs through the 340B program. Authorize OCI to promulgate rules to implement these provisions and to establish minimum reimbursement rates for any entities participating in 340B.

The federal 340B program requires drug manufacturers to limit the price for outpatient drugs dispensed to patients of certain covered entities. Generally, entities eligible for discounted drugs under the program include nonprofit health care organizations such as federally-qualified health centers, hospitals, and clinics that serve a disproportionate share of low-income patients. Under this item, third-party payers, such as pharmacy benefit managers, insurers, or self-insured benefit plans would be required to pay certain 340B entities the same amount for drugs as they pay to other entities that are not eligible 340B entities. To the extent that these payers are currently reimbursing these 340B entities at a lower rate (reflecting the lower acquisition price for the drug), this item has the effect of shifting the benefit of the 340B program discounts from the payer to the 340B entity.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. VALUE-BASED DIABETES MEDICATION PILOT PROGRAM

Governor: Require OCI to develop a pilot program to direct a pharmacy benefit manager and a pharmaceutical manufacturer to create a value-based, sole-source arrangement to reduce the costs of prescription medication used to treat diabetes. Authorize OCI to promulgate administrative rules to implement this provision.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. INSULIN SAFETY NET PROGRAMS

Governor: Require insulin manufacturers to create an urgent need safety net program and a patient assistance program, as described below, for certain persons who are insulin-dependent. For the purposes of this provision, define a manufacturer as a person engaged in the manufacturing of insulin that is self-administered on an outpatient basis.

Urgent Need Safety Net Program

Require each manufacturer, no later than July 1, 2026, to establish an urgent need safety net program to make insulin available to individuals who meet the requirements outlined below. Define "urgent need of insulin" to mean having less than a seven-day supply of insulin readily available for use and needing insulin in order to avoid the likelihood of suffering a significant health consequence.

Eligibility. Specify that an individual shall be eligible to receive insulin under the program if all of the following conditions are met: (a) the individual is in urgent need of insulin; (b) the individual is a Wisconsin resident; (c) the individual is not receiving public assistance under Chapter 49 of the statutes (including Wisconsin Works, Wisconsin Shares, Medical Assistance, SeniorCare, FoodShare, and Supplemental Security Income supplemental payments); (d) the individual is not enrolled in prescription drug coverage through an individual or group health plan that limits the total cost sharing amount, including copayments, deductibles, and coinsurance, that an enrollee is required to pay for a 30-day supply of insulin to no more than \$75, regardless of the type or amount of insulin prescribed; (e) the individual, with certain exceptions (described below), has not received insulin under an urgent need safety net program within the previous 12 months.

Specify that a person may be eligible to receive insulin under an urgent need safety net program despite previously receiving insulin under a program within the previous 12 months if the individual: (a) has applied for assistance under Chapter 49, but for whom a determination of eligibility has not been made or whose coverage has not become effective; or (b) has applied for assistance under, and has been determined ineligible for, a patient assistance program (created under this item and described below), but has filed an appeal with OCI and is awaiting a determination on that appeal. Specify that to receive a 30-day supply of insulin under this exception, an individual must attest that either of these conditions applies and that he or she meets the other eligibility criteria for assistance.

Application. Specify that, in order to receive insulin under an urgent need safety net program, an eligible individual shall provide a pharmacy with all of the following: (a) a completed application, on a form prescribed by OCI that shall include an attestation by the individual, or the individual's parent or legal guardian if the individual is under the age of 18, that the individual meets all of the eligibility requirements; (b) a valid insulin prescription; and (c) a valid Wisconsin driver's license or state identification card, or, if the individual is under the age of 18, the driver's license or identification card of the individual's parent or legal guardian.

Require OCI to make the application for the urgent need safety net program available on its website and to make the form available to pharmacies and health care providers who prescribe or dispense insulin, hospital emergency departments, urgent care clinics, and community health clinics.

Pharmacy Duties. Require a pharmacist, upon receipt of an application for assistance under an urgent need safety net program, to dispense a 30-day supply of the prescribed insulin to the individual. Specify that the pharmacy may collect a copayment, not to exceed \$35, from the individual to cover the pharmacy's costs of processing and dispensing the insulin. Require the pharmacy, in addition, to do the following: (a) notify the health care practitioner who issued the prescription no later than 72 hours after the insulin is dispensed; (b) provide the individual with an information sheet about the insulin assistance programs and a list of licensed health insurance navigators; and (c) retain a copy of the application form.

Specify that a pharmacy that dispenses insulin under an urgent need safety net program may submit to the manufacturer, or the manufacturer's vendor, a claim for payment that is in accordance with the National Council for Prescription Drug Programs' standards for electronic claims processing, except that no claim may be submitted if the manufacturer agrees to send the pharmacy a replacement of the same insulin in the amount dispensed. Specify that if the pharmacy submits an electronic claim, the manufacturer or vendor shall reimburse the pharmacy in an amount that covers the pharmacy's acquisition cost.

Define a pharmacy, for the purposes of this provision, to include a licensed pharmacy located in Wisconsin, or a pharmacy located in a different state that is licensed to ship, mail, or deliver prescriptions to persons in Wisconsin.

Patient Assistance Program

Require each manufacturer, no later than July 1, 2026, to establish a patient assistance program to make insulin available to individuals who meet the requirements outlined below. Require each manufacturer to do the following: (a) provide OCI with information regarding the program, including contact information for individuals to call for assistance in accessing the program; (b) provide a hotline for individuals to call or access between 8 a.m. and 10 p.m. on weekdays and between 10 a.m. and 6 p.m. on Saturdays; (c) list the eligibility requirements for the program on the manufacturer's website; and (d) maintain the privacy of all information received from an individual applying for or participating in the program and not sell, share, or disseminate the information unless required under the program or authorized, in writing, by the individual.

Eligibility. Specify that an individual shall be eligible to receive insulin under a patient

assistance program if all of the following conditions are met: (a) the individual is a Wisconsin resident; (b) the individual, or the individual's parent or legal guardian if the individual is under the age of 18, has a valid Wisconsin driver's license or state identification card; (c) the individual has a valid insulin prescription; (d) the family income of the individual does not exceed 400 percent of the poverty line for a family the size of the individual's family; (e) the individual is not receiving public assistance under Chapter 49; (f) the individual is not eligible to receive health care through a federally funded program or receive prescription drug benefits through the U.S. Department of Veterans Affairs, except if the individual is enrolled in a Medicare Part D plan and has spent at least \$1,000 on prescription drugs in the current calendar year; and (g) the individual is not enrolled in prescription drug coverage through an individual or group health plan that limits the total cost sharing amount, including copayments, deductibles, and coinsurance, that an enrollee is required to pay for a 30-day supply of insulin to no more than \$75, regardless of the type or amount of insulin needed.

Application and Determination. Specify that an individual may apply to participate in a patient assistance program by filing an application with the manufacturer who established the program, the individual's health care practitioners if the practitioner participates in the program, or a health insurance navigator. Require a health care practitioner or navigator to immediately submit the application to the manufacturer. Require the manufacturer to determine the individual's eligibility for the program and notify the individual of the determination no later than ten days after receipt of the application. Specify that, if necessary to determine the individual's eligibility, the manufacturer may request additional information from an individual who has filed an application no later than five days after receipt of the application and, upon receipt of the additional information, shall determine the individual's eligibility for the program and notify the individual of the determination no later than three days later.

Require the manufacturer, if it determines that the individual is not eligible, to provide the reason for the determination. Specify that the individual may appeal the determination by filing an appeal with OCI that shall include all of the information provided to the manufacturer. Require OCI to issue a decision no later than 10 days after the appeal is filed, and specify that OCI's decision shall be final. Require the manufacturer to provide the individual with the statement of eligibility if OCI determines that the individual meets the eligibility requirements. Require OCI to establish procedures for deciding appeals.

Specify that if a manufacturer determines that an individual who has prescription drug coverage through an individual or group health plan and who is eligible for the patient assistance program, but also determines that the individual's insulin needs are better addressed through the use of the manufacturer's copayment assistance program rather than the patient assistance program, the manufacturer shall inform the individual of the determination and provide the individual with the necessary coupons to submit to a pharmacy. Specify that the individual may not be required to pay more than the copayment of \$50 for each 90-day supply of insulin under this provision.

Pharmacy and Manufacturer Duties. Require any pharmacy, upon receipt from an individual of the eligibility statement under a patient assistance program, as well as a valid insulin prescription, to submit an order containing the name of the insulin and daily dosage amount to the manufacturer. Specify that the order shall also include the pharmacy's name, shipping address,

office telephone number, fax number, electronic mail address, and contact name, as well as any days or times when deliveries are not accepted by the pharmacy.

Require the manufacturer, upon receipt of the order, to send the pharmacy a 90-day supply of insulin, or lesser amount if requested in the order, at no charge to the individual or pharmacy. Require the pharmacy to dispense the insulin to the individual associated with the order and specify that the insulin shall be dispensed at no charge to the individual, except that the pharmacy may collect a copayment from the individual to cover the pharmacy's costs for processing and dispensing in an amount not to exceed \$50 for each 90-day supply of insulin. Specify that the pharmacy may not seek reimbursement from the manufacturer or a 3rd-party payer. Specify that the pharmacy may submit a reorder to the manufacturer if the individual's eligibility statement has not expired and the reorder shall be treated as an original order by the manufacturer.

Specify that a manufacturer may send the insulin directly to the individual if the manufacturer provides a mail-order service option, in which case the pharmacy may not collect a copayment from the individual.

General Provisions

Exempted Manufacturers. Specify that the program requirements established under this item do not apply to a manufacturer to which either of the following apply: (a) the manufacturer shows to OCI's satisfaction that the manufacturer's annual gross revenue from insulin sales in Wisconsin does not exceed \$2,000,000; or (b) the wholesale acquisition cost of the insulin product from the manufacturer does not exceed \$8, as adjusted annually based on the U.S. consumer price index for all urban consumers, U.S. city average, per milliliter or the applicable National Council for Prescription Drug Programs' plan billing unit.

Reimbursement Prohibition. Specify that no person, including a manufacturer, pharmacy, pharmacist, or third-party administrator, as part of participating in an urgent need safety net program or patient assistance program, may request or seek, or cause another person to request or seek, any reimbursement or other compensation for which payment may be made in whole or in part under a federal health care program.

Confidentiality. Specify that all medical information solicited or obtained by any person under these provisions shall be subject to the applicable provisions of state law relating to confidentiality of medical information.

Penalties. Specify that a manufacturer that fails to comply with these provisions may be assessed a penalty of up to \$200,000 per month of noncompliance, with the maximum penalty increasing to \$400,000 per month if the manufacturer continues to be in noncompliance after six months and increasing to \$600,000 per month if the manufacturer continues to be in noncompliance after one year.

Program Reports

Satisfaction Surveys. Require OCI to develop and conduct a satisfaction survey of individuals who have accessed insulin through urgent need safety net programs and patient assistance programs. Specify that the survey ask whether the individual is still in need of a long-

term solution for affordable insulin and include questions about the individual's satisfaction with all of the following, if applicable: (a) accessibility to urgent-need insulin; (b) adequacy of the information sheet and list of navigators received from the pharmacy; (c) helpfulness of a navigator; and (d) ease of access in applying for a patient assistance program and receiving insulin from the pharmacy under the program.

Require OCI to develop and conduct a satisfaction survey of pharmacies that have dispensed insulin through urgent need safety net programs and patient assistance programs. Specify that the survey include questions about the pharmacy's satisfaction with all of the following, if applicable: (a) timeliness of reimbursement from manufacturers for insulin dispensed by the pharmacy under urgent need safety net programs; (b) ease in submitting insulin orders to manufacturers; and (c) timeliness of receiving insulin orders from manufacturers.

Authorize OCI to contract with a nonprofit entity to develop and conduct these surveys and to evaluate the survey results. Require OCI, no later than July 1, 2028, to submit to the Governor and the Chief Clerk of each house of the Legislature a report on the results of the surveys.

Manufacturer Assistance Data. Require each manufacturer, on an annual basis no later than March 1, to report to OCI all of the following information for the previous calendar year: (a) the number of individuals who received insulin under the manufacturer's urgent need safety net program; (b) the number of individuals who sought assistance under the manufacturer's patient assistance program and the number of individuals who were determined to be ineligible; and (c) the wholesale acquisition cost of the insulin provided by the manufacturer through the urgent need safety net program and patient assistance program.

Require OCI, on an annual basis no later than April 1, to submit to the Governor and the Chief Clerk of each house of the Legislature a report on the urgent need safety net programs and patient assistance programs that includes all of the following: (a) the program participation data provided to OCI by manufacturers; and (b) the penalties assessed to manufacturers during the previous calendar year for violations of program requirements, including the name of the manufacturer and amount of the penalty.

Other Provisions

OCI Duties. Require OCI to conduct public outreach to create awareness of the urgent need safety net programs and patient assistance programs and to develop and make available on its website an information sheet that contains all of the following information: (a) a description of how to access insulin through an urgent need safety net program; (b) a description of how to access insulin through a patient assistance program; (c) information on how to contact a navigator for assistance in accessing insulin through an urgent need safety net program or patient assistance program; (d) information on how to contact OCI if a manufacturer determines that an individual is not eligible for a patient assistance program; and (e) a notification that an individual may contact OCI for more information or assistance in accessing ongoing affordable insulin options.

Require OCI to develop a training program to provide navigators with information and the resources necessary to assist individuals in accessing appropriate long-term insulin options and to compile a list of navigators who have completed the training program and are available to assist individuals in accessing affordable insulin coverage options. Specify that the list shall be made

available on the OCI website and to pharmacies and health care practitioners who dispense and prescribe insulin.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. INSULIN COPAYMENT CAP

Governor: Prohibit health insurance policies and governmental self-insured health plans that cover insulin and that impose cost sharing on prescription drugs (deductible, copayment, or coinsurance) from imposing cost sharing on insulin in an amount that exceeds \$35 for a one-month supply of insulin. Specify that this provision does not prohibit an insurance policy or plan from imposing cost sharing on insulin in an amount less than \$35 and does not require a policy or plan from imposing cost sharing on insulin. Specify that this provision would take effect on the first day of the fourth month beginning after the effective date of the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. APPLICABILITY OF MANUFACTURER BRAND NAME DRUG REBATES TO DEDUCTIBLES AND OUT-OF-POCKET MAXIMUMS

Governor: Specify that health insurance policies that offer a drug benefit and any governmental self-insured health plans must count toward an enrollee's annual deductible and out-of-pocket maximum the amount by which any manufacturer drug discount reduces the cost sharing amount charged to the enrollee for certain prescription drugs. Specify that this provision would apply to brand name drugs that have no generic equivalent or to brand name drugs that have a generic equivalent but for which the enrollee has received prior authorization from the insurer, plan, or a physician to obtain the brand name drug.

Specify that this provision applies on January 1 of the year following year of the first day of the fourth month beginning after the bill's general effective date, for policies and plans containing provisions inconsistent with the provision, except that for policies and plans that are affected by a collective bargaining agreement that are inconsistent with the provision, the provision applies to policy or plan years beginning after the effective date of the bill or on the day on which the collective bargaining agreement is newly established, extended, modified, or renewed, whichever is later.

Generally, only the actual amount spent on a prescription drug by the consumer (after any manufacturer discount) is counted toward the consumer's deductible and out-of-pocket maximum for an insurance policy or benefit plan. This item would increase the amount applied to the deductible and out-of-pocket spending by the amount which the discount reduces the consumer's cost, which would allow some individuals to reach these plan thresholds earlier than they otherwise would.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. PHARMACY SERVICES ADMINISTRATIVE ORGANIZATIONS LICENSURE

Governor: Specify that, beginning on the first day of the twelfth month beginning after the effective date of the bill, no person may operate as a pharmacy services administrative organization in Wisconsin without a license issued by OCI.

Define a pharmacy services administrative organization (PSAO) as an entity operating in Wisconsin that does all of the following: (a) contracts with an independent pharmacy to conduct business on the pharmacy's behalf with a third-party payer; and (b) provides at least one administrative service to an independent pharmacy and enters into a contract with a third-party payer or pharmacy benefit manager on behalf of the pharmacy. Define, for the purposes of this provision, an administrative service to mean any of the following: (a) assisting with claims; (b) assisting with audits; (c) providing centralized payment; (d) performing certification in a specialized care program; (e) providing compliance support; (f) setting flat fees for generic drugs; (g) assisting with store layout; (h) managing inventory; (i) providing marketing support; (j) providing management and analysis of payment and drug dispensing data; or (k) providing resources for retail cash cards. Define an independent pharmacy to mean a pharmacy operating in Wisconsin that is licensed and is under common ownership with no more than two other pharmacies. Define a third-party payer as an entity, including a plan sponsor, health maintenance organization, or insurer, operating in Wisconsin that pays or insures health, medical, or prescription drug expenses on behalf of beneficiaries.

Specify that the application for a PSAO license shall contain the following: (a) the name, address, telephone number, and federal employer identification number of the applicant; (b) the name, business address, and telephone number of a contact person for the applicant; (c) the license fee; (d) evidence of financial responsibility of at least \$1,000,000; and (e) any other information required by OCI. Specify that the term of the PSAO license is two years from the date of issuance.

Require any PSAO to disclose to OCI the extent of any ownership or control of the PSAO by an entity that does any of the following: (a) provides pharmacy services; (b) provides prescription drug or device services; or (c) manufactures, sells, or distributes prescription drugs, biologicals, or medical devices. Require any PSAO to notify OCI in writing within five days of any material change in its ownership or control relating to such an entity.

Authorize OCI to promulgate rules to administer these provisions and specify that the fee for issuing and renewing a PSAO license shall be established by administrative rule.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. LICENSURE OF PHARMACEUTICAL REPRESENTATIVES

Governor: Specify that, beginning on the first day of the twelfth month beginning after the effective date of the bill, no individual may act as a pharmaceutical representative in Wisconsin without a license issued by OCI. Define a pharmaceutical representative as an individual who markets or promotes pharmaceuticals to health care professionals on behalf of a pharmaceutical

manufacturer for compensation. Define, for the purpose of this provision, a pharmaceutical as a medication that may legally be dispensed only with a valid prescription from a health care professional. Define a health care professional as a physician or other health care practitioner who is licensed to provide health care services or to prescribe pharmaceutical or biologic products.

Specify that, in order to obtain a license, an individual shall apply in the form and manner prescribed by OCI and pay the license fee. Establish a fee for a pharmaceutical representative license in an amount set by OCI by administrative rule. Specify that the term of a pharmaceutical representative license is one year and is renewable. Require any pharmaceutical representative to display his or her license during each visit with a health care professional.

Specify that any individual that violates provisions pertaining to pharmaceutical licensure shall be fined not less than \$1,000 nor more than \$3,000 for each offense, and specify that each day the violation continues constitutes a separate offense. Authorize OCI to suspend or revoke the license of a pharmaceutical representative who violates these provisions and specify that a suspended or revoked license may not be reinstated until all violations related to the suspension or revocation have been remedied and all assessed penalties and fees have been paid.

Require OCI to promulgate an administrative rule to implement the licensure provisions, including rules that require pharmaceutical representatives to complete continuing education coursework as a condition of licensure, and including the amount of the license fee.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. LICENSURE OF PHARMACY BENEFIT MANAGEMENT BROKERS AND CONSULTANTS

Governor: Specify that, beginning on the first day of the twelfth month beginning after the effective date of the bill, no individual may serve as a pharmacy benefit management broker or consultant and no individual may act to procure the services of a pharmacy benefit manager on behalf of a client without a license. Authorize OCI to promulgate rules to establish criteria and procedures for initial licensure and renewal of licensure to implement these requirements and specify that the fee for issuing and renewing the license shall be established by administrative rule.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. FIDUCIARY DUTY AND DISCLOSURE REQUIREMENTS OF PHARMACY BENEFIT MANAGERS

Governor: Specify that a pharmacy benefit manager (PBM) under contract with a health benefit plan sponsor owes a fiduciary duty to the plan sponsor to act according to plan sponsor's instructions and in the best interests of the plan sponsor.

Require the PBM to annually provide to the health benefit plan sponsor, no later than the date, and using the method prescribed, by OCI by rule, all of the following information from the previous calendar year: (a) the indirect profit received by the PBM from owning any interest in a pharmacy or service provider; (b) any payment made by the PBM to a consultant or broker who works on behalf of the plan sponsor; (c) from the amounts received from all drug manufacturers, the amounts retained by the PBM, and not passed through to the plan sponsor, that are related to the plan sponsor's claims or bona fide service fees; and (d) the amounts, including pharmacy access and audit recovery fees, received from all pharmacies that are in the PBM's network or have a contract to be in the network and, from these amounts, the amount retained by the PBM and not passed through to the plan sponsor.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

INVESTMENT BOARD

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
PR	\$205,629,400	\$205,629,400	\$205,629,400	\$205,629,400	\$205,629,400	\$0	0.0%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
PR	298.00	298.00	298.00	298.00	298.00	0.00

Budget Change Item

Under current law, the State of Wisconsin Investment Board (SWIB) is authorized to independently establish its operating budget each year and monitor the fiscal management of the budget. Further, SWIB is also authorized to independently create or abolish staff positions for the agency. Program revenue to support SWIB operations is generated from assessments of funds under management. The Investment Board is required to provide quarterly reports to the Department of Administration, the Co-Chairpersons of the Joint Committee on Finance, and the Co-Chairpersons of the Joint Committee on Audit, identifying all operating expenditures and the number of full-time equivalent positions created or abolished during that quarter. Finally, SWIB officials are required to appear each fiscal year at the first quarterly meeting of the Joint Committee on Finance under s. 13.10 of the statutes to provide an update of SWIB's budget changes, position authorization changes, assessment of the funds under management, and performance of the funds under management for the current and next fiscal year.

In 2023-24, total expenditures for the Board were \$126,335,300 with 290.0 positions approved in June, 2023. In June, 2024, the Board approved an operating budget for 2024-25 of \$102,814,700 (a decrease of 18.6% from 2023-24 expenditures) and 298.0 positions (an increase of 8.0 positions from 2023-24). Note that the Board approved the 8.0 additional positions in December, 2023, resulting in the current 298.0 positions. In the table above, the amount is indicated for the adjusted base in 2024-25. The enacted budget also utilizes this amount for SWIB in 2025-26 and 2026-27.

Since 2020, SWIB's budget has operated on a calendar year basis. As a result, SWIB has modified the process by which the fiscal year budget is approved. Each year, the Board adopts the preliminary fiscal year budget in June, and revises the budget in December, including an estimate of incentive compensation payments. A final adjustment to the budget is made in March or April of the following calendar year, once actual incentive compensation payments are made. In December, 2024, the Board approved a revised budget of \$101,945,300 and 298.0 positions for 2024-25. According to SWIB, this amount was modified to \$107,153,300 and 298.0 positions when the budget was updated to reflect actual payments of incentive compensation awards.

JUDICIAL COMMISSION

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled Amount	Percent
GPR	\$727,000	\$758,900	\$758,900	\$758,900	\$758,900	\$31,900	4.4%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	2.00	2.00	2.00	2.00	2.00	0.00

Budget Change Item

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	\$31,900

Governor/Legislature: Adjust funding for standard budget adjustments as shown in the following table.

2025-26	
Full Funding of Cont. Pos. Salary/Fringe	\$17,400
Full Funding of Lease/Directed Moves	<u>-1,600</u>
Total	\$15,800
2026-27	
Full Funding of Cont. Pos. Salary/Fringe	\$17,400
Full Funding of Lease/Directed Moves	<u>-1,300</u>
Total	\$16,100
Biennial Total	\$31,900

JUDICIAL COUNCIL

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$0	\$0	\$282,400	\$282,400	\$282,400	\$282,400	N.A.

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	0.00	0.00	1.00	1.00	1.00	1.00

Budget Change Item

1. JUDICIAL COUNCIL ATTORNEY AND FUNDING

Joint Finance/Legislature: Provide \$124,500 in 2025-26, \$157,900 in 2026-27, and 1.0 staff attorney position annually to the annual general program operations appropriation.

	Funding	Position
GPR	\$282,400	1.00

JUSTICE

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$168,760,000	\$182,750,800	\$205,088,000	\$205,088,000	\$205,088,000	\$36,328,000	21.5%
FED	111,551,000	46,673,900	92,910,700	92,910,700	92,910,700	-18,640,300	- 16.7
PR	107,409,200	120,946,600	116,206,100	116,206,100	116,206,100	8,796,900	8.2
SEG	<u>18,465,200</u>	<u>18,624,700</u>	<u>18,624,700</u>	<u>18,624,700</u>	<u>18,624,700</u>	<u>159,500</u>	0.9
TOTAL	\$406,185,400	\$368,996,000	\$432,829,500	\$432,829,500	\$432,829,500	\$26,644,100	6.6%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	412.28	423.38	415.98	415.98	415.98	3.70
FED	68.93	59.18	59.23	59.23	59.23	- 9.70
PR	275.88	275.64	271.69	271.69	271.69	- 4.19
SEG	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>0.00</u>
TOTAL	759.84	760.95	749.65	749.65	749.65	- 10.19

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$4,604,500	0.00	-\$1,313,200	0.00	\$3,291,300	0.00
FED	1,947,900	- 6.00	0	0.00	1,947,900	- 6.00
PR	7,457,000	- 17.20	- 231,000	0.00	7,226,000	- 17.20
SEG	<u>159,500</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>159,500</u>	<u>0.00</u>
Total	\$14,168,900	- 23.20	-\$1,544,200	0.00	\$12,624,700	- 23.20

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	-\$985,000	\$0	-\$173,200	\$0	-\$1,158,200
Removal of Noncontinuing Elements	0	-142,100	-852,600	0	-994,700
Full Funding of Cont. Pos. Salary/Fringe	1,701,400	1,062,800	2,875,800	69,300	5,709,300
Overtime	712,500	0	534,000	11,000	1,257,500
Night and Weekend Differential	9,600	0	2,100	0	11,700
Full Funding of Lease/Directed Moves	-143,800	148,000	847,800	-700	851,300
Total	\$1,294,700	\$1,068,700	\$3,233,900	\$79,600	\$5,676,900
2026-27					
Turnover Reduction	-\$985,000	\$0	-\$173,200	\$0	-\$1,158,200
Removal of Noncontinuing Elements	0	-485,600	-1,170,000	0	-1,655,600
Full Funding of Cont. Pos. Salary/Fringe	1,701,400	1,062,800	2,875,800	69,300	5,709,300
Overtime	712,500	0	534,000	11,000	1,257,500
Night and Weekend Differential	9,600	0	2,100	0	11,700
Full Funding of Lease/Directed Moves	1,871,300	302,000	2,154,400	-400	4,327,300
Total	\$3,309,800	\$879,200	\$4,223,100	\$79,900	\$8,492,000
Biennial Totals	\$4,604,500	\$1,947,900	\$7,457,000	\$159,500	\$14,168,900

In addition, reduce authorized positions by 19.20 in 2025-26 and 23.20 in 2026-27 under the removal of noncontinuing elements standard budget adjustment.

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Modify funding under the turnover reduction standard budget adjustment by -\$656,600 GPR and -\$115,500 PR annually, resulting in total turnover of -\$1,641,600 GPR and -\$288,700 PR annually. Total adjustments to funding for standard budget adjustments are shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	-\$1,641,600	\$0	-\$288,700	\$0	-\$1,930,300
Removal of Noncontinuing Elements	0	-142,100	-852,600	0	-994,700
Full Funding of Cont. Pos. Salary/Fringe	1,701,400	1,062,800	2,875,800	69,300	5,709,300
Overtime	712,500	0	534,000	11,000	1,257,500
Night and Weekend Differential	9,600	0	2,100	0	11,700
Full Funding of Lease/Directed Moves	-143,800	148,000	847,800	-700	851,300
Total	\$638,100	\$1,068,700	\$3,118,400	\$79,600	\$4,904,800
2026-27					
Turnover Reduction	-\$1,641,600	\$0	-\$288,700	\$0	-\$1,930,300
Removal of Noncontinuing Elements	0	-485,600	-1,170,000	0	-1,655,600
Full Funding of Cont. Pos. Salary/Fringe	1,701,400	1,062,800	2,875,800	69,300	5,709,300
Overtime	712,500	0	534,000	11,000	1,257,500
Night and Weekend Differential	9,600	0	2,100	0	11,700
Full Funding of Lease/Directed Moves	1,871,300	302,000	2,154,400	-400	4,327,300
Total	\$2,653,200	\$879,200	\$4,107,600	\$79,900	\$7,719,900
Biennial Totals	\$3,291,300	\$1,947,900	\$7,226,000	\$159,500	\$12,624,700

2. STANDARD BUDGET ADJUSTMENT -- MINOR TRANSFERS WITHIN THE SAME APPROPRIATION

Governor: Provide transfers of funding and positions annually within appropriations in DOJ between different subprograms, as identified in the table below, in order to align budgeted funding and position authorization with assigned programmatic duties.

<u>Fund Source/Program/ Appropriation</u>	<u>Subprogram Title</u>	<u>Positions</u>	<u>Funding</u>
GPR			
<i>Law enforcement services</i>			
General program operations	Crime laboratories	2.00	-\$872,400
	Crime information bureau	0.00	-34,200
	Criminal investigation	20.50	3,199,500
	Administrative services	-2.10	-338,100
	Computing services	0.00	9,500
	Narcotics Enforcement	-2.25	-263,200
	Internet Crimes Against Children Task Force	-16.50	-1,610,700
	DNA Analysis Resources	-2.65	-383,700
	Office of Victim Services	-1.00	-90,900
	Criminal Justice Programs	1.30	297,100
	Office of School Safety	0.70	87,100
Officer training reimbursement	Training and standards bureau	0.00	-\$150,000
	Office of Victim Services	0.00	0
	Criminal Justice Programs	0.00	150,000
Law enforcement agency drug trafficking response grants	Training and standards bureau	0.00	-1,000,000
	Criminal Justice Programs	0.00	1,000,000
Alternatives to prosecution and incarceration for persons who use alcohol or other drugs; presentencing assessments	Training and standards bureau	0.00	-2,150,000
	Criminal Justice Programs	0.00	2,150,000
<i>Administrative services</i>			
General program operations	Administrative services	1.00	100,400
	Computing services	-1.00	-100,400
FED			
<i>Law enforcement services</i>			
Federal aid, state operations	Training and standards bureau	1.00	197,500
	Narcotics Enforcement	-1.00	-197,500
<i>Victims and witnesses</i>			
Federal aid; state operations relating to crime victim services	Training and standards bureau	-1.00	-104,700
	Office of Victim Services	1.00	104,700
PR			
<i>Law enforcement services</i>			
Criminal history searches; fingerprint identification	Crime laboratories	0.00	1,369,500
	Crime information bureau	0.00	-1,369,500

<u>Fund Source/Program/ Appropriation</u>	<u>Subprogram Title</u>	<u>Positions</u>	<u>Funding</u>
PR			
<i>Law enforcement services (continued)</i>			
Handgun purchaser record check; checks for licenses or certifications to carry concealed weapons	Crime information bureau	-1.00	-140,800
	Training and standards bureau	-0.50	-49,100
	Administrative services	0.50	56,900
	Criminal Justice Programs	1.00	133,000
Law enforcement training fund, state operations	Legal services	1.00	128,800
	Crime laboratories	0.00	-62,000
	Crime information bureau	-4.00	-496,700
	Training and standards bureau	0.70	-1,076,200
	Administrative services	-0.20	-33,800
	Criminal Justice Programs	2.50	1,539,900
Interagency and intra- agency assistance	Crime information bureau	0.00	-281,600
	Training and standards bureau	-0.20	-26,300
	Criminal Justice Programs	0.20	307,900
Transaction information management of enforcement system	Crime information bureau	4.00	502,600
	Training and standards bureau	-4.00	-402,600
	Computing services	0.00	-100,000
Drug law enforcement, crime laboratories, and genetic evidence activities	Legal services	0.25	\$6,500
	Crime laboratories	0.60	-488,100
	Narcotics Enforcement	0.00	533,300
	DNA Analysis Resources	-0.85	-51,700
Drug enforcement intelligence operations	Criminal investigation	1.00	124,400
	Narcotics Enforcement	-1.00	-124,400
Wisconsin justice information sharing program	Crime information bureau	0.00	-153,000
	Administrative services	0.00	-6,900
	Computing services	0.00	-142,300
	Criminal Justice Programs	0.00	302,200
Drug crimes enforcement; local grants	Narcotics Enforcement	0.00	-717,900
	Criminal Justice Programs	0.00	717,900
County law enforcement services	Administrative services	0.00	-490,000
	Criminal Justice Programs	0.00	490,000
County-tribal programs, local assistance	Administrative services	0.00	-631,200
	Criminal Justice Programs	0.00	631,200
Tribal law enforcement assistance	Administrative services	0.00	-695,000
	Criminal Justice Programs	0.00	695,000
Law enforcement programs and youth diversion – administration	Administrative services	0.00	-19,600
	Criminal Justice Programs	0.00	19,600

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. POSITION MAINTENANCE

	Funding	Position
PR	\$0	0.01

Governor/Legislature: Provide 0.01 position annually to correct a mismatch in the state operations appropriation for the law enforcement training fund that originated with the establishment of the adjusted base for the 2007-09 biennial budget. According to the Administration, the mismatch appears to have been caused by a difference in how many decimal places different systems could track.

4. CYBERSECURITY AND COMPLIANCE ENHANCEMENTS [LFB Paper 460]

GPR	\$7,500,000

Governor: Provide \$6,000,000 in 2025-26 and \$1,500,000 in 2026-27 for supplies and services costs to meet federal requirements for criminal justice data and information systems security published by the U.S. Department of Justice in July, 2024. The requirements set standards for cybersecurity measures for governmental agencies that access and store sensitive criminal justice information. Without cybersecurity upgrades, DOJ may have more limited access to federal criminal justice information.

Joint Finance/Legislature: Modify funding by \$1,500,000 in 2025-26 and -\$1,500,000 in 2026-27 to provide \$7,500,000 in 2025-26 for supplies and services costs to meet federal requirements for criminal justice data and information systems security published by the U.S. Department of Justice.

5. STAFFING FOR THE WISCONSIN STATE CRIME LABORATORIES [LFB Paper 461]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$802,900	6.00	-\$802,900	- 6.00	\$0	0.00

Governor: Provide \$352,700 in 2025-26 and \$450,200 in 2026-27 and 6.0 positions annually to improve timeliness of analyses conducted by the State Crime Laboratories. The positions would consist of: 3.0 DNA analysts, 1.0 controlled substance analyst, 1.0 forensic science supervisor, and 1.0 crime scene response specialist. The source of the program revenue would be the drug law enforcement, crime laboratories, and genetic evidence activities appropriation.

Joint Finance/Legislature: Provision not included.

6. TRIBAL LIAISON POSITION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
GPR	\$154,600	1.00	-\$154,600	- 1.00	\$0	0.00

Governor: Provide \$67,700 in 2025-26 and \$86,900 in 2026-27 and 1.0 position annually to create an agency tribal liaison position. The agency tribal liaison would be responsible for working with Native American tribes and bands on behalf of the agency, as well as coordinating with the Director of Native American Affairs in the Department of Administration. [See "Administration -- Tribal Affairs and Division of Gaming."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. VACANT POSITIONS

Joint Finance/Legislature: Remove \$23,100 GPR, \$130,600 FED, and 0.3 GPR and 1.7 FED positions annually that have been vacant for 12 months or more as follows: (a) 0.3 GPR position and \$23,100 GPR annually from the law enforcement services general program operations appropriation; (b) 1.55 FED positions and \$119,000 FED annually from the law enforcement services federal aid, state operations appropriation; and (c) 0.15 position and \$11,600 FED annually from the victims and witnesses federal aid; state operations relating to crime victim services appropriation.

	Funding	Positions
GPR	-\$46,200	- 0.30
FED	<u>- 261,200</u>	<u>- 1.70</u>
Total	-\$307,400	- 2.00

Crime Victim and Witness Services

1. OFFICE OF CRIME VICTIM SERVICES [LFB Paper 465]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$817,400	5.00	\$19,509,600	- 3.00	\$20,327,000	2.00
FED	<u>- 66,967,400</u>	<u>- 5.00</u>	<u>46,640,400</u>	<u>3.00</u>	<u>- 20,327,000</u>	<u>- 2.00</u>
Total	-\$66,150,000	0.00	\$66,150,000	0.00	\$0	0.00

Governor: Provide \$408,700 GPR and -\$31,908,700 FED in 2025-26, \$408,700 GPR and -\$35,058,700 FED in 2026-27, and 5.0 GPR and -5.0 FED positions annually to provide positions for crime victim services. Position authority and funding would be provided for Safe at Home

(Wisconsin's address confidentiality program) and training and victim services. The reduction in funding is associated with federal Victims of Crime Act (VOCA) grant awards, which decreased from \$60.5 million in federal fiscal year (FFY) 2018 to \$16.6 million in FFY 2024.

Further, create a new crime victim services surcharge and a continuing PR all moneys received appropriation to provide grants for crime victim services from the surcharge revenues as described below.

Specify that if a court imposes a sentence, places a person on probation, or imposes a forfeiture for a violation of a law or an ordinance, the court must impose a crime victim services surcharge. A surcharge imposed under this provision could not be waived, reduced, or forgiven for any reason. Specify that the amount of the surcharge is the combined amount of the following: (a) 40% of the fine or forfeiture imposed or \$40, whichever is greater, for each offense; and (b) for each misdemeanor or felony count for which a conviction occurred, \$50. If the court finds a person committed a civil offense, an offense punishable by a forfeiture, in addition to any forfeiture the court imposes, the court must impose a crime victim services surcharge that is equal to the amounts for a criminal offense if all of the following apply: (a) the person is charged with one or more misdemeanors or felonies in a complaint; and (b) as a result of the complaint being amended, the person is charged with a civil offense in lieu of one of those misdemeanors or felonies. The court may not impose the crime victim services surcharge for a violation of state laws or municipal or county ordinances involving nonmoving traffic violations.

Specify that if a court of record imposes the crime victim services surcharge, the clerk of the court must determine the amount that is due and collect and transmit the amount to the county treasurer. The county treasurer must make payment to the Secretary of Administration. If a municipal court imposes the crime victim services surcharge, the court must determine the amount due and collect and transmit the amount to the treasurer of the county, city, town, or village, and the treasurer must make payment to the Secretary of Administration.

In addition, specify that if an inmate in a state prison or a person sentenced to a state prison has not paid the crime victim services surcharge, the Department of Corrections must assess and collect the amount owed from the inmate's wages or other moneys and must transmit any amount collected to the Secretary of Administration.

Further, in the Department of Administration (DOA), create a sum sufficient GPR appropriation to supplement the crime victim services grant program. Monies from this appropriation would be transferred into a new grants for crime victim services supplement — state funds appropriation (PR) under DOJ for the purpose of awarding crime victim services grants.

Specify that, from the supplement to crime victim services grant program appropriation, the DOA Secretary may supplement the DOJ supplement appropriation if the Secretary determines that the moneys received from the federal government for crime victim assistance, together with the moneys received in each fiscal year from the crime victim services surcharge, are insufficient to provide grants to crime victim services organizations. If the Secretary determines that moneys received are insufficient, the Secretary must determine the amount of the supplement, but the Secretary may not determine an amount that is larger than the difference between \$44,500,000 and the sum of the federal VOCA funding plus the moneys received in each fiscal year from the new surcharge.

In determining whether the moneys received are insufficient, the Secretary could consider any factor, including: (a) the needs of rural and urban communities; (b) the amount of funding that a crime victim services organization receives as a percentage of its operating budget from the state or federal government; (c) the degree to which the services of a crime victim services organization are coordinated with other resources in the community and state; and (d) the degree to which the services of a crime victim services organization are provided either directly or through a contract, subcontract, service agreement, or collaborative agreement with other organizations, entities, or individuals.

Under the bill, DOJ must award grants to eligible organizations from the DOJ surcharge and supplemental appropriations to provide services for crime victims, in a manner consistent with the awarding of grants from federal VOCA funding. An organization is eligible for a crime victim services grant if the DOJ determines that the organization meets the federal VOCA criteria. The grant awards could supplement federal VOCA funds but could not replace the funds.

Joint Finance/Legislature: Modify funding by \$19,754,800 GPR and \$11,745,200 FED in 2025-26 and -\$245,200 GPR and \$34,895,200 FED in 2026-27 and -3.0 GPR and 3.0 FED positions annually to provide \$20,000,000 GPR and -\$20,000,000 FED in 2025-26 for awards to victim service providers for crime victim services and \$163,500 GPR, -\$163,500 FED, and 2.0 GPR and -2.0 FED positions annually to provide positions to administer grants for crime victim services. Specify that the positions be two-year project positions expiring in July, 2027. Further: (a) create a biennial GPR appropriation titled, "Community-based crime victim services" to supplement VOCA grants; and (b) amend the general program operations appropriations for victim and witness services to include administration of the Office of Crime Victim Services (OCVS) programs under Chapter 165 of the statutes (DOJ).

[Act 15 Sections: 72 and 73]

2. CRIME VICTIM COUNTY REIMBURSEMENTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,270,300	- \$3,270,300	\$0
PR	<u>600,000</u>	<u>- 600,000</u>	<u>0</u>
Total	\$3,870,300	- \$3,870,300	\$0

Governor: Provide \$1,391,500 GPR and \$300,000 PR in 2025-26 and \$1,878,800 GPR and \$300,000 PR in 2026-27 to increase reimbursements to counties for victim and witness services. The source of PR funding is the crime victim and witness assistance surcharge.

Base funding for the annual appropriation that reimburses counties for victim and witness services is \$2,740,400 GPR annually. Base funding for the affected annual PR appropriation funded from the crime victim and witness assistance surcharge is \$4,866,900 PR annually. The crime victim and witness assistance surcharge ended 2023-24 with a balance of \$1.4 million.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. HUMAN TRAFFICKING COUNCIL STAFFING

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
GPR	\$154,600	1.00	-\$154,600	- 1.00	\$0	0.00

Governor: Provide \$67,700 in 2025-26 and \$86,900 in 2026-27 and 1.0 project position annually to meet requirements associated with 2023 Act 239, which created the Human Trafficking Council. The Human Trafficking Council is statutorily required to perform certain functions, including gathering data and maintaining databases associated with human trafficking. The position would be a four-year project position to assist the Human Trafficking Council created by 2023 Act 239.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. CHILD ADVOCACY CENTERS

GPR	\$4,000,000

Joint Finance/Legislature: Provide \$2,000,000 annually for grants to child advocacy centers under s. 165.96 of the statutes in a new biennial GPR appropriation titled, "Child advocacy centers."

[Act 15 Section: 74]

Law Enforcement Services

1. TREATMENT AND DIVERSION PROGRAMS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	-\$5,442,000	- 2.20	\$5,442,000	2.20	\$0	0.00
FED	75,600	1.25	- 75,600	- 1.25	0	0.00
PR	- 136,100	- 2.05	136,100	2.05	0	0.00
Total	-\$5,502,500	- 3.00	\$5,502,500	3.00	\$0	0.00

Governor: Modify TAD funding by -\$5,442,000 GPR, \$75,600 FED, and -\$136,100 PR, and -2.2 GPR, 1.25 FED, and -2.05 PR positions in 2026-27.

Starting January 1, 2027, modify statute to transfer administrative duties associated with county-related functions of the TAD program from DOJ to the Supreme Court (-\$158,000 GPR

and -3.0 GPR positions in 2026-27) and transfer functions associated with tribal TAD programs from DOJ to DOA. Require DOJ to assist DOA in the administration of grants to tribes for alternatives to prosecution and incarceration programs. Remove \$25,200 PR and 0.5 PR position in 2026-27 from the law enforcement programs and youth diversion -- administration appropriation. In addition, provide DOJ with \$41,000 GPR, \$75,600 FED, and 0.8 GPR and 1.25 FED positions in 2026-27. [See "Administration -- Tribal Affairs and Division of Gaming" and "Supreme Court."]

Repeal two TAD appropriations: drug courts (-\$250,000 GPR in 2026-27), and relevant drug court statute; and alternatives to prosecution and incarceration for persons who use alcohol or other drugs; presentencing assessments (-\$5,075,000 GPR in 2026-27).

Renumber the alternatives to incarceration grant program appropriation (PR) to be under the Circuit Courts and rename as the alternatives to prosecution and incarceration program. Remove references in the appropriation to a grant program. Base funding for this appropriation is \$0.

Renumber the alternatives to prosecution and incarceration for persons who use alcohol or other drugs; justice information fee appropriation to be under the Circuit Courts (-\$110,900 PR and -1.55 PR positions in 2026-27) and rename as the alternatives to prosecution and incarceration; justice information fee appropriation. Remove references in the appropriation to a grant program. The PR source of funding for this appropriation is the justice information surcharge. Base funding for this appropriation is \$219,000. [Note that the renamed appropriation is included in the bill in the Chapter 20 schedule of appropriations under both DOJ (\$157,900) and the Circuit Courts (\$0 in 2026-27).]

Renumber the grants for substance abuse treatment programs for criminal offenders appropriation (PR) to be under the Circuit Courts and rename as the programs for criminal offenders appropriation. Remove references in the appropriation to a grant program. Base funding for this appropriation is \$0.

Rename the alternatives to incarceration grant program to the alternatives to prosecution and incarceration programs to expand the program to pre-charge programs, and renumber the appropriations to be under the Circuit Courts. In addition, expand the program to include alternatives to revocation. Remove references to drug treatment, and expand the program to other diversion programs, treatment court options, and community corrections. Remove the 25% county match requirement. Remove references in statute to a grant program to instead create a payment program. [See "Circuit Courts."]

Define an evidence-based practice as a practice that has been developed using research to determine its efficacy for achieving positive measurable outcomes, including reducing recidivism and increasing public safety.

No later than January 1, 2027, each county must operate an alternatives to prosecution and incarceration program. No later than December 31, 2026, and by each December 31 thereafter, each county must certify to the Director of State Courts that it has, or will have, a qualifying alternatives to prosecution and incarceration program by January 1 of the next calendar year. The Director of State Courts may consult with DOJ to confirm whether the county operates a qualifying alternatives to prosecution and incarceration program.

Repeal the requirement that DOJ report on the TAD grant program every two years.

Specify that a program, including a suspended and deferred prosecution program and a program based on principles of restorative justice, would qualify as an alternatives to prosecution and incarceration program if all of the following apply: (a) the program operates within the continuum from arrest to discharge from supervision and provides an alternative to prosecution, revocation, or incarceration through the use of pre-charge and post-charge diversion programs or treatment courts and community-based corrections; (b) the program employs evidence-based practices and is designed to promote and facilitate the implementation of effective criminal justice policies and practices that maximize justice and public and victim safety, reduce prison and jail populations, reduce prosecution and incarceration costs, and reduce recidivism; (c) the program identifies each target population served by the program and identifies the evidence-based practices the program employs for each target population it serves; (d) services provided under the program are consistent with evidence-based practice and the program provides intensive case management; (e) the program uses graduated sanctions and incentives to promote success; (f) the program is designed to integrate all services provided to program participants by state and local government agencies, tribes, and other organizations, requiring regular communication and coordination among a participant's service providers, the case manager, and any person designated under the program to monitor the person's compliance with his or her obligations under the program, and any probation, extended supervision, and parole agent assigned to the participant; and (g) the program provides services through providers who use evidence-based practices in the delivery of services and, where applicable, who are certified or licensed to provide the services approved under the program.

Under current law and the bill, a TAD program must establish eligibility criteria for a person's participation, including the specification that a violent offender is not eligible to participate in the program. Under the bill, a current-law provision requiring participants in all TAD programs to pay a reasonable amount for their treatment, based on their income and available assets, would be modified to instead allow each TAD program to require its participants to pay a reasonable amount for their treatment.

Remove requirements under current law that require a TAD program to: (a) be designed to meet the needs of a person who abuses alcohol or other drugs and who may be or has been charged with or who has been convicted of a crime in that county related to the person's use or abuse of alcohol or other drugs; (b) improve the welfare of participants' families by meeting the comprehensive needs of participants; and (c) comply with other eligibility requirements established by DOJ.

The bill also modifies the membership of TAD program criminal justice oversight committees to remove a reference to the Wisconsin Works program and to substitute behavioral health for current law references to mental health and substance abuse treatment.

The bill would not modify statutory provisions pertaining to allowing participant use of medication approved by the federal Food and Drug Administration for treatment of substance use disorder. In addition, current law would be maintained specifying that a TAD program must provide holistic treatment to its participants and provide them services that may be needed, as determined under the program, to eliminate or reduce their use of alcohol or other drugs, improve

their mental health, facilitate their gainful employment or enhanced education or training, provide them stable housing, facilitate family reunification, ensure payment of child support, and increase the payment of other court-ordered obligations.

Statutory Cross-References. Modify the existing good time statutes, the alternative to prosecution and incarceration; monitoring participants statutes, and the sentence credit statutes to remove cross-references to renumbered and repealed statutes. In addition, renumber cross-references in the existing circuit court costs appropriation. Modify the existing prescription drug monitoring program statutes to cross-reference the 2023 alternatives to prosecution and incarceration program provisions. Modify the existing prohibited acts A - penalties statute and the drug offender diversion surcharge statute to cross-reference the renumbered programs from criminal offenders appropriation and replace the word "grants" with "payments to counties that comply with the criteria specified in [the alternatives to prosecution and incarceration program statutes.]"

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. TRIBAL LAW ENFORCEMENT ASSISTANCE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$2,610,000	- \$2,610,000	\$0

Governor: Provide \$1,305,000 annually related to grants to tribes for law enforcement operations. Program revenue funding is from the Indian gaming receipts appropriation. Base funding for the appropriation is \$695,000. Specify that DOJ must provide grants totaling \$1,390,000 annually for this purpose and that, in any fiscal year, if there are moneys in excess of \$1,390,000 the Department must provide a payment to each tribe that operates a tribal law enforcement agency in an amount equal to the total excess moneys divided by the number of eligible tribes.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. SCHOOL SAFETY OPERATIONS [LFB Paper 470]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding	Positions	Funding	Positions
GPR	\$0	0.00	\$850,000	0.00	\$850,000	0.00
PR	<u>1,570,900</u>	<u>12.00</u>	<u>0</u>	<u>1.00</u>	<u>1,570,900</u>	<u>13.00</u>
Total	\$1,570,900	12.00	\$850,000	1.00	\$2,420,900	13.00

Governor: Provide \$688,300 PR in 2025-26 and \$882,600 PR in 2026-27 and 12.0 PR permanent positions annually related to the Office of School Safety (OSS). According to DOJ, resources would be utilized to continue the operations of the Office of School Safety, including a statewide threat reporting tipline, Speak Up Speak Out Wisconsin resource center, threat assessment consultation services, and the Critical Incident Response program.

In 2024-25, budgeted funding for the OSS includes \$564,200 GPR and 3.8 GPR positions. (Note that under the standard budget adjustment for minor transfers within the same appropriation, the OSS would gain another \$87,100 GPR and 0.7 GPR position annually.) The remaining funding for OSS administration has historically been federally-funded from the federal Bureau of Justice Assistance STOP School Violence program and discretionary American Rescue Plan Act funds since its creation in 2019. However, with federal funds expiring, under 2023 Act 240, from January 1, 2025, to October 1, 2025, the OSS will operate with 14.2 PR project positions and PR funding from the handgun purchaser record check; checks for licenses or certifications to carry concealed weapons appropriation. The bill would allow the OSS to continue to use this PR fund source and repeal the sunset date of the project positions in the OSS.

Joint Finance/Legislature: Modify positions by 1.0 PR position annually to provide \$688,300 PR in 2025-26 and \$882,600 PR in 2026-27 and 13.0 PR permanent positions annually related to the OSS. Further, provide \$850,000 GPR to the general program operations appropriation for law enforcement services in 2025-26 for a replacement printer for the concealed carry weapons program.

[Act 15 Sections: 360e, 360m, and 360s]

4. DIVISION OF CRIMINAL INVESTIGATION STAFFING

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$804,600	5.00	-\$804,600	- 5.00	\$0	0.00

Governor: Provide \$352,000 in 2025-26 and \$452,600 in 2026-27 and 5.0 positions annually for additional staffing to incorporate new technology related to the investigation and prosecution of crime. Positions would include 4.0 special agents and 1.0 senior criminal analyst.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. STATE FIRE MARSHAL SAFETY EQUIPMENT AND TRAINING [LFB Papers 471 and 472]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$386,600	- \$300,000	\$86,600

Governor: Provide \$193,300 annually to provide safety equipment for the State Fire Marshal's Office and training resources for the Division of Criminal Investigation. Of this amount, \$43,300 annually would be one-time funding for safety equipment. Base funding for supplies and equipment in the Arson Bureau is \$68,900.

Joint Finance/Legislature: Modify funding by -\$150,000 annually to provide \$43,300 annually in one-time funding for arson safety equipment.

6. BEAT PATROL PROGRAMS UNENCUMBERED BALANCE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$190,800	- \$190,800	\$0

Governor: Provide \$190,800 in increased expenditure authority in 2025-26 for beat patrol overtime grants. Expenditure authority would be provided to an annual appropriation for police overtime grants with an unencumbered revenue balance. Current base funding is \$0. The appropriation was originally funded with a one-time transfer specified in 2017 Act 59. [Note that under current law, the appropriation is to be used for police overtime grants, rather than the beat patrol program. The bill does not amend the authorizing language of the appropriation or include nonstatutory language to allow expenditures to be made for other purposes.]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. TRAINING AND STANDARDS STAFFING [LFB Paper 473]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
PR	\$154,600	1.00	- \$154,600	- 1.00	\$0	0.00

Governor: Provide \$67,700 in 2025-26 and \$86,900 in 2026-27 and 1.0 position annually to create a permanent position for the Department's Training and Standards Bureau to assist with law enforcement training. This position would be funded through the penalty surcharge.

Joint Finance/Legislature: Provision not included.

8. LAW ENFORCEMENT REIMBURSEMENT CROSS-REFERENCE

Governor/Legislature: Modify statute to include a reference to the SEG law enforcement training fund - local government fund appropriation in addition to the GPR officer training reimbursement appropriation referenced under current law when reimbursing political subdivisions for officer training.

[Act 15 Section: 317]

9. LAW ENFORCEMENT DATA SHARING

Joint Finance/Legislature: Provide \$2,000,000 GPR annually on a one-time basis to the Joint Committee on Finance's supplemental GPR appropriation for potential release to law enforcement agencies in the Milwaukee area to implement tools that allow for the sharing of law enforcement database information between agencies. Create a new annual GPR appropriation titled, "Law enforcement data sharing." [See "Program Supplements."]

[Act 15 Section: 71]

10. RESOURCES FOR EXPANDED MISSING CHILD ALERTS

	Funding	Positions
GPR	\$319,300	2.00

Joint Finance/Legislature: Provide \$140,400 in 2025-26 and \$178,900 in 2026-27 and 2.0 positions annually to accommodate the increased number of alerts due to the expansion of alerts for missing adults to include missing children as specified under 2023 Act 272. The alert system requires 24/7 staffing.

8. COP HOUSE GRANT PROGRAM BALANCE

Joint Finance/Legislature: Specify that, notwithstanding s. 20.001(3)(b) of the statutes, at the end of the 2023-25 biennium, the unencumbered balance in the biennial GPR appropriation for the community-oriented policing-house grant program [s. 20.455(2)(cp)] does not lapse to the general fund and is retained in the account. Further, specify that the effective date of this provision is June 30, 2025. The provision stipulates that the appropriation's unencumbered balance of \$500,000 GPR be retained in the appropriation account for the 2025-27 biennium, with available expenditure authority of \$500,000, and ensures that the intent of enrolled 2025 Senate Bill 278 will be effectuated.

Under enrolled 2025 SB 278, the biennial appropriation for the community-oriented policing-house grant program is amended to be a continuing appropriation, effective July 1, 2025, and the current law sunset of the program and appropriation is extended from July 1, 2025, to July 1, 2027, to provide a two-year extension for the grant program and to enable the expenditure of

the appropriated funds of \$500,000 GPR in the 2025-27 biennium.

[Act 15 Sections: 9127(1) and 9427(1)]

11. CITIZENSHIP REQUIREMENT FOR POLICE OFFICERS

Governor: Allow the sheriff of a county or the appointing authority of a local law enforcement agency to elect to authorize the appointment of noncitizens who are in receipt of valid employment authorization from the federal Department of Homeland Security as deputy sheriffs or police officers. Further, prohibit the Law Enforcement Standards Board from preventing a noncitizen from participating in a law enforcement preparatory training program if the person possesses valid employment authorization.

Under current law, no person may be appointed as a deputy sheriff of any county or police officer of any city, village, or town unless that person is a citizen of the United States.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Legal Services

1. PAY PROGRESSION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,358,700	- \$1,358,700	\$0
FED	66,800	- 66,800	0
PR	<u>287,300</u>	<u>- 287,300</u>	<u>0</u>
Total	\$1,712,800	- \$1,712,800	\$0

Governor: Provide \$452,900 GPR, \$22,300 FED, and \$95,800 PR in 2025-26; and \$905,800 GPR, \$44,500 FED, and \$191,500 PR in 2026-27 to support the pay progression plan for assistant attorneys general (AAGs). The pay progression plan is merit-based and consists of 17 hourly salary steps, with each step equal to one-seventeenth of the difference between the lowest annual salary (\$76,378 as of June 30, 2024) and the highest annual salary (\$158,122 as of June 30, 2024). The value of one hourly salary step equals \$4,805 annually. Funding provided is approximately equal to one step at the beginning of each year of the biennium.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. ASSISTANT ATTORNEY GENERAL STAFFING

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$381,500	1.30	-\$381,500	- 1.30	\$0	0.00

Governor: Provide \$186,800 in 2025-26 and \$194,700 in 2026-27 and 1.3 positions annually for a 0.3 AAG in the Criminal Appeals Unit and one AAG in the Criminal Litigation Unit. The appellate position would be dedicated to defending convictions. The litigation position would be 70% dedicated to child abuse, neglect, and death case work and 30% to training, resource development, and collaboration.

Specify that AAGs in project positions on the day before the effective date of the bill that were funded by the American Rescue Plan Act may be appointed to the permanent equivalent of those positions, funded from DOJ's legal services general program operations GPR appropriation.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. FIELD PROSECUTOR REPORTING REQUIREMENT

Governor: Repeal a reporting requirement for field prosecutor project positions created by 2017 Act 261. The positions were made permanent in February, 2023.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. SETTLEMENT REVENUES AND APPROPRIATION

Governor: Remove the provision created in 2017 Act 369 which requires DOJ to deposit all settlement funds into the general fund. Instead, specify that before the Attorney General may expend settlement funds deposited to the administrative services gifts, grants and proceeds appropriation that are not committed by the terms of a settlement, he or she is required to submit a proposed plan for the expenditure of the funds to the Joint Committee on Finance. If the Co-chairs of the Committee do not notify the Attorney General within 14 working days after the submittal that the Committee has scheduled a meeting for the purpose of reviewing the proposed plan, the Attorney General may expend the funds to implement the proposed plan. If, within 14 working days, the Co-chairs notify the Attorney General that a meeting has been scheduled, the Attorney General may expend the funds only to implement the plan as approved by the Committee. The provision under the bill is identical to one enacted in 2017 Act 59 (the 2017-19 biennial budget) which was subsequently replaced by the Act 369 provision (current law).

Convert DOJ's gifts and grants appropriation from an annual to continuing appropriation. As a continuing appropriation, DOJ would be authorized to expend any available cash balance

credited to the appropriation regardless of appropriated levels authorized by the Legislature.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. SETTLEMENT POWERS OF THE ATTORNEY GENERAL

Governor: Repeal the provision of 2017 Act 369 which requires the Attorney General when compromising or discontinuing a civil action which DOJ is prosecuting to either receive the approval of a legislative intervenor or, if there is no intervenor, the Joint Finance Committee (JFC) and, if the plan concedes the unconstitutionality or other invalidity of statute, the Joint Committee on Legislative Organization (JCLO).

Repeal the provision of Act 369 which requires DOJ, in defending actions for injunctive relief or an action involving a proposed consent decree, to obtain approval of any legislative intervenor or, if there is no intervenor, JFC, and, if the plan concedes the unconstitutionality or other invalidity of statute, JCLO.

Repeal the provision requiring settlement approval of the Joint Committee on Finance related to the opioid settlement (In re: National Prescription Opiate Litigation, Case number MDL 2804). This provision was created under 2021 Act 57.

Under the bill, settlement powers would be reestablished as before Act 369. The Attorney General would be allowed to compromise or discontinue actions prosecuted by DOJ: (a) when directed by the officer, department, board, or commission that directed the prosecution; or (b) with the approval of the Governor when the action is prosecuted by DOJ on the initiative of the Attorney General or at the request of any individual.

Under the bill, when DOJ is representing the defense, the Attorney General may compromise and settle the action as the Attorney General determines to be in the best interest of the state.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. RESTITUTION

Governor: Modify current statute to clarify that DOJ's restitution appropriation receives restitution monies under any other court order or settlement agreement for the purpose of providing restitution to victims. Under current law, the appropriation explicitly receives all moneys received by the Department to provide restitution to victims when ordered by the court as the result of prosecutions and under a federal antitrust law for the purpose of providing restitution to victims of the violation when ordered by the court.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. MISCLASSIFICATION AND PAYROLL FRAUD REPORTING

Senate/Legislature: Specify that DOJ: (a) meet at least quarterly with, and report annually in writing to, the Department of Workforce Development and the Department of Revenue on its investigations and prosecutions on worker misclassification and payroll fraud; (b) send copies of its reports to the appropriate standing committees of the Legislature; and (c) upon request, report to or appear personally before the appropriate legislative standing committees, the Council on Unemployment Insurance, or the Council on Worker's Compensation concerning its investigations and prosecutions on worker misclassification and payroll fraud.

[Act 15 Section: 316m]

Firearms

1. 48-HOUR WAITING PERIOD FOR HANDGUN PURCHASES

Governor: Provide that, if the firearm being purchased is a handgun, 48 hours must have elapsed from the time that the firearms dealer has received a confirmation number regarding the firearms restrictions record search from the DOJ or, if the firearm is not a handgun, the firearms dealer has received a confirmation number regarding the firearms restrictions record search from DOJ and, for any firearm, the firearms dealer has not been notified that the person is prohibited under state or federal law from possessing a firearm or that the Department needs an extension.

Under current law, after a firearms dealer requests a firearms restrictions record search on a potential purchaser, DOJ must notify the dealer of the results of the background check as soon after receiving the purchaser's pertinent information as practicable. If the search indicates that the purchaser is not prohibited from possessing a firearm under state or federal law, the Department must provide the firearms dealer with a unique approval number. If DOJ's search indicates that the purchaser is prohibited from possessing a firearm, DOJ must provide the firearms dealer with a unique nonapproval number. Finally, if the search indicates that it is unclear whether the purchaser is prohibited from possessing a firearm and DOJ needs more time to make the determination, DOJ must make every reasonable effort to determine whether the person is prohibited from possessing a firearm and notify the firearms dealer of the results as soon as practicable but no later than five working days after the search was requested. If DOJ is unable to make a final determination within five working days, the dealer may transfer the handgun to the purchaser.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. VOLUNTARY OPT-OUT OF ABILITY TO PURCHASE A FIREARM

Governor: Require DOJ to develop forms for individuals to submit to request, or to renew a request, that they be prohibited from purchasing a firearm. The forms must request an emergency contact person and must allow the individual to choose the term of the prohibition as follows: one-year, irrevocable term; a five-year term, the first year being irrevocable; or 20-year term, the first year being irrevocable.

If an individual submits a form requesting that they be prohibited from purchasing a firearm, DOJ must enter the individual's identifying information into a database maintained by DOJ and notify that individual's emergency contact person of the submission. Provide that a person's inclusion in the database is a valid reason for nonapproval for a firearm purchase.

Specify that DOJ must remove the individual's identifying information from the database if any of the following occurs:

1. After the selected term expires, the individual submits a form designed by DOJ requesting that their identifying information be removed. A term that has expired and has not been renewed continues until revoked and the identifying information is removed.
2. Before the term selected expires but after the request becomes revocable, the individual submits a form designed by DOJ requesting that their identifying information be removed.

In addition, the Department must notify the individual's emergency contact person that DOJ has received a request from the individual to have their identifying information removed from the database and may not remove the information from the database until at least 48 hours have elapsed since DOJ received the request.

Provide that DOJ may disclose an individual's identifying information included in the database only as part of a firearms restrictions record search or to the individual who is the subject of the information, or the individual's emergency contact person.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. UNIVERSAL BACKGROUND CHECK

Governor: Prohibit any person from transferring any firearm, including the frame or receiver of a firearm, unless the transfer occurs through a federally-licensed firearms dealer and involves a background check of the prospective transferee starting seven months after publication. This would expand DOJ's responsibility to include all firearms, rather than only handguns, and most transfers, rather than only purchases.

Under the bill, the following are excepted from that prohibition: (a) a transfer to a firearms dealer or to a law enforcement or armed services agency; (b) a transfer of a firearm classified as antique; or (c) a transfer that is by gift, bequest, or inheritance to a family member over 18 years

of age. A person who is convicted of violating the prohibition is guilty of a misdemeanor and must be fined not less than \$500 nor more than \$10,000, may be imprisoned for not more than nine months, and may not possess a firearm for a period of two years.

Current law provides that a federally-licensed firearms dealer may not transfer a handgun after a sale until the dealer has performed a background check on the prospective transferee to determine if he or she is prohibited from possessing a firearm under state or federal law. In Wisconsin, the Firearms Unit within DOJ's Crime Information Bureau processes background checks on purchasers of handguns. The FBI continues to be responsible for background checks on purchasers of long guns in Wisconsin. States which process background checks are also authorized to extend their background checks beyond the requirements under federal law. Wisconsin handgun background checks include a review of databases not routinely searched by the FBI as a part of a federal background search such as CCAP and the DOJ database of juveniles found adjudicated delinquent for an offense that would have been a felony if committed by an adult.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. REQUIREMENT TO REPORT A FIREARM LOST OR STOLEN

Governor: Require a person who owns a firearm and who discovers that the firearm is stolen or lost to report, within 24 hours of the discovery, to a law enforcement agency that has jurisdiction. If a person who has reported a theft or loss recovers the firearm, the person must report as soon as practicable to a law enforcement agency the date on which the firearm was recovered. [See "Corrections -- Adult Sentencing" for information pertaining to violations of this requirement and other firearm-related offenses created in the bill.]

Specify that a law enforcement agency that receives a report of a stolen or lost firearm must create a file that includes, if known, the date on which the firearm was stolen or lost; the caliber, make, and model of the firearm; the serial number of the firearm; any distinguishing mark on the firearm; and the location at which the firearm was purchased by, or transferred to, the person making the report. The law enforcement agency must, as soon as practicable, forward a copy of the file to DOJ for inclusion in a database. A law enforcement agency that receives a report of a recovered firearm must report to DOJ the date on which the firearm was recovered.

The Department must then enter the information into the National Crime Information Center systems and put the file in a database that is created for stolen or lost firearms and make the database available to law enforcement agencies for the purpose of locating and identifying stolen or lost firearms and identifying violators. If a law enforcement agency notifies DOJ that a stolen or lost firearm has been recovered, enter that information into the national crime information center systems and add to the database a notation that the firearm has been recovered and the date on which it was recovered.

A person who reports a stolen or lost firearm, when he or she knows that the report is false, is guilty for a first offense, a Class A misdemeanor and for a 2nd or subsequent offense, a Class I felony.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. PERSONS PROHIBITED FROM POSSESSING A FIREARM FOLLOWING A CONVICTION FOR A MISDEMEANOR CRIME OF DOMESTIC VIOLENCE

Governor: Modify the disorderly conduct statutes to separate "violent" conduct from other types of disorderly conduct. Specify that violent behavior is that which involves the use or attempted use of physical force or the use of or threat to use a dangerous weapon.

In addition, modify the "domestic abuse" definition to refer to actions against a relative, and modify the definition of "relative" by creating a list of statutory subsections for each type of relationship, as follows: (1) a spouse or former spouse; (2) a parent or stepparent; (3) a legal guardian; (4) a person with whom the adult person has a child in common; (5) a person with whom the adult person is cohabitating or has cohabitated as a spouse, a parent, or a legal guardian; (6) a person who is similarly situated to the adult person as a spouse, a parent, or a legal guardian; or (7) an adult who is residing or has resided with the adult person (if (1) through (6) do not apply).

The intent of the provisions is to create more specific statutory citations so that a court record would indicate the exact nature of a disorderly conduct offense or the nature of the relationship of the parties involved in a domestic abuse offense. This specificity would allow the Department of Justice to more easily determine if a person is prohibited from possessing a firearm following a conviction for a misdemeanor crime of domestic violence.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

KICKAPOO RESERVE MANAGEMENT BOARD

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
PR	\$518,600	\$540,900	\$472,400	\$472,400	\$472,400	- \$46,200	- 8.9%
SEG	<u>1,799,000</u>	<u>1,781,300</u>	<u>1,726,600</u>	<u>1,726,600</u>	<u>1,726,600</u>	<u>- 72,400</u>	- 4.0
TOTAL	\$2,317,600	\$2,322,200	\$2,199,000	\$2,199,000	\$2,199,000	- \$118,600	- 5.1%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
PR	1.25	1.75	1.25	1.25	1.25	0.00
SEG	<u>2.75</u>	<u>3.25</u>	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>0.00</u>
TOTAL	4.00	5.00	4.00	4.00	4.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Legislature: Adjust funding annually for standard budget adjustments as shown in the following table.

PR	- \$46,200
SEG	<u>- 72,400</u>
Total	- \$118,600

	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Full Funding of Cont. Pos. Salary/Fringe	-\$23,800	-\$38,500	-\$62,300
Overtime	<u>700</u>	<u>2,300</u>	<u>3,000</u>
Total	-\$23,100	-\$36,200	-\$59,300
Biennial Totals	-\$46,200	-\$72,400	-\$118,600

2. MARKETING SPECIALIST

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$68,500	0.50	- \$68,500	- 0.50	\$0	0.00
SEG	<u>35,500</u>	<u>0.50</u>	<u>- 35,500</u>	<u>- 0.50</u>	<u>0</u>	<u>0.00</u>
Total	\$104,000	1.00	- \$104,000	- 1.00	\$0	0.00

Governor: Provide \$40,700 (\$28,600 PR and \$12,100 conservation SEG from the forestry account) in 2025-26 and \$63,300 (\$39,900 PR and \$23,400 forestry SEG) in 2026-27 with 1.0 position (0.5 PR and 0.5 forestry SEG) annually to hire a marketing specialist. The Administration indicates that the marketing specialist would perform functions such as: (a) special event planning, site booking, and customer service; (b) branding, outreach, creation of promotional materials, and coordinating with local partners; and (c) maintaining trails and developing and managing signage, trail design, and construction projects. The Administration also indicates that the position would replace approximately two limited-term employees (LTEs) performing similar functions. Funding under the provision would be the net of increasing salaries and fringe benefits by \$69,000 in 2025-26 and by \$91,600 in 2026-27 and decreasing LTE salaries by \$28,300 annually in the 2025-27 biennium.

The Kickapoo Valley Reserve consists of approximately 8,600 acres of land north of La Farge in Vernon County. The property was the site of a U.S. Army Corps of Engineers dam and reservoir project on the Kickapoo River that was abandoned around 1975. The Corps transferred ownership of approximately 7,400 acres to the State of Wisconsin in December, 2000. Additionally, 1,200 acres were transferred to the Bureau of Indian Affairs in trust for sites sacred to the Ho-Chunk Nation. A 1997 memorandum of understanding between the state and the Ho-Chunk Nation stipulates the entire 8,600 acres will be managed as one property. The Reserve is managed by the Kickapoo Reserve Management Board (KRMB), which is an 11-member citizen board attached to the Department of Tourism. The Reserve is supported mostly by forestry SEG, but it also receives PR from recreational and camping fees, educational programming, timber sales, and agricultural leases.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. VEHICLE LEASE COSTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$19,200	- \$19,200	\$0

Governor: Provide \$9,600 forestry SEG annually for lease costs associated with a general transport truck that is utilized by staff of the KRMB for daily operations. The Administration

indicates that the lease for the vehicle is currently PR-funded through KRMB's general program operations appropriation. However, the Administration further indicates that KRMB intends to reallocate PR funding to planned building and property maintenance, and the provision is intended to preserve funding for each purpose.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

LABOR AND INDUSTRY REVIEW COMMISSION

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$335,200	\$331,600	\$331,600	\$331,600	\$331,600	- \$3,600	- 1.1%
PR	4,531,600	4,572,200	4,251,800	4,251,800	4,251,800	- 279,800	- 6.2
SEG	<u>1,492,600</u>	<u>1,521,200</u>	<u>1,521,200</u>	<u>1,521,200</u>	<u>1,521,200</u>	<u>28,600</u>	1.9
TOTAL	\$6,359,400	\$6,425,000	\$6,104,600	\$6,104,600	\$6,104,600	- \$254,800	- 4.0%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	0.80	0.80	0.80	0.80	0.80	0.00
PR	13.70	13.70	11.70	11.70	11.70	- 2.00
SEG	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>4.20</u>	<u>0.00</u>
TOTAL	18.70	18.70	16.70	16.70	16.70	- 2.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS

Governor/Legislature: Adjust funding annually for standard budget adjustments as shown in the following table.

GPR	- \$3,600
PR	40,600
SEG	<u>28,600</u>
Total	\$65,600

	<u>GPR</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Full Funding of Cont. Pos. Salary/Fringe	\$700	\$18,400	\$13,700	\$32,800
Full Funding of Lease/Directed Moves	<u>-2,500</u>	<u>1,900</u>	<u>600</u>	<u>0</u>
Total	-\$1,800	\$20,300	\$14,300	\$32,800
Biennial Totals	-\$3,600	\$40,600	\$28,600	\$65,600

2. LIRC WORKER'S COMPENSATION FUNDING

Governor: Delete the provision in the Labor and Industry Review Commission's (LIRC) workers compensation activities SEG appropriation that requires all moneys transferred from the Department of Workforce Development's (DWD) worker's compensation operations fund; administration appropriation to be credited to the LIRC appropriation account. LIRC's worker's compensation activities appropriation would continue to be funded from DWD's worker's compensation operations fund by the amounts in the schedule for the worker's compensation activities of LIRC.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. DELETE VACANT POSITIONS

Joint Finance/Legislature: Delete: (a) 1.0 position that has been vacant since August, 2023, and related funding of \$57,700 annually from the unemployment administration appropriation; and (b) 1.0 position that has been vacant since December, 2023, and related funding of \$102,500 annually (0.8 position and \$82,000 annually from the equal rights; other moneys appropriation and 0.2 position and \$20,500 annually from the unemployment administration appropriation).

	Funding	Positions
PR	- \$320,400	- 2.00

LEGISLATURE

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$195,946,800	\$197,803,600	\$196,088,900	\$196,088,900	\$196,088,900	\$142,100	0.1%
PR	<u>5,234,200</u>	<u>5,463,200</u>	<u>5,871,600</u>	<u>5,871,600</u>	<u>5,315,900</u>	<u>81,700</u>	1.6
TOTAL	\$201,181,000	\$203,266,800	\$201,960,500	\$201,960,500	\$201,404,800	\$223,800	0.1%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	768.17	771.17	770.17	770.17	770.17	2.00
PR	<u>19.80</u>	<u>19.80</u>	<u>23.80</u>	<u>23.80</u>	<u>19.80</u>	<u>0.00</u>
TOTAL	787.97	790.97	793.97	793.97	789.97	2.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$715,400	- \$1,521,000	- \$805,600
PR	<u>81,700</u>	<u>0</u>	<u>81,700</u>
Total	\$797,100	- \$1,521,000	- \$723,900

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>PR</u>	<u>Total</u>
2025-26			
Turnover Reduction	-\$1,140,800	\$0	-\$1,140,800
Full Funding of Cont. Pos. Salary/Fringe	1,486,900	30,300	1,517,200
Reclassification/Pay Progression	<u>11,600</u>	<u>8,500</u>	<u>20,100</u>
Total	\$357,700	\$38,800	\$396,500

	<u>GPR</u>	<u>PR</u>	<u>Total</u>
2026-27			
Turnover Reduction	-\$1,140,800	\$0	-\$1,140,800
Full Funding of Cont. Pos. Salary/Fringe	1,486,900	30,300	1,517,200
Reclassification/Pay Progression	<u>11,600</u>	<u>12,600</u>	<u>24,200</u>
Total	\$357,700	\$42,900	\$400,600
Biennial Totals	\$715,400	\$81,700	\$797,100

Joint Finance/Legislature: Increase the rate to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard adjustments by -\$760,500 GPR annually. Total adjustments to funding for standard budget adjustments are shown in the following table.

	<u>GPR</u>	<u>PR</u>	<u>Total</u>
2025-26			
Turnover Reduction	-\$1,901,300	\$0	-\$1,901,300
Full Funding of Cont. Pos. Salary/Fringe	1,486,900	30,300	1,517,200
Reclassification/Pay Progression	<u>11,600</u>	<u>8,500</u>	<u>20,100</u>
Total	-\$402,800	\$38,800	-\$364,000
2026-27			
Turnover Reduction	-\$1,901,300	\$0	-\$1,901,300
Full Funding of Cont. Pos. Salary/Fringe	1,486,900	30,300	1,517,200
Reclassification/Pay Progression	<u>11,600</u>	<u>12,600</u>	<u>24,200</u>
Total	-\$402,800	\$42,900	-\$359,900
Biennial Totals	-\$805,600	\$81,700	-\$723,900

2. LEGISLATIVE DOCUMENTS [LFB Paper 106]

GPR	\$600,000

Governor/Legislature: Provide \$300,000 annually for legislative documents to cover increased costs for operational, technology, and publishing expenses. Base funding for the sum sufficient appropriation is \$3,919,100 annually.

3. LEGISLATIVE TECHNOLOGY SERVICES BUREAU POSITIONS

	Funding	Positions
GPR	\$337,400	2.00

Governor/Legislature: Provide \$144,600 in 2025-26, \$192,800 in 2026-27, and 2.0 positions annually to the Legislative Technology Services Bureau (LTSB) appropriation for supporting LTSB's services to the Legislature. The bill would provide nine months of funding in 2025-26 and 12 months of funding in 2026-27 at an hourly rate of \$33.65. Base funding for LTSB is \$5,791,100 annually.

4. LEGISLATIVE RECORDS RETENTION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
GPR	\$168,700	1.00	-\$168,700	- 1.00	\$0	0.00

Governor: Provide \$72,300 in 2025-26 and \$96,400 in 2026-27 and 1.0 position annually for the Legislative Technology Services Bureau to administer new requirements that would make records and correspondence of any member of the Legislature part of the definition of a public record.

Remove the exemption for a legislator's records and correspondence from the definition of a "public record." Under current law, the Public Records Board prescribes policies and standards for the retention and disposition of public records made or received by a state officer or agency. Currently, records and correspondence of any legislator are not subject to policies and standards of the Board.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. ACTUARIAL AUDIT SERVICES

	Gov/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
PR	\$147,300	-\$147,300	\$0

Governor/Legislature: Provide the Legislative Audit Bureau \$75,500 in 2025-26 and \$71,800 in 2026-27 on a one-time basis to contract for actuarial audit services that may be required in order to gain audit evidence under accounting standards issued by the Governmental Accounting Standards Board. Program revenue is generated from audits of state agencies, local governments, and other entities that the Audit Bureau is authorized to charge for such services.

Veto by Governor [E-22]: Delete provision.

[Act 15 Vetoed Section: 17 (as it relates to funding for actuarial audit services under s. 20.765(3)(ka))]

6. MEMBERSHIP DUES IN NATIONAL ASSOCIATIONS [LFB Paper 106]

GPR	\$40,500

Governor/Legislature: Provide \$14,600 in 2025-26 and \$25,900 in 2026-27 for dues to national associations. Funding is for dues to the National Conference of State Legislatures, National Conference of Commissioners on Uniform State Laws, and National Conference of

Insurance Legislators. Funding for membership dues is supported by a sum sufficient appropriation with base funding totaling \$312,200 annually.

7. NETWORK SERVICES FUNDING

GPR	- \$30,200

Governor: Reduce the Legislature's appropriation for LTSB by \$15,100 annually to reallocate network service charges to other specified agencies that are located in the State Capitol. In 2023-24, the Department of Administration (DOA) identified that the Lieutenant Governor's Office, Secretary of State's Office, and State Treasurer's Office were not charged for provided network services. Rather, network services were charged to, and paid by, LTSB. According to the Administration, \$15,100 is the approximate share of recent charges that will be assessed to other agencies located in the Capitol, not accounting for any rate increase that may occur. DOA's Division of Enterprise Technology has rectified the billing inconsistency and the Governor's 2025-27 biennial recommendation includes an increase of \$4,400 annually on an ongoing basis to cover costs for the services in each agency. [See "Lieutenant Governor," "Secretary of State," and "State Treasurer."]

Joint Finance/Legislature: Modify the provision to reduce the legislative documents sum sufficient GPR appropriation by \$15,100 annually, rather than LTSB's sum certain agency operations appropriation as under the bill.

8. ACTUARIAL STUDIES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$25,000	- \$25,000	\$0

Governor: Provide \$25,000 in 2025-26 to the Joint Legislative Council contractual studies biennial appropriation to conduct actuarial studies approved by the Joint Survey Committee on Retirement Systems, the Joint Committee on Finance, or the presiding officer of either house of the Legislature. The appropriation has no base funding.

Joint Finance/Legislature: Provision not included.

9. FINANCIAL AUDITOR POSITIONS

	Jt. Finance/Leg. (Chg. to Base) Funding Positions		Veto (Chg. to Leg.) Funding Positions		Net Change Funding Positions	
PR	\$408,400	4.00	- \$408,400	- 4.00	\$0	0.00

Joint Finance/Legislature: Provide \$408,400 and 4.0 positions in 2026-27 to create four financial auditor positions for the Legislative Audit Bureau's reimbursable audits appropriation in

order to conduct required audits. Program revenue is generated from audits of state agencies, local governments, and other entities that the Audit Bureau is authorized to charge for such services.

Veto by Governor [E-21]: Delete provision.

[Act 15 Vetoes Section: 17 (as it relates to funding for the positions under s. 20.765(3)(ka))]

10. JOINT COMMITTEE ON FINANCE PASSIVE REVIEW OBJECTIONS

Governor: Require that if a member of the Joint Committee on Finance objects to an item before the Committee under passive review, the name of each objecting member and their reason for the objection would be recorded and made publicly available.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. SENATE-CONFIRMED PUBLIC OFFICE VACANCIES

Governor: Modify current law governing how vacancies in public offices are caused to specify that if the office is filled by appointment by and with the consent of the Senate for a fixed term, then the office would be considered vacant when the incumbent's term expires or, if later, when the Governor submits his or her nomination for the office to the Senate.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. REPEAL JCLO REVIEW OF PROPOSED CAPITOL SECURITY CHANGES

Governor: Repeal a provision of 2017 Act 369 that requires the Department of Administration (DOA) to send notice to the Joint Committee on Legislative Organization (JCLO) of any proposed changes to security at the Capitol. The proposed changes are subject to a 14-day passive review process by JCLO. Current law specifies that if there is a risk of imminent danger, DOA may take any action necessary, and the Co-Chairpersons of JCLO may review the action later if they determine such review is needed.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. ADVICE AND CONSENT OF THE SENATE FOR APPOINTMENTS

Governor: Repeal the provision of 2017 Act 369 which provides that, if an individual's confirmation for an office or position is rejected by the Senate, that individual may not hold the office or position, be nominated again for the office or position, or perform any duties of the office

or position during the legislative session biennium.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. LEGISLATIVE INTERVENTION

Governor: Repeal the 2017 Act 369 provision which provides that the Legislature must be served with a copy of the proceedings in a legal action when a party to the action, as part of a claim or affirmative defense, challenges in state or federal court the constitutionality of a statute, facially or as applied, challenges a statute as violating or preempted by federal law, or otherwise challenges the construction or validity of a statute. Further, repeal the provisions which provide that the Committee on Assembly Organization on behalf of the Assembly, the Committee on Senate Organization on behalf of the Senate, and Joint Committee on Legislative Organization (JCLO) on behalf of the Legislature may intervene as a matter of right at any time in all such actions.

Provide that if declaratory relief is sought, JCLO must be served with a copy of the petition and JCLO, the Senate Committee on Organization, or the Assembly Committee on Organization may intervene in proceedings in which the constitutionality, construction, or application of any provision of Chapters 13 (Legislature), 20 (state finance), 111 (employment relations), 227 (administrative procedure and review), or 230 (state employment) or subchapters I (general administration), III (finance), or IV (purchasing) of Chapter 16 (Department of Administration) or section 753.075 (reserve judges), or of any statute allowing a legislative committee to suspend, or to delay or prevent the adoption of, an administrative rule is placed in issue by the parties.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. RETENTION OF LEGAL REPRESENTATION FOR LEGISLATORS, LEGISLATIVE STAFF, AND THE LEGISLATURE

Governor: Repeal 2017 Act 369 provisions and restore previous law with respect to the Legislature's retention of legal counsel. Act 369 provisions authorize the appointment of legal counsel other than from the Department of Justice (DOJ) for legislators or legislative staff if the acts or allegations underlying the action are arguably within the scope of the legislator's or employee's duties as follows:

a. For the Assembly, the Speaker of the Assembly may authorize a Representative or Assembly employee who requires legal representation to obtain legal counsel with the cost of representation paid from the Assembly's appropriation. The Speaker is required to approve all financial costs and terms of representation.

b. For the Senate, the Senate Majority Leader may authorize a Senator or Senate employee who requires legal representation to obtain legal counsel with the cost of representation paid from the Senate's appropriation. The Senate Majority Leader is required to approve all

financial costs and terms of representation.

c. For an employee of a legislative service agency, the Co-Chairs of the Joint Committee on Legislative Organization (JCLO) may authorize an employee of a legislative service agency who requires legal representation to obtain legal counsel with the cost of representation paid from the Assembly's or Senate's appropriations, as determined by the Co-Chairs. The Co-Chairs are required to approve all financial costs and terms of representation.

Further, the Assembly, Senate, or JCLO on behalf of the Legislature, are authorized to obtain legal counsel other than from DOJ, in any action in which these bodies are a party or in which the interests of these bodies are affected in a similar manner.

Prior to Act 369, Representatives to the Assembly and Senators, as well as legislative employees, could receive legal representation from DOJ in most legal proceedings. Assembly and Senate policies and practices also allowed legislators and legislative employees to retain outside legal counsel in some instances.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. PETITION PROCESS FOR VOTER-INITIATED REFERENDA

Governor: Require the Legislature to introduce and vote on a joint resolution for a constitutional amendment establishing a voter-initiated petition process. This process would allow Wisconsin residents to propose and approve laws and constitutional amendments through elections, as well as to reject legislative acts, through referenda. The bill requires both chambers of the Legislature to introduce the joint resolution by August 1, 2025, and hold a final vote on the joint resolution by November 1, 2025.

Under the bill, voters may petition for a referendum to reject a legislative act, a section of an act, or an item of appropriation. A petition to reject an act or portion of an act of legislation must be signed by qualified electors equaling at least 4 percent of the votes cast for Governor in the most recent gubernatorial election. To propose a law or constitutional amendment, a petition must be signed by at least 6 percent or 8 percent, respectively, of the most recent gubernatorial vote, and must include the full text of the proposed law or constitutional amendment. The proposal must contain no more than one subject. Upon validation, a referendum must be held at the next general election occurring at least 120 days after filing. If an act is rejected, it may not be reenacted during the same legislative session.

If approved by a majority of votes, an initiative would take effect 30 days after certification of the elections results unless otherwise specified. The Legislature could not amend or repeal an initiative law for two years unless approved by a two-thirds majority of members in each house. If a proposal were rejected, a substantially similar measure, as determined by the state elections agency (currently the Elections Commission), could not be considered for five years.

The constitutional amendment would also specify that no person may pay or receive from

another person money or another thing of value based on the number of signatures obtained for an initiative or referendum petition. The amendment would allow payment for the act of signature-gathering, if not based on the number of signatures obtained.

Under current law, authority to create, revise, or reject laws and proposed constitutional amendments is vested in the Senate and Assembly.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

LIEUTENANT GOVERNOR

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$1,042,000	\$985,600	\$985,600	\$985,600	\$985,600	- \$56,400	- 5.4%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	5.00	5.00	5.00	5.00	5.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENT [LFB Paper 105]

GPR	- \$65,200

Governor/Legislature: Provide an adjustment to the base of -\$32,600 annually for full funding of continuing position salaries and fringe benefits.

2. NETWORK SERVICES FUNDING

GPR	\$8,800

Governor/Legislature: Provide \$4,400 annually to the Office's general program operations appropriation to cover costs for network services (managed transport services). In 2023-24, the Department of Administration's Division of Enterprise Technology identified certain agencies located in the Capitol that were not charged for these services and rectified the error. The provision increases the agency's general program operations appropriation to cover the provided services on an ongoing basis. [See also "Legislature," "Secretary of State," and "State Treasurer."]

LOWER WISCONSIN STATE RIVERWAY BOARD

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled Amount	Percent
SEG	\$552,200	\$568,000	\$568,000	\$568,000	\$568,000	\$15,800	2.9%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
SEG	2.00	2.00	2.00	2.00	2.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

SEG	\$10,600

Governor/Legislature: Adjust funding annually for standard budget adjustments as shown in the following table.

Full Funding of Cont. Pos. Salary/Fringe	\$5,000
Full Funding of Lease/Directed Moves	<u>300</u>
Total	\$5,300
Biennial Total	\$10,600

The Lower Wisconsin State Riverway Board is funded by the conservation fund, allocated from the water resources account (75%) and forestry account (25%).

2. INFORMATION TECHNOLOGY UPGRADES

SEG	\$5,200

Governor/Legislature: Provide \$2,600 annually for information technology equipment upgrades. The Lower Wisconsin State Riverway Board reports new equipment would be used to conduct virtual board meetings, train board members, and improve public education and outreach efforts. The amount represents a 5% increase to supplies and services funding that is applied to certain state operations appropriations.

MARIJUANA-RELATED PROVISIONS

Governor: Legalize recreational marijuana in certain amounts for personal use. Modify the Uniform Controlled Substances Act provisions and other criminal-justice related provisions to reflect marijuana, including tetrahydrocannabinols (THC), legalization. Further, create a Uniform Controlled Substances Act subchapter for the regulation of marijuana, including criminal and civil provisions related to permittee allowances and prohibitions, underage persons, and special dispositions for marijuana-related crimes.

Provide that marijuana sales would be regulated and taxed. Specify that excise taxes would be imposed on marijuana sales, depending on the type of sale (wholesale versus retail sale), in addition to a sales tax. Create a medical marijuana registry program administered by the Department of Revenue (DOR), which would require DOR to process applications and issue identification cards allowing tax-exempt purchases. Establish a program at the Department of Agriculture, Trade and Consumer Protection (DATCP) to regulate the production, processing, and laboratory testing of marijuana and THC. Under the bill, the sale and distribution of taxable marijuana would be regulated by the state under DOR and DATCP.

The table below presents the fiscal impact of all expenditures and revenues associated with the proposed marijuana-related provisions. These (and other) provisions related to the Governor's recommendation to legalize marijuana are described in greater detail in the following sections.

	<u>Amount</u>		<u>2025-27</u>	<u>Fund Source</u>
	<u>2025-26</u>	<u>2026-27</u>	<u>Biennium</u>	
Revenues				
Permit Fees (DOR)	\$675,000	\$615,000	\$1,290,000	GPR-Rev
Enhanced Sales Taxes	0	13,300,000	13,300,000	GPR-Tax
Wholesale Excise Tax	0	29,900,000	29,900,000	GPR-Tax
Retail Excise Tax	0	26,800,000	26,800,000	GPR-Tax
Permit Fees (DATCP)	<u>232,200</u>	<u>289,600</u>	<u>521,800</u>	PR-Rev
Total Revenues	\$907,200	\$70,904,600	\$71,811,800	
Expenditures				
Administration (DOR)	\$3,357,600	\$2,171,400	\$5,529,000	GPR
Tribal Refunds	0	2,900,000	2,900,000	GPR
Enforcement (Public Defender)	-1,928,100	-4,762,800	-6,690,900	GPR
Regulation (DATCP)	<u>232,200</u>	<u>289,600</u>	<u>521,800</u>	PR
Total Expenditures	\$1,661,700	\$598,200	\$2,259,900	
Net Effect to General Fund	-\$754,500	\$70,306,400	\$69,551,900	

1. MODIFICATION OF UNIFORM CONTROLLED SUBSTANCES ACT PROVISIONS AND OTHER CRIMINAL-JUSTICE RELATED PROVISIONS AND DEFINITIONS

Governor: Modify and repeal certain statutes related to marijuana and THC, as follows:

a. *Current Law Changes.* Repeal Uniform Controlled Substances Act statutes related to: (1) requiring Controlled Substances Board action if cannabidiol or nabiximols is rescheduled; (2) classifying THC as a controlled hallucinogenic substance; (3) lawful possession of a cannabidiol product with a certification for medical use; (4) issuing cannabidiol products and certifications for individuals to possess cannabidiol products for medical use; (5) manufacture, distribution, or delivery of THC; (6) possession with intent to manufacture, distribute, or deliver THC; (7) possession of THC; and (8) penalties relating to THC in certain cases. In addition, repeal regulation of hemp statutes related to access to cannabidiol products.

Modify statutory provisions to: (1) remove THC from the list of substances included in determining weight of substance provisions; (2) remove references to possession with intent to manufacture, distribute, or deliver THC from conspiracy provisions; (3) remove "or any form of THC" language from offenses involving intent to deliver or distribute a controlled substance on or near certain places provisions; (4) remove references to manufacture, distribution, or delivery of THC from crimes involving certain controlled substances provisions; and (5) renumber and rename "controlled substances therapeutic research" provisions to "marijuana therapeutic research." In addition, modify the intoxicated and reckless flying penalty provisions to provide that in individual must submit to an examination for use of THC and to specify that the required airman safety plan may include treatment for the person's misuse, abuse, or dependence on THC.

Modify statutory language to remove "marijuana" from the list of substances in the penalties statutes for possession of: (1) cocaine and cocaine base; (2) certain hallucinogenic and stimulant drugs; and (3) synthetic cannabinoids. In addition, modify statutory language to remove "marijuana" from: (1) conditional discharge for possession or attempted possession statutes; and (2) second or subsequent offense statutes (also remove references to possession of THC from these statutes).

Modify statutory language on the use or nonuse of lawful products to specify that conflicts with any federal or state statute, rule, or regulation do not apply with respect to violations concerning marijuana or THC under 21 U.S. Code Sections 841 to 865 (the Food and Drugs Title, Drug Abuse Prevention and Control Chapter).

b. *Modification of County Marijuana Provisions.* Rename the statutory section related to county public protection and safety from "possession of marijuana" provision to "regulation of marijuana." Modify statutory language to remove references to the prohibited possession of marijuana, and instead provide that the county board of supervisors may enact and enforce an ordinance that is consistent with marijuana regulation restrictions and penalties (including those for underage persons) in state statute, except that if a complaint is issued alleging a violation of restrictions and penalties under state statute, the subject of the complaint may not be prosecuted under the county ordinance section for the same action that is subject to the complaint, unless specific circumstances are present.

c. *Definitions.* For the purposes of the Uniform Controlled Substances Act, modify the definition of "marijuana" to mean all parts of the plants of the genus *Cannabis*, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin if the tetrahydrocannabinols concentration of the plant part, seeds, resin, compound, manufacture, salt, derivative, mixture, or preparation is greater than 0.3 percent on a dry weight basis. For the purposes of fair employment provisions, "lawful product" includes marijuana, and "marijuana" has the same meaning as given in the Uniform Controlled Substance Act definition.

Repeal part of the definition of "drug paraphernalia" to exclude: (1) "separation gins and sifters used, designed for use, or primarily intended for use in removing twigs and seeds from, or in otherwise cleaning or refining, marijuana;" (2) references to "roach clips," "chilams," or "bongs;" and (3) any other reference to "marijuana" in the definition.

In addition, repeal part of the definition of "restricted controlled substance" to exclude "delta-9-THC, excluding its procurers or metabolites, at a concentration of one or more nanograms per milliliter of a person's blood." Finally, remove THC, in any form, from the definition of "controlled substance" in Wisconsin Works and FoodShare provisions.

In relation to the legalization of marijuana for adults 21 years and older, the bill assumes savings of \$1,928,100 GPR in 2025-26 and \$4,762,800 GPR in 2026-27 for State Public Defender private bar appointments. These savings would be associated with a reduction in the number of marijuana-related criminal offenses for which the Public Defender's Office is constitutionally required to provide representation. [See "Public Defender."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. MARIJUANA REGULATIONS -- CRIMINAL AND CIVIL PROVISIONS

Governor: Create a statutory subchapter within the Uniform Controlled Substances Act (Chapter 961) titled "Regulation of Marijuana." Establish the following provisions:

a. *Underage Persons.* Create statutory language to prohibit a permittee from selling, distributing, or delivering marijuana to any underage person, and from permitting (directly or indirectly) an unaccompanied underage person from entering or attempting to enter the premises of a retail outlet. A permittee that violates these prohibitions may be subject to a forfeiture of not more than \$500 and to a permit suspension for an amount of time not to exceed 30 days. Specify that all relevant circumstances may be considered when determining if a permittee has committed a violation, and proof of certain facts by the permittee is a defense to prosecution for such a violation (including the fact that: (1) the underage person falsely represented that they have attained the legal age; (2) the appearance of the underage person was such that an ordinary and prudent person would believe that the underage person had attained the legal age; (3) the action was made in good faith and in reliance on the representation and appearance of the underage person in the belief that the underage person had attained the legal age; and (4) that the underage person supported the false representation with documentation that they have attained the legal age).

Specify that any underage person who does any of the following is subject to a forfeiture of not less than \$250 nor more than \$500: (1) procures or attempts to procure marijuana from a permittee; (2) falsely represents their age for the purpose of receiving marijuana from a permittee; (3) knowingly possesses or consumes marijuana; or (4) enters or knowingly attempts to enter or be on the premises of a retail outlet unaccompanied by a parent, guardian, or spouse of legal age.

Specify that any individual who has attained the legal age and who knowingly does any of the following may be subject to a forfeiture that does not exceed \$1,000: (1) permits or fails to take action to prevent an underage person from possessing or consuming marijuana on premises owned by the individual or under the individual's control; or (2) encourages or contributes to an underage person procuring or attempting to procure marijuana from a permittee.

b. *Prohibitions and Permittee Allowances.* Specify that no person, except a permittee, may sell, possess with intent to sell, distribute or deliver, or possess with intent to distribute or deliver marijuana. Any person who violates this prohibition is guilty of a Class I felony (a maximum sentence of one and a half years of confinement and two years extended supervision and/or a \$10,000 fine), except if the individual to whom the marijuana is, or is intended to be, sold, distributed, or delivered has not attained the legal age and the actual or intended seller, distributor, or deliverer is at least three years older than the underage person, in which case the person is guilty of a Class H felony (a maximum sentence of three years of confinement and three years extended supervision and/or a \$10,000 fine).

Specify that a person who is not a permittee and who possesses an amount of marijuana that exceeds the permissible amount by not more than one ounce is subject to a civil forfeiture not to exceed \$1,000.

Specify that a person who is not a permittee that possesses more than six marijuana plants that have reached the flowering stage at one time must apply for a permit, and is one of the following: (1) subject to a forfeiture that is not more than twice the permitting fee (if the number of plants that have reached the flowering stage is 12 or less); (2) subject to a fine not to exceed \$1,000 or imprisonment not to exceed 90 days or both, if the number of marijuana plants that have reached the flowering stage is more than 12; or (3) guilty of a Class I felony if the number of plants that have reached the flowering stage is more than 12, if the individual has taken action to hide the number of marijuana plants that have reached the flowering stage, and if the person has in place an extreme measure to avoid detection.

Provide that whoever uses or displays marijuana in a public space is subject to a civil forfeiture of not more than \$100. Any person who sells or attempts to sell marijuana via mail, telephone, or Internet is subject to a fine not to exceed \$10,000 or imprisonment not to exceed nine months, or both.

c. *Special Disposition for Marijuana-Related Crimes.* Provide that a person serving a sentence or on probation may request resentencing or dismissal (by filing a petition with the sentencing court to request resentencing, adjustment of probation, or dismissal) if: (1) the sentence or probation period was imposed for a violation of manufacture, distribution, or delivery of THC, possession with intent to deliver THC, or possession of THC; and (2) the person either would not have been guilty of a crime, or would have been guilty of a lesser crime, had the violation occurred

on or after the effective date of this provision. If the sentencing court receives a petition and determines the petitioner has met the eligibility criteria, the court must schedule a hearing on the petition. If the court determines that the person would have been guilty of a lesser crime, had it occurred on or after the effective date of this provision, the court must resentence the person or adjust the probation (in which case the person must receive credit for time served) and change the record to reflect the lesser crime. If the court determines that the person would not have been guilty of a crime, had the violation occurred on or after the effective date of this provision, the court must dismiss the conviction and expunge the record. Specify that the court must determine that the action does not present a risk or danger to public safety before resentencing, adjusting probation, or dismissing a conviction under these provisions.

Specify that this same criteria allows a person to who has completed their period of probation for the specified THC violations to petition the sentencing court to request expungement of the conviction because the conviction is legally invalid, or request redesignation to a lesser crime. If the court changes or expunges a record under this section, a conviction that was changed or expunged is not considered a conviction for any purpose under state or federal law.

d. *Definitions.* For the purposes of the Regulation of Marijuana subchapter, the following definitions are used:

"Extreme measure to avoid detection" means any of the following: (1) a system that aims to alert a person if law enforcement approaches an area that contains marijuana plants if the system exceeds a security system that would be used by a reasonable person in the person's region; (2) a method of intimidating individuals who approach an area that contains marijuana plants if the method exceeds a method that would be used by a reasonable person in the person's region; or (3) a system that is designed so that an individual approaching an area that contains marijuana plants may be injured or killed by the system.

"Permissible amount" means one of the following: (1) for a person who is a resident of this state, an amount that does not exceed two ounces of usable marijuana; or (2) for a person who is not a resident of this state, an amount that does not exceed one-quarter ounce of usable marijuana.

"Tetrahydrocannabinol" means any of the following: (1) tetrahydrocannabinolic acid; or (2) any tetrahydrocannabinol including delta-8-tetrahydrocannabinol, delta-9-tetrahydrocannabinol, and delta-10-tetrahydrocannabinol, however derived.

"Tetrahydrocannabinols concentration" means the percentage of tetrahydrocannabinol content per dry weight of any part of the plant Cannabis, or per volume or weight of marijuana product, or the combined percentage of tetrahydrocannabinol and tetrahydrocannabinol acid and any part of the plant Cannabis regardless of moisture content.

"Underage person" means a person who has not attained the legal age.

"Legal age" means 21 years of age, except that in the case of a qualifying patient, "legal age" means 18 years of age.

"Permittee," "retail outlet," and "usable marijuana" have the same meanings as given in other

statutory provisions.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. LICENSING OF PRODUCERS, PROCESSORS, AND TESTING LABORATORIES

Governor: Establish a program within DATCP to regulate the cultivation, processing, and laboratory testing of marijuana and products containing THC. Require individuals producing or processing marijuana in Wisconsin to hold a permit from DATCP. Exempt producers and processors handling only industrial hemp from this requirement if they hold an industrial hemp license.

For the purposes of implementing this provision, define marijuana as all parts of plants in the genus *Cannabis* with THC concentrations greater than 0.3% on a dry weight basis, including seeds, extracted resin, and other derivatives from the plant. Exclude from the definition of marijuana: (a) fiber from *Cannabis* plant stalks; (b) oil or cake made from its seeds; (c) other derivatives of mature stalks except its resin; and (d) any seeds not capable of germination. Further, define marijuana processor as an individual that processes marijuana into a form intended for human consumption, including dried marijuana flowers, marijuana-infused products, and edibles. Define marijuana producer as an individual that produces marijuana for sale at wholesale or for transfer to a processor.

a. *Permit Requirements.* Establish an annual permit fee of \$2,000 for marijuana processors of any size. Establish an annual permit fee of \$1,800 for producers of up to 1,800 plants, \$2,900 for producers of up to 3,600 plants, \$3,600 for producers of up to 6,000 plants, \$5,100 for producers of up to 10,200 plants, and \$7,100 plus \$800 for every 3,600 plants more than 10,200. Limit the term of permits issued to one year unless renewed, and allow permits to be revoked by the Department at any time for reasons described in separate paragraphs. Specify that permits are not transferrable between individuals or locations.

To the extent allowable under state law pertaining to prohibitions against discrimination, prohibit DATCP from issuing a permit to any individual or organization if they, or a member of the organization with at least 5% ownership interest:

- (a) have been convicted of a violent misdemeanor at least three times;
- (b) have been convicted of a violent felony, unless the person was pardoned;
- (c) have been involuntarily committed for treatment related to drug dependence within the last three years;
- (d) within the last three years have chronically or habitually consumed alcoholic beverages or other substances, including being involuntarily committed for treatment, or convicted for handling of a firearm while intoxicated, or convicted of a second or subsequent offense of operating a vehicle while intoxicated;

- (e) have an income derived primarily from gambling or have been convicted of multiple offenses related to gambling;
- (f) have been convicted of crimes related to prostitution;
- (g) have been convicted of providing disallowed compensation to persons holding licenses for sale or distribution of alcohol;
- (h) are under age 21; or
- (i) have not lived in Wisconsin continuously for at least 90 days prior to applying.

Prohibit any producer or processor with 20 or more employees from receiving a permit from the Department unless it has entered into a labor peace agreement and certified compliance with that agreement as a condition of its permit. Define a labor peace agreement as an agreement between the permittee and a labor organization that prohibits employee strikes, work stoppages, or other economic interference while also allowing the labor organization to organize employees and educate them on employment rights.

Prohibit the Department from issuing a permit to marijuana producers to operate within 500 feet of any elementary or secondary school, playground, recreational facility, child care facility, public park, public transit facility, or library. Prohibit DATCP from issuing a permit to individuals that have not registered with the Department of Revenue for tax purposes.

b. *Application Process.* Establish a nonrefundable application fee of \$250 for a permit issued by DATCP. Require DATCP to implement a scoring system for approving permits for marijuana cultivation and processing that evaluates how well applicants: (a) protect the environment; (b) provide stable and family-supporting jobs; (c) ensure worker and consumer safety; (d) operate secure facilities; and (e) follow applicable laws. Allow DATCP to reject applications from individuals who lack a sufficiently high score under these criteria, and allow the Department to require applicants to provide documentation to assist DATCP in making determinations of permit approvals. Require the Department to notify an applicant in writing of its reasoning for denying a permit, and specify that either of a denial or an approval is subject to judicial review.

c. *Municipal Review of Permits.* Require DATCP to notify the municipality in which a permittee will operate prior to approving or renewing a permit for marijuana cultivation or processing. Allow a municipality to file an objection to the Department's approval of a permit within 30 days, or longer at DATCP's discretion. Require DATCP to give substantial weight to municipal objections based on: (a) chronic illegal activity associated with any premises controlled by the applicant; (b) conduct of the applicant's patrons at the applicant's premises; and (c) local zoning ordinances. Require DATCP to notify the municipality in writing the reasons for approving or for denying a permit subject to an objection.

d. *Penalties.* Require that any failure to seek permit, violation of a permit condition, or failure to pay permit fees result in a fine of at least \$100 and up to \$500 and/or six months' imprisonment, unless another penalty has been already applied to the violation. Further, require DATCP to revoke a permit of any individual found to be violating permit conditions or failing to pay permit fees, and prohibit an individual from receiving a permit within two years of such a

revocation. DATCP may also revoke a permit from any permittee who violates any provision of the bill, any rules promulgated as a result of the bill, and any provision of the Unfair Sales Act three or more times within a five-year period.

e. *Rules.* Require DATCP to promulgate rules to administer its marijuana regulation program, including those related to inspection of operations and products of permittees, training of permittees' employees, and scoring of applications.

f. *Testing Laboratories.* Require DATCP to register laboratories for testing THC, allowing them to possess or manufacture THC or related paraphernalia. Require any laboratory registered by the Department to: (a) test marijuana produced for medical use for potency, spoilage, and contaminants; (b) review and conduct research on medical use of THC and unsafe levels of contaminants; (c) provide training for safe cultivation, processing, and distribution of THC for medical use; (d) provide training on security and inventory accountability; and (e) provide training on recent research regarding use of THC.

g. *Prohibition on Local Control.* Specify that a municipality may only enact and enforce an ordinance pertaining to marijuana that is consistent with the restrictions created in the bill. Specify that no municipality may prohibit the cultivation of THC-containing plants outdoors if cultivation is for personal use and does not exceed six marijuana plants at one time.

h. *Training and Outreach.* Require DATCP to develop a training program for marijuana producers and processors on how to safely and efficiently grow, handle, and test marijuana products. Require DATCP to conduct an awareness campaign about the availability and viability of marijuana cultivation and sale in Wisconsin. Further, require DATCP to design an official logotype for including on a label to be affixed to recreational marijuana products.

i. *Funding.* Provide the Department \$232,200 PR in 2025-26 and \$289,600 PR in 2026-27 with 3.0 PR positions for administration of the program, funded from permit revenues. Additional information on funding and positions related to the program is shown in an entry under "Agriculture, Trade and Consumer Protection -- Regulatory Programs."

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. MEDICAL MARIJUANA REGISTRY

Governor: Create a medical marijuana registry program administered by DOR as follows:

a. *Application for a Registry Identification Card.* Specify that an adult claiming to be a qualified patient may apply for a registry identification card by submitting to DOR a signed application form that contains all of the following: (a) the applicant's name, address, and date of birth; (b) a written certification; and (c) the name, address, and telephone number of the applicant's current physician, as listed in the written certification.

b. *Processing the Application.* Require DOR to verify the information submitted by an applicant to the registry and approve or deny the application within 30 days of receipt. Specify that

DOR could deny an application only if the required information had not been provided or if false information had been provided.

c. *Issuance of a Registry Identification Card.* Require DOR to issue a registry identification card and tax exemption certificate within five days of approving an application. Specify that a registry identification card and tax exemption certificate expire four years from the date of issuance, except that DOR would be authorized to void or revoke the card and certificate under certain circumstances. Specify that a registry identification card would have to contain all of the following information: (a) the name, address, and date of birth of the registrant; (b) the date of issuance and expiration of the card; (c) a photograph of the registrant; and (d) other information DOR may require by rule. DOR would have to determine, by rule, what information the tax exemption certificate would be required to contain. The tax exemption certificate would allow individuals holding the certificate to purchase usable marijuana without paying the sales tax or the 10% retail excise tax that would otherwise be imposed under the bill.

d. *Additional Information to be Provided by Registrant.* Require a registrant to notify DOR of any change in the registrant's name and address. Specify that each registrant would have to notify DOR of any change in their physician, or of any significant improvement in their health as it relates to their debilitating medical condition or treatment. If the registrant fails to notify DOR within 10 days of any change for which notification is required, their registry identification card and tax exemption certificate would be void.

e. *Definitions.* For the purposes of the registry, define a "qualifying patient" as a person who has been diagnosed by a physician as having or undergoing a debilitating medical condition or treatment, but not including a person under the age of 18 years.

"Registrant" would mean a person who holds a medical marijuana registry identification card issued to qualifying patients.

"Debilitating medical condition or treatment" would mean any of the following: (a) cancer, glaucoma, acquired immunodeficiency syndrome, inflammatory bowel disease (including ulcerative colitis or Crohn's disease), a hepatitis C virus infection, Alzheimer's disease, amyotrophic lateral sclerosis, nail patella syndrome, Ehlers-Danlos Syndrome, post-traumatic stress disorder, or the treatment of these conditions; (b) a positive test for the presence of HIV, antigen or nonantigenic products of HIV, or an antibody to HIV, or the treatment of these conditions; and (c) a chronic or debilitating disease or medical condition, or the treatment of such a disease or condition, that causes cachexia, severe pain, severe nausea, seizures, including those characteristic of epilepsy, or severe and persistent muscle spasms, including those characteristic of multiple sclerosis.

"Physician" would mean a person licensed to practice medicine and surgery in Wisconsin.

"Written certification" would mean a statement made by a person's physician for which all of the following apply: (a) it indicates that, in the physician's professional opinion, the person has or is undergoing a debilitating medical condition or treatment and the potential benefits of the person's use of usable marijuana would likely outweigh the health risks for the person; (b) it indicates that this opinion was formed after a full assessment of the person's medical history and current medical condition that was conducted no more than six months prior to making the statement and that the opinion was made in the course of a bona fide physician-patient relationship;

(c) it is signed by the physician or is contained in the person's medical records; and (d) it contains an expiration date that is no more than 48 months (four years) after issuance and has not expired.

"Useable marijuana" would mean marijuana that has been processed for human consumption and includes dried marijuana flowers, marijuana-infused products, and marijuana edibles.

"Tax exemption certificate" would mean a certificate to claim the sales tax exemption, which would be created under the bill, from the sale of, and the storage, use, or other consumption of, usable marijuana.

f. *Records.* Require DOR to maintain a list of all registrants. Prohibit DOR from disclosing information from applications it receives or from registration cards that it issues, notwithstanding state laws governing access to records. Permit DOR to disclose, upon request of a state or local law enforcement agency, information from a person's application or a registry identification card necessary to verify that a person possesses a valid registry identification card.

g. *Rules.* Authorize DOR to promulgate rules to implement the medical marijuana registry program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. MARIJUANA TAX AND REGULATION

Governor: Impose a wholesale excise tax on marijuana producers at a rate of 15% of the sales price on wholesale sales or transfers in this state of marijuana (including Delta-8, Delta-9, and Delta-10 with a THC concentration of greater than 0.3% on a dry weight basis) to marijuana processors. The wholesale excise tax would also apply to a microbusiness that transfers marijuana to a processing operation within the microbusiness. Additionally, impose an excise tax on marijuana retailers at a rate of 10% of the sales price on retail sales of usable marijuana. Specify that the excise tax on retail sales would not apply to sales of usable marijuana to individuals who hold a tax exemption certificate indicating that they are members of the medical marijuana registry. Under the bill, persons liable for the excise taxes would have to pay the taxes to DOR no later than the 15th day of the month following the month in which the tax liability was incurred, along with a return, on a form prescribed by DOR. Specify that the state sales and use tax would not apply for sales of useable marijuana to members of the medical marijuana registry.

The bill generally establishes that the distribution and sale of marijuana would have to follow a four-tier distribution system, from marijuana producers to processors to distributors to retailers. It specifies that marijuana producers may not sell directly to distributors, and retailers may only purchase usable marijuana from distributors. This provision does not apply to a microbusiness that transfers marijuana or usable marijuana to another operation within the microbusiness. The bill would establish the following provisions regulating the sale and distribution of taxable marijuana. Further, DOR would be required to, and could promulgate rules necessary to, administer and enforce these provisions.

a. *Definitions.* The bill would define the following terms.

1. "Marijuana" would have the same meaning as under state laws governing controlled substances (which would be modified under the bill, as described in Items 1 and 2 above). "Useable marijuana" would mean marijuana that has been processed for human consumption and would include dried marijuana flowers, marijuana-infused products, and marijuana edibles.

2. "Marijuana producer" would mean a person that produces marijuana and sells it at wholesale or otherwise transfers it to marijuana processors.

3. "Marijuana processor" would mean a person that processes marijuana into usable marijuana, packages and labels usable marijuana for sale in retail outlets, and sells at wholesale or otherwise transfers usable marijuana to marijuana distributors.

4. "Marijuana distributor" would mean a person in this state that purchases or receives usable marijuana from a marijuana processor and that sells or otherwise transfers the usable marijuana to a marijuana retailer for the purpose of resale to consumers.

5. "Marijuana retailer" would mean a person that sells usable marijuana at a retail outlet.

6. "Microbusiness" would mean a marijuana producer that produces marijuana in one area that is less than 10,000 square feet and that also operates as any two of the following: (i) a marijuana processor; (ii) a marijuana distributor; or (iii) a marijuana retailer.

7. "Permittee" would mean a marijuana producer, marijuana processor, marijuana distributor, marijuana retailer, or microbusiness that would be issued a permit from DOR to conduct business.

8. "Retail outlet" would mean a location for the retail sale of usable marijuana.

9. "Sales price" would mean the total amount of consideration, as defined under laws governing the state sales and use tax.

10. "Lot" would mean a definite quantity of marijuana or usable marijuana identified by a lot number, every portion or package of which is consistent with the factors that appear in the labeling. A "lot number" would mean a number that specifies the marijuana permittee and the harvesting or processing date for each lot.

b. *Permit Requirements.* The following permit requirements apply to any officers, directors, agents, and stockholders holding 5% or more of the stock of any corporation applying for a permit from DOR. Require that all marijuana producers, processors, distributors, retailers, and microbusinesses apply for and obtain the proper permit from DOR prior to performing such operations. Specify that a separate permit would be required for, and issued to, each class of permittee, and the permit holder would only be allowed to perform operations authorized by the permit. Require each applicant for a permit to pay a nonrefundable application fee of \$250. Additionally, require marijuana producers and processors to obtain the proper permit from DATCP.

Specify that permits issued by DOR would be nontransferable. Therefore, a separate permit would be required for each place in this state where the operations of a marijuana producer, processor, distributor, retailer, or microbusiness would occur, including each retail outlet. Any

person that has been issued a permit to operate as a marijuana retailer, or that has any direct or indirect financial interest in the operation of a marijuana retailer, would not be issued a permit to operate as a producer, processor, or distributor. A person that intends to operate as a microbusiness would not be required to hold separate permits to operate as a marijuana processor, distributor, or retailer, but would have to specify, on the application for a microbusiness permit, the activities that the person would be engaged in as a microbusiness.

Require DOR to implement a competitive scoring system for approving permits to operate as a marijuana retailer. Permits would be issued to the highest scoring applicants, of which DOR determines would best: (a) protect the environment; (b) provide stable, family-supporting jobs to local residents; (c) ensure worker and consumer safety; (d) operate secure facilities; and (e) uphold the laws of the jurisdictions in which they operate. DOR would be required to score the applicant, using criteria established by rule, on the applicant's ability to articulate a social equity plan related to the operation of a marijuana retail establishment. The bill would give DOR the ability to deny a permit to an applicant with a low score. DOR would also be allowed to request from the applicant any information or documentation that the Department deems necessary for determining whether to grant or deny a permit.

Prohibit any distributor or retailer with 20 or more employees from receiving a permit from DOR unless it has entered into a labor peace agreement and certified compliance with that agreement as a condition of its permit. Certification would entail submitting to DOR a copy of the page of the labor peace agreement that contains the signatures of the labor organization representative and the applicant. Additionally, prohibit DOR from issuing a permit to any person that does not hold a valid business tax registration certificate with DOR.

Prohibit DOR from issuing a permit to any applicant if they:

1. Have been convicted of a violent misdemeanor at least three times;
2. Have been convicted of a violent felony, unless the person was pardoned;
3. Have been committed for involuntary treatment related to drug dependence within the last three years;
4. Have income that comes principally from gambling or have been convicted of two or more gambling offenses;
5. Have been convicted of crimes relating to prostitution;
6. Have been convicted of crimes relating to loaning money, or anything of value, to persons holding alcohol beverage licenses or permits;
7. Are under the age of 21;
8. Have not lived in Wisconsin continuously for at least 90 days prior to applying; or
9. Within the last three years, have chronically and habitually consumed alcoholic beverages or other substances to the extent that their normal faculties are impaired. This provision applies to persons that: (i) have been involuntarily committed for treatment; (ii) have been

convicted for handling of a firearm while intoxicated; or (iii) have two or more cases arising out of separate incidents where a court found the person violated a law relating to operating a motor vehicle under the influence of a controlled substance, a controlled substance analog, or a combination thereof, with an excess or specified range of alcohol concentration, or while under the influence of any drug to a degree that renders the person incapable of safely driving, whether the incident was in violation of: (a) a Wisconsin law or local ordinance in conformity with state law; (b) a law of a federally-recognized American Indian tribe or band in this state; or (c) a law of another jurisdiction.

Additionally, prohibit DOR from issuing a permit to operate any premises which would be within 500 feet of the perimeter of the grounds of any elementary or secondary school, playground, recreation facility, child care facility, public park, public transit facility, or library.

Require that DOR, prior to issuing a new or renewed permit, give notice of the permit application to the governing body of the municipality where the permit applicant intends to operate the premises as a marijuana producer, processor, distributor, retailer, or microbusiness. The governing body of the municipality could file with DOR a written objection to granting or renewing the permit no later than 30 days after DOR submits the notice. The period for filing objections could be extended by DOR, at the municipality's request. Written objections would have to provide all the facts on which the objection is based. In determining whether to grant or deny a permit for which an objection has been filed, the bill would direct DOR to give substantial weight to an objection based on: (a) chronic illegal activity associated with the premises for which the applicant seeks a permit or the premises of any other operation in this state for which the applicant holds or has held a valid permit or license; (b) the conduct of the applicant's patrons inside or outside the premises of any other operation in this state for which the applicant holds, or has held, a valid permit or license; and (c) local zoning ordinances. Define "chronic illegal activity" under this provision as a pervasive pattern of activity that threatens the public health, safety, and welfare of the municipality, including any crime or ordinance violation, and that is documented in crime statistics, police reports, emergency medical response data, calls for service, field data, or similar law enforcement agency records.

Under the bill, if DOR denies a permit, the Department would be required to immediately notify the applicant in writing of the denial and the reasons for the denial. After making a decision to grant or deny a permit for which a municipality filed an objection, DOR would have to immediately notify the governing body of the municipality in writing of its decision and the reasons for the decision. Specify that both DOR's decisions to deny or grant a permit, regardless of an objection filed by a municipality, would be subject to judicial review.

A permit issued by DOR would be valid for one year and could be renewed, except that DOR could revoke or suspend a permit prior to its expiration. Each person granted a permit would be required to pay an annual fee of \$2,000 for as long as the person held the valid permit. Permittees would not be entitled to refunds of the annual fee if their permits were revoked or suspended. Each permittee would have to post the permit in a conspicuous place on the premises to which the permit relates.

c. *Regulation.* Establish several regulations that govern the activities of permittees. Prohibit any permittee from employing an individual who is under the age of 21, or to which any condition under items 1. through 6. and 9. in the "Permit Requirements" section would apply.

Require every employee, immediately after beginning employment, to receive training approved by DOR on: (a) the safe handling of marijuana and usable marijuana; and (b) security and inventory accountability procedures.

Specify that retail outlets could only operate between the hours of 8:00 a.m. and 8:00 p.m., and would not be allowed to sell products or services other than usable marijuana or paraphernalia intended for the storage or use of usable marijuana. Prohibit retailers from selling more than two ounces of usable marijuana (or ¼ ounce to non-Wisconsin residents) to an individual consumer in a single transaction. In conducting the transaction, retailers could not collect, retain, or distribute personal information regarding the retailer's customers, except that which would be necessary to complete the sale of usable marijuana. Require that retailers restrict from entering or being on the premises of a retail outlet any individual under the age of 21, unless that individual is accompanied by a parent or guardian or is a qualifying patient.

Prohibit retailers from displaying any signage in a window, on a door, or on the outside of the premises of the retail outlet that would be visible to the general public from a public right-of-way, with the exception of a single sign, that would be no larger than 1,600 square inches, identifying the retail outlet by the permittee's business or trade name. Additionally, prohibit retailers from displaying usable marijuana in any manner that is visible to the general public from a public right of way. Specify that all marijuana retailers and retail employees would be prohibited from consuming, or allowing to be consumed, any usable marijuana on the premises of the retail outlet.

Prohibit all permittees from placing or maintaining an advertisement of usable marijuana in any form or through any medium.

Authorize DOR to develop, by rule, standards to which marijuana and usable marijuana would have to comply. Establish the following baseline standards: (a) no permittee would be allowed to sell marijuana or usable marijuana that contains more than three parts THC to one part cannabidiol; and (b) no permittee could sell marijuana or usable marijuana that tests positive for mold, fungus, pesticides, or other contaminants, if the contaminants, or level of contaminants, are identified by a testing laboratory to be potentially unsafe to the consumer.

In order to certify that the marijuana and usable marijuana would comply with DOR standards, including testing for potency and for mold, fungus, pesticides, and other contaminants, require that representative samples of the marijuana and usable marijuana produced or processed by every marijuana producer, processor, or microbusiness, be submitted, on a schedule determined by DOR, to a testing laboratory registered by DATCP. After testing, require each laboratory to destroy any part of the sample that remains. Require that the results of the testing be submitted by each marijuana producer, processor, and microbusiness to DOR in the manner prescribed by the Department by rule. If a representative sample did not meet DOR's prescribed standards, the Department would have to take the necessary action to ensure that the entire lot from which the sample was taken is destroyed. DOR would be required to promulgate rules: (a) to determine lots and lot numbers for purposes of testing; and (b) for the reporting of lots and lot numbers to the Department.

Under the bill, a marijuana processor, or a microbusiness that operates as a marijuana processor, would have to affix a label to all usable marijuana sold to marijuana distributors.

Prohibit the label from being designed to appeal to persons under the age of 18. Require the label to include all of the following: (a) the ingredients and the THC concentration in the usable marijuana; (b) the processor's business or trade name; (c) the processor's permit number; (d) the harvest batch number of the marijuana; (e) the harvest date; (f) the strain name and product identity; (g) the net weight; (h) the activation time; (i) the name of the laboratory performing any test, the test batch number, and the test analysis dates; (j) the logotype for recreational marijuana developed by DATCP; and (k) warnings about the risks of marijuana use and pregnancy and the risks of marijuana use by persons under the age of 18. Additionally, the label on each package of usable marijuana could indicate that the usable marijuana is made in this state; however, this would not be a requirement, as all marijuana processors, or microbusinesses operating as processors, would be prohibited from using marijuana grown outside this state to make usable marijuana.

d. *Records and Reports.* Require permittees to keep accurate and complete records of the permittee's production and sales of marijuana and usable marijuana in Wisconsin. Require that the records be kept on the premises described in the permit and in such manner as to ensure permanency and accessibility for inspection at reasonable hours by DOR's authorized personnel. DOR would have to prescribe reasonable and uniform methods for recordkeeping and making reports, and would have to provide the necessary forms to permittees.

Allow DOR to require, by giving notice, that a permittee revise its records, if the Department determines that the records are not kept in the prescribed form, or are in such a condition that requires an unusual amount of time for DOR to review. If the permittee fails to comply within 30 days, DOR would be required to send a bill requiring the permittee pay, within 10 days, the expenses reasonably attributable to a proper examination and tax determination at the rate of \$30 per day for each auditor used to make the examination and determination.

Require payment of a \$10 late filing fee by a permittee that fails to file a report when due. A mailed report would be filed on time if: (a) it is mailed in a properly addressed envelope with postage prepaid; (b) the envelope is officially postmarked, or marked or recorded electronically under federal postal regulations, on the due date; and (c) the report is actually received by DOR, or at the destination that DOR prescribes, within five days of the due date. These criteria would apply to reports mailed by a designated delivery service. A report that is not mailed would be timely if it were received by DOR, or at its prescribed destination, on or before the due date.

The provisions relating to taxpayer confidentiality of income, franchise, and gift tax returns, would apply under the bill to any information obtained from: (a) any permittee on a tax return, report, schedule, exhibit, or other document; or (b) an audit report relating to the return, report, schedule, exhibit, or document. The exception to this provision would be that DOR would have to publish production and sales statistics under the bill.

e. *Administration and Enforcement.* Require DOR to administer and enforce the provisions relating to marijuana taxation and regulation and to promulgate any rules necessary to do so. Provide duly authorized DOR employees with all necessary police powers to prevent violations. Additionally, authorized personnel of the Department of Justice and DOR, and any law enforcement officer within their respective jurisdictions, would be allowed to, at all reasonable hours, enter the premises of any permittee and examine the books and records to determine whether the excise tax imposed has been fully paid and may enter and inspect any premises where

marijuana or usable marijuana is produced, processed, made, sold, or stored, to determine whether the permittee is complying with all laws governing marijuana taxation and regulation.

Authorize DOR to suspend or revoke the permit of any permittee that violates any provision or rule governing marijuana taxation or regulation, or that violates the Unfair Sales Act. Require DOR to revoke the permit of any permittee that violates the Unfair Sales Act three or more times within a five-year period. Treat as a public nuisance, subject to closure and abatement, any building or location where unlawful sale, possession, storage, or manufacture of marijuana or usable marijuana were to occur.

Prohibit any suit that would restrain or delay collection or payment of marijuana excise taxes. Require all aggrieved taxpayers to pay tax when due and, if paid under protest, allow the taxpayer to sue the state to recover the tax paid at any time within 90 days from the payment date. Specify that the taxpayer could request recovery in one suit for as many payments as have been made. Require the Secretary of Administration to pay any tax amount that is determined to be wrongfully collected.

Upon request of the Secretary of DOR, the Attorney General may represent Wisconsin or assist a district attorney in prosecuting any case regarding marijuana excise taxes and regulation. Grant immunity from prosecution to any person compelled to testify in regard to a violation of marijuana tax regulations, of which that person may have knowledge. Specify that immunity would only apply to the use of the compelled testimony which may tend to incriminate the person, subject to restrictions under laws governing criminal trials.

Several current law provisions on assessment and collection of taxes, as they govern income and franchise taxes, would apply to marijuana excise taxes under the bill. These include provisions regarding: (a) office and field audits; (b) notices of adjustments; (c) notices of additional assessment; (d) additional tax collections or refunds, except that the period during which notice of additional assessment would have to be given begins on the due date of the report required from marijuana permittees; (e) additional methods of tax collection; (f) statutes of limitations on assessments and refunds; (g) tax collection and delinquency, other than the timing that withholding becomes delinquent and the financial record matching program; (h) compromises; and (i) denial of licenses due to tax delinquency. The provisions on timely filing as they apply to income and franchise taxes under current law would also apply to marijuana excise taxes.

f. *Theft of Tax Moneys.* Specify that all marijuana tax moneys received by a permittee for the sale of marijuana or usable marijuana on which the excise tax were to become due and not paid would be trust funds in the permittee's possession and would be the property of this state. Any permittee that fraudulently withholds, appropriates, or otherwise uses marijuana tax moneys that are the property of this state would be guilty of theft, whether or not the permittee has, or claims to have, an interest in those moneys.

g. *Seizure and Confiscation.* Specify that all marijuana and usable marijuana produced, processed, made, kept, stored, sold, distributed, or transported in violation of the rules and regulations governing marijuana taxation and regulation, and all tangible personal property used in connection with the marijuana or usable marijuana, would be unlawful property and subject to seizure by DOR or a law enforcement officer.

Specify the following treatment of marijuana or usable marijuana that has been seized. If the excise tax has not been paid, the marijuana or usable marijuana could be given, if fit for use and practical, to law enforcement officers to use in criminal investigations or sold to qualified buyers by DOR, without notice. The Department would have to order any marijuana or usable marijuana deemed unfit or impractical for these purposes to be destroyed. If the excise tax has been paid, the marijuana or usable marijuana would be returned to the true owner if ownership could be ascertained and the owner or the owner's agent was not involved in the violation resulting in the seizure. If the ownership could not be ascertained or if the owner or the owner's agent was guilty of the violation that resulted in the seizure of the marijuana or usable marijuana, it could be sold (if fit for use and practical) or destroyed.

Require DOR to advertise for sale any tangible personal property seized, other than marijuana or usable marijuana, by publication in a newspaper that is likely to give notice in the area or to the person affected. Require DOR to insert this notice in the newspaper at least two times. If no person claiming a lien on, or ownership of, the property has notified the Department of the person's claim within 10 days after last insertion of the notice, DOR would be required to sell the property. If a person claiming a lien on, or ownership of, the property were to notify DOR within this time period, the Department could apply to the circuit court in the county where the property was seized for an order directing disposition of the property or the proceeds from the sale of the property. If the court were to order the property to be sold, all liens, if any, would be transferred from the property to the sale proceeds. Neither the property seized nor the proceeds from the sale would be turned over to any claimant of lien or ownership unless the claimant first establishes that the property was not used in connection with any violation or that, if so used, it was done without the claimant's knowledge or consent and without the claimant's knowledge of facts that should have given the claimant reason to believe it would be put to such use. If no claim of lien or ownership is established, or if sale is not practical, the property could be ordered destroyed.

h. *Interest and Penalties.* Several current law provisions on interest and penalties, as they govern the cigarette tax, would also be created to apply to the excise taxes on marijuana under the bill. These include penalties for: (a) filing false or fraudulent reports; (b) failing to maintain required records; (c) refusing to permit authorized examinations or inspections, except that imprisonment would be for not more than six months; (d) violating any marijuana provision without its own penalty; and (e) violating DOR rules. Interest and penalty provisions as they apply for delinquent and nondelinquent payments and neglect would be created to also apply for marijuana excise tax purposes. Additionally, DOR would be required to revoke the permit of any person that violates the provisions and rules governing marijuana taxation, and could not issue another permit until two years following revocation.

i. *Personal Use.* Specify that a person possessing no more than six marijuana plants that have reached the flowering stage at any one time would not be subject to marijuana excise taxes, while a person possessing more than six plants would be required to obtain the appropriate seller's permit and pay the appropriate excise tax.

j. *Funding and Positions.* Provide \$3,357,600 in 2025-26 and \$2,171,400 in 2026-27 and 18.0 positions annually in a new appropriation for the purposes of: (a) administering the marijuana tax; and (b) enforcing the proposed taxation and regulation of marijuana producers, processors, and retailers. [See "Revenue -- Excise Tax Regulation and Enforcement."]

k. *Tax Revenues.* These provisions would take effect on the effective date of the bill. However, the Administration indicates that it does not estimate a fiscal effect associated with the collection of marijuana sales and excise taxes until 2026-27, as it is uncertain how long it will take for marijuana permits to be issued and for legal sales to be made. The Administration estimates that the imposition of wholesale and retail excise taxes on marijuana would result in collections of \$29,900,000 and \$26,800,000, respectively, in 2026-27. [See "General Fund Taxes -- Excise Taxes."] In addition, the Administration estimates the sales and use tax on recreation marijuana would increase state tax revenues by \$13,300,000 in 2026-27. [See "General Fund Taxes -- General Sales and Use Taxes."]

l. *Permit Fee Revenues.* The Administration estimates that DOR would issue 300 initial permits in 2025-26 and an additional 60 new permits in 2026-27. As noted above, DOR would collect fees totaling \$2,250 for each new permit issued (\$250 application fee plus \$2,000 initial annual permit fee) and \$2,000 for each permit that would be renewed in a given year. Fees collected would be deposited directly into the general fund. The Administration estimates that GPR-REV from DOR would increase by \$675,000 in 2025-26 and \$615,000 in 2026-27. [See "Revenue -- Excise Tax Regulation and Enforcement."]

m. *Agreement with Tribes.* Allow DOR to enter into an agreement with federally recognized American Indian tribes or bands in this state: (a) for the administration and enforcement of marijuana excise taxes and regulation; and (b) to provide refunds of the excise taxes imposed on marijuana sold on tribal land by or to enrolled members of the tribe or band residing on the tribal land. Create a new sum sufficient GPR appropriation to pay refunds to eligible tribes for marijuana excise taxes collected, and provide \$2,900,000 in 2026-27 as an estimate of the amounts that would be refunded to the tribes. [See "General Fund Taxes -- Refundable Credits and Other Payments."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. ANATOMICAL GIFTS

Governor: Provide that, unless otherwise required by federal law, a hospital, physician, procurement organization, or other person may not determine the ultimate recipient of an anatomical gift based solely upon a positive test for the use of marijuana by a potential recipient.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. UNEMPLOYMENT INSURANCE -- DISCHARGE FOR USE OF MARIJUANA

Governor: Provide that an employee's use of marijuana off the employer's premises during nonworking hours, or a violation of the employer's policy concerning such use, does not constitute misconduct or substantial fault under current unemployment insurance (UI) law unless termination for that use is permitted under one of the current exceptions under the state's fair employment law.

Under current law, an individual may be disqualified from receiving unemployment insurance benefits if the individual is terminated because of misconduct or substantial fault. Under UI law, specify that marijuana be a lawful product, and define "marijuana" to mean all parts of the plants of the genus cannabis, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds or resin, including tetrahydrocannabinols.

Under Wisconsin's fair employment law, it is not employment discrimination to discriminate in promotion, compensation, or employment terms, if an individual's use or nonuse of a lawful product off the employer's premises during nonworking hours conflicts with any federal or state statute, rule or regulation. Specify that this current law provision would not apply with respect to violations concerning marijuana or tetrahydrocannabinols under federal law (21 USC 841 to 865).

Specify that, "controlled substance" has the meaning given in 21 USC 802, except that "controlled substance" does not include tetrahydrocannabinols, commonly known as "THC", in any form including tetrahydrocannabinols contained in marijuana, obtained from marijuana, or chemically synthesized. Under current UI law, as it pertains to the Department of Workforce Development's pre-employment and occupational employment drug testing programs, "controlled substance" has the meaning given in 21 USC 802, which includes marijuana. Under a separate provision of the bill, the Department's pre-employment drug-testing program would be repealed [See "Workforce Development"].

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. MARIJUANA TAX IMPLEMENTATION SUMMARY

Governor: Direct the Joint Legislative Council to study the implementation of the marijuana tax and regulation and identify uses for the revenues generated by the tax. Require the Joint Legislative Council to report its findings, conclusions, and recommendations to the Joint Committee on Finance no later than two years after the effective date of this subsection.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

MEDICAL COLLEGE OF WISCONSIN

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$27,206,000	\$30,735,000	\$27,796,900	\$27,796,900	\$27,796,900	\$590,900	2.2%
PR	495,000	495,000	495,000	495,000	495,000	0	0.0
TOTAL	\$27,701,000	\$31,230,000	\$28,291,900	\$28,291,900	\$28,291,900	\$590,900	2.1%

FTE Position Summary
The state does not budget nonstate revenues or authorize positions of the Medical College of Wisconsin, which is a private, nonprofit state-aided institution governed by a Board of Trustees.

Budget Change Items

1. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$171,000	\$11,900	- \$159,100

Governor: Reestimate debt service by \$202,600 in 2025-26 and -\$373,600 in 2026-27. Base level funding for the two debt service appropriations under MCW totals \$2,565,000 annually.

Joint Finance/Legislature: Reestimate debt service by \$11,200 GPR in 2025-26 and \$700 GPR in 2026-27.

2. FAMILY MEDICINE RESIDENCY TRAINING [LFB Paper 495]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,700,000	- \$2,950,000	\$750,000

Governor: Provide an increase of \$1,850,000 annually for family medicine residency training. Base funding for MCW family medicine residency programs is \$5,611,400 annually.

In their agency supplemental budget request, MCW indicates that funds would be used as follows: (a) \$750,000 annually to expand the Milwaukee North Side residency program; (b) \$600,000 annually to create the Comprehensive Assistance Recovery, and Empowerment (CARE) fellowship program for treating substance use disorders; (c) \$250,000 annually to create a family medicine residency rotation in Northwest Wisconsin; and (d) \$250,000 to create the Advancing Innovation in Residency Education (AIRE) project to enhance the behavioral health expertise of family medicine residents.

The North Side Milwaukee Health Centers Family Medicine Residency Program was created to provide continuity after the conclusion of two area MCW family residency programs offered in partnership with Ascension Healthcare. The program provides training in an outpatient setting in the community rather than a hospital and has 14 residents per class, with 28 residents currently receiving training at this location.

The CARE fellowship program would train primary care addiction medicine clinicians who could provide primary care services alongside addiction medicine care. Funding would provide training for four fellows in a one-year program.

2019 Act 9, the 2019-21 biennial budget, provided an increase of \$1,000,000 annually for MCW family medicine residency training which MCW utilized to expand family medicine residency programs in Appleton and Eau Claire. However, according to MCW's supplemental budget request, Hospital Sisters Health System-Sacred Heart Hospital (HSBS)/Prevea recently ended business operations in Western Wisconsin which resulted in the closure of the HSBS/Prevea Eau Claire Family Medicine Residency program on June 30, 2024. MCW would utilize \$250,000 annually to support the creation of two family medicine residency rotations in Northwest Wisconsin including travel and lodging costs associated with the rotations.

Finally, MCW would utilize \$250,000 for the AIRE program, which would provide an optional fourth year of training for residents in the family medicine residency program to equip them with advanced psychiatric care skills.

Joint Finance/Legislature: Provide an increase to base level funding of \$250,000 GPR in 2025-26 and \$500,000 annually beginning in 2026-27 in the MCW family medicine appropriation for the following: \$250,000 annually for family medicine residency training at the North Side Milwaukee Health Centers and \$250,000 annually beginning in 2026-27 for the Northwest Wisconsin Residency Rotation.

MILITARY AFFAIRS

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$78,278,800	\$176,099,400	\$171,679,000	\$171,679,000	\$171,679,000	\$93,400,200	119.3%
FED	227,174,000	287,566,300	231,104,000	231,104,000	231,104,000	3,930,000	1.7
PR	19,672,200	21,462,800	21,462,800	21,462,800	21,462,800	1,790,600	9.1
SEG	<u>86,169,800</u>	<u>88,226,700</u>	<u>98,617,600</u>	<u>98,617,600</u>	<u>98,617,600</u>	<u>12,447,800</u>	14.4
TOTAL	\$411,294,800	\$573,355,200	\$522,863,400	\$522,863,400	\$522,863,400	\$111,568,600	27.1%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	82.48	95.73	82.53	82.53	82.53	0.05
FED	483.40	480.40	477.60	477.60	477.60	- 5.80
PR	54.12	53.87	53.87	53.87	53.87	- 0.25
SEG	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>
TOTAL	625.00	635.00	619.00	619.00	619.00	- 6.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,059,400	- 0.40	- \$223,000	0.00	\$836,400	- 0.40
FED	7,044,700	- 4.60	- 1,095,900	0.00	5,948,800	- 4.60
PR	643,600	0.00	0	0.00	643,600	0.00
SEG	<u>170,200</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>170,200</u>	<u>0.00</u>
Total	\$8,917,900	- 5.00	- \$1,318,900	0.00	\$7,599,000	- 5.00

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	-\$166,400	-\$606,400	\$0	\$0	-\$772,800
Removal of Noncontinuing Elements	-29,200	-116,700	0	0	-145,900
Full Funding of Cont. Pos. Salary/Fringe	690,000	3,779,800	360,600	85,100	4,915,500
Overtime	35,300	385,400	9,800	0	430,500
Full Funding of Lease/Directed Moves	<u>0</u>	<u>78,700</u>	<u>-48,600</u>	<u>0</u>	<u>30,100</u>
Total	\$529,700	\$3,520,800	\$321,800	\$85,100	\$4,457,400
2026-27					
Turnover Reduction	-\$166,400	-\$606,400	\$0	\$0	-\$772,800
Removal of Noncontinuing Elements	-29,200	-116,700	0	0	-145,900
Full Funding of Cont. Pos. Salary/Fringe	690,000	3,779,800	360,600	85,100	4,915,500
Overtime	35,300	385,400	9,800	0	430,500
Full Funding of Lease/Directed Moves	<u>0</u>	<u>81,800</u>	<u>-48,600</u>	<u>0</u>	<u>33,200</u>
Total	\$529,700	\$3,523,900	\$321,800	\$85,100	\$4,460,500
Biennial Totals	\$1,059,400	\$7,044,700	\$643,600	\$170,200	\$8,917,900

In addition, reduce authorized positions by 4.00 (0.40 GPR and 3.60 FED) in 2025-26 and 5.00 (0.40 GPR and 4.60 FED) in 2026-27 under the removal of noncontinuing elements standard budget adjustment.

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$110,900 GPR and -\$404,300 FED annually. In addition, reduce funding by -\$600 GPR annually and -\$103,800 FED in 2025-26 and -\$183,500 FED in 2026-27 to correct calculation errors in the removal of noncontinuing elements standard budget adjustment. Total standard budget adjustments of \$3,837,800 all funds in 2025-26 and \$3,761,200 all funds in 2026-27 are shown in the table below.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	-\$277,300	-\$1,010,700	\$0	\$0	-\$1,288,000
Removal of Noncontinuing Elements	-29,800	-220,500	0	0	-250,300
Full Funding of Cont. Pos. Salary/Fringe	690,000	3,779,800	360,600	85,100	4,915,500
Overtime	35,300	385,400	9,800	0	430,500
Full Funding of Lease/Directed Moves	<u>0</u>	<u>78,700</u>	<u>-48,600</u>	<u>0</u>	<u>30,100</u>
Total	\$418,200	\$3,012,700	\$321,800	\$85,100	\$3,837,800
2026-27					
Turnover Reduction	-\$277,300	-\$1,010,700	\$0	\$0	-\$1,288,000
Removal of Noncontinuing Elements	-29,800	-300,200	0	0	-330,000
Full Funding of Cont. Pos. Salary/Fringe	690,000	3,779,800	360,600	85,100	4,915,500
Overtime	35,300	385,400	9,800	0	430,500
Full Funding of Lease/Directed Moves	<u>0</u>	<u>81,800</u>	<u>-48,600</u>	<u>0</u>	<u>33,200</u>
Total	\$418,200	\$2,936,100	\$321,800	\$85,100	\$3,761,200
Biennial Totals	\$836,400	\$5,948,800	\$643,600	\$170,200	\$7,599,000

2. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$2,302,900	\$1,020,600	- \$1,282,300

Governor: Reduce funding by \$1,091,500 in 2025-26 and \$1,211,400 in 2026-27 to reflect the reestimate of GPR debt service costs on state general obligation bonds and commercial debt issued for National Guard facilities by DMA. Base funding for debt service costs for National Guard facilities totals \$7,597,300 annually.

Joint Finance/Legislature: Reestimate debt service by \$532,400 in 2025-26 and \$488,200 in 2026-27.

3. FUEL AND UTILITIES REESTIMATE

GPR	- \$32,400

Governor/Legislature: Reestimate funding by -\$91,700 in 2025-26 and \$59,300 in 2026-27 associated with fuel and utility cost estimates at Army and Air National Guard facilities. Base funding for agency energy costs is \$3,036,400.

4. FEDERAL AND PROGRAM REVENUE ADJUSTMENTS [LFB Paper 500]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$53,114,200	- \$53,114,200	\$0
PR	<u>1,200,000</u>	<u>0</u>	<u>1,200,000</u>
Total	\$54,314,200	- \$53,114,200	\$1,200,000

Governor: Provide \$26,557,100 FED and \$600,000 PR annually to reflect current program revenue and federal revenue projections for the federal and program revenue appropriations identified below.

a. \$450,000 PR annually for the National Guard military property appropriation. Expenditures support maintenance and operation costs for armories across the state, including lawn care, snow clearing services, minor repairs, and pest control. Base funding for the appropriation is \$1,590,500 PR.

b. \$26,307,100 FED annually for the National Guard federal aid appropriation for improvement, repair, maintenance, and/or operation of armories or other military property. Base funding for the appropriation is \$51,968,000 FED.

c. \$250,000 FED annually for the National Guard indirect cost reimbursements appropriation to support human resources, budget, financial, and procurement activities. Base funding for the appropriation is \$1,259,000 FED.

d. \$50,000 PR annually for the emergency planning and reporting administration appropriation. Expenditures support operating expenses for the federal Emergency Planning and Community Right to Know Act, including payments for licensing, software, travel, and supplies. Base funding for the appropriation is \$1,516,200 PR.

e. \$50,000 PR annually for the public safety interoperable communication system state fees appropriation. Establishing expenditure authority would support WISCOM (Wisconsin Interoperable System for Communications). Base funding for the appropriation is \$0 PR.

f. \$50,000 PR annually for the public safety interoperable communication system general usage fees appropriation. Establishing expenditure authority would support WISCOM. Base funding for the appropriation is \$0 PR.

Joint Finance/Legislature: Modify funding by -\$26,557,100 FED annually to provide \$600,000 PR annually to reflect current program revenue projections for program revenue appropriations only.

5. STATEWIDE INTEROPERABLE RADIO NETWORK REPLACEMENT [LFB Paper 501]

GPR	\$79,746,400

Governor/Legislature: Provide \$79,746,400 in 2025-26 to the continuing statewide public safety interoperable communication system appropriation for the development and operation of a replacement statewide public safety interoperable communication system. The current Wisconsin Interoperable System for Communications (WISCOM) was developed to permit local, state, and federal emergency responders to communicate across jurisdictions. Under 2017 Act 59, DMA was required to upgrade or replace WISCOM as the system's key components have reached end-of-life, and its technical specifications are unable to fulfill program demand. On May 22, 2024, DMA signed a contract with L3Harris Technologies, Inc. to build a new system.

The Department indicates that the contract to develop the new system, WISCOM 800, totals \$153,000,000 (\$101,500,000 for infrastructure and implementation costs, including cybersecurity and software maintenance, and \$51,500,000 for hardware and software licensing and maintenance). 2023 Act 19, the 2023-25 biennial budget act, created a continuing appropriation and provided \$45,000,000 GPR in 2023-24 for the development and operation of the replacement system.

According to the Department, costs for the development and operation of WISCOM 800 are estimated at \$32,438,000 in 2025-26 and \$47,308,400 in 2026-27. As the appropriation supporting the WISCOM 800 project is continuing, providing funding in the first year allows DMA to access the funds at any time during or after the biennium (unless or until the appropriation is repealed), but does not provide any base funding for the program.

6. GRANTS FOR WISCOM UPGRADES [LFB Paper 501]

GPR	\$10,000,000

Governor/Legislature: Provide \$10,000,000 in 2025-26 for grants to local governments

for public safety interoperable communication system upgrades.

Under 2023 Act 19, an annual GPR appropriation was created under DMA to provide grants for public safety interoperable communication system upgrades, and \$2,000,000 was placed in the Joint Committee on Finance's supplemental GPR appropriation in 2024-25. Funding was released in June, 2025.

The grant program was created to support the purchase of 700/800 MHz subscriber radios needed by local users to transition to the new public safety interoperable communication system currently under development (WISCOM 800). According to DMA, the total need for equipment replacement to facilitate the transition to WISCOM 800 is approximately \$46,000,000.

7. GRANTS FOR INCUMBENT LOCAL EXCHANGE CARRIERS

Governor: Remove a provision created in 2023 Act 222 that specifies that no moneys for grants to incumbent local exchange carriers may be encumbered after June 30, 2027. Base funding for the appropriation is \$6 million SEG annually.

2023 Act 222, published on March 28, 2024, created a biennial SEG appropriation for grants to incumbent local exchange carriers operating as originating service providers. As the landline fee (a fee assessed per county based on the number of landline phone access lines and population, collected by carriers and applied to the cost of providing 911) will cease in each county once DMA declares the county operational on the Next Generation 911 (NG911) system, the grant program provides a new source of funding by reimbursing originating service providers for costs associated with: (a) the IP-based transport of NG911; (b) the database used to operate NG911; and (c) the purchase, installation, and maintenance of NG911 equipment. The grant program is funded from the state segregated 911 fund. As of February, 2025, awards have not yet been distributed under the grant program. However, DMA indicates that it intends to distribute awards prior to the end of 2024-25.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. CYBERSECURITY INITIATIVES [LFB Paper 502]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,165,300	2.00	- \$294,800	- 2.00	\$1,870,500	0.00
FED	0	0.00	- 2,154,400	- 2.00	- 2,154,400	- 2.00
Total	\$2,165,300	2.00	- \$2,449,200	- 4.00	- \$283,900	- 2.00

Governor: Provide \$1,036,500 GPR in 2025-26 (\$118,800 for salaries and fringe benefits and \$917,700 for supplies and services), \$1,078,700 GPR in 2026-27 (\$158,500 for salaries and fringe benefits and \$920,200 for supplies and services), and 2.0 GPR positions annually to support

the Wisconsin Cyber Response Team (CRT). According to DMA, the CRT is a volunteer emergency response group comprised of public and private sector individuals and administered by the Division of Emergency Management. The CRT supports state, local, and tribal governments by: (a) providing training to members, who are largely local and state government cybersecurity professionals; (b) completing assessments to assist entities in identifying security gaps; and (c) responding to incidents, such as ransomware attacks. The Department indicates that the 2.0 positions would be classified as emergency government specialist - senior and would provide trainings for the CRT. Supplies and services funding would support the hardware, software, training, and travel costs associated with the positions.

Additionally, provide \$33,500 GPR in 2025-26 and \$16,600 GPR in 2026-27 in one-time financing for state matching funds for the federal Department of Homeland Security's state and local cybersecurity grant program, which provides funding to states to address cybersecurity risks and threats to information systems owned or operated by, or on behalf of state, local, or tribal governments. The grant program requires that 80% of the total grant be passed through to local entities and 25% of the total grant go to rural communities.

Joint Finance/Legislature: Modify funding and position authority by: (a) -\$126,300 GPR in 2025-26, -\$168,500 GPR in 2026-27, and -2.0 GPR positions annually; and (b) -\$1,077,200 FED and -2.0 FED vacant positions annually (-\$538,600 FED and -1.0 FED vacant position annually from each of s. 20.465(3)(m) and s. 20.465(3)(mb)). Funding would be provided to the emergency management services general program operations appropriation [s. 20.465(3)(a)] in the amounts of \$910,200 GPR annually for supplies and services for the Cyber Response Team and \$33,500 GPR in 2025-26 and \$16,600 GPR in 2026-27 for state management and administration match funding for the federal State and Local Cybersecurity Grant Program.

9. GRANTS FOR PRE-DISASTER FLOOD MITIGATION [LFB

GPR	\$2,000,000

Paper 503]

Governor: Provide \$1,000,000 annually for the pre-disaster flood resilience grant program. The appropriation has base funding of \$0.

Under 2023 Act 19, a biennial GPR appropriation was created to provide pre-disaster flood resilience grants under the Department, and \$2,000,000 of one-time funding was placed in the Joint Finance Committee's supplemental GPR appropriation in 2023-24 for potential release to DMA.

2023 Act 265 required the Division of Emergency Management to create and administer a pre-disaster flood resilience grant program to provide assessment or implementation grants for projects aimed at identifying flood vulnerabilities and options to improve flood resiliency, and restoring hydrology to reduce flood risk and damage in flood-prone communities. In a meeting under s. 13.10 of the statutes on May 7, 2024, the Committee approved the release of the \$2,000,000 to DMA on a one-time basis.

Joint Finance/Legislature: Modify funding by \$1.0 million in 2025-26 and -\$1.0 million in 2026-27 to provide \$2.0 million in 2025-26 for pre-disaster flood resilience grants.

10. URBAN SEARCH AND RESCUE TEAMS (WISCONSIN TASK FORCE 1) [LFB Paper 504]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,500,000	- \$1,500,000	\$0
SEG	<u>0</u>	<u>4,500,000</u>	<u>4,500,000</u>
Total	\$1,500,000	\$3,000,000	\$4,500,000

Governor: Provide \$1,000,000 GPR in 2025-26 and \$500,000 GPR in 2026-27 for training and equipment for an urban search and rescue task force. Funding is intended to advance the operational capacity of the current Type 3 urban search and rescue (USR) task force to a Type 2 USR task force capable of 24-hour operations.

2021 Act 104 changed the designation of a regional collapse support team to an urban search and rescue task force and expanded the scope of emergencies with which these teams assist. Under the act, an urban search and rescue task force designated by DMA must assist in an emergency response "involving search, rescue, and recovery in the technical rescue disciplines to include structural collapse, rope rescue, vehicle extrication, machinery extrication, confined space, trench excavation, and water operations in an urban search rescue environment."

Under federal law, a USR task force is a multi-disciplined organization which conducts search, rescue, and recovery in the technical rescue disciplines, including structural collapse, rope rescue, vehicle extrication, machinery extrication, confined space, trench, excavation, and water operations. Task forces are capable of operating as follows: (a) Type 1 USR task forces are capable of 24-hour operations split into 12-hour operation periods; (b) Type 2 USR task forces are capable of 12-hour operation periods that may extend to 24 hours with additional equipment; and (c) Type 3 USR task forces are capable of 12-hour operation periods.

According to the Administration, Wisconsin's USR (Wisconsin Task Force 1) is currently a Type 3 USR task force. Under 2023 Act 19, \$1,012,800 GPR was provided in 2023-24 to DMA's continuing urban search and rescue task force appropriation for training, equipment, and administrative costs for Wisconsin Task Force 1. Base funding in the appropriation is \$0 GPR.

Joint Finance/Legislature: Provision not included. Create a SEG, continuing appropriation for the urban search and rescue task force, funded from the local government fund [s. 20.465(3)(qu): urban search and rescue task force; local government fund]. Provide \$3.0 million SEG in 2025-26 and \$1.5 million SEG in 2026-27 from the local government fund to the appropriation for training, equipment, and administrative costs for the urban search and rescue task force.

[Act 15 Section: 77]

11. EMERGENCY MANAGEMENT PROGRAMS SUSTAINMENT [LFB Paper 505]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,129,200	- \$1,129,200	\$0

Governor: Provide \$564,600 annually to replace revenue as a result of reductions in certain federal grant programs. Between federal fiscal years 2023 and 2024, revenues from the Emergency Management Performance Grant (EMPG) and the Homeland Security Grant Program (HSGP) were reduced from a total of \$6,388,600 to \$5,744,200 (-\$644,400) and \$4,847,600 to \$4,362,800 (-\$484,800), respectively. Funding of \$564,600 annually would fill the revenue gaps and enable DMA programs funded by these grant programs to maintain service levels. The EMPG program provides state, local, tribal, and territorial emergency management agencies with resources for the implementation of the National Preparedness System under FEMA. The HSGP provides grants to assist state, local, tribal, and territorial efforts to prevent, protect against, mitigate, respond to, and recover from acts of terrorism and other threats.

Joint Finance/Legislature: Provision not included.

12. POSITIONS TO COMPLY WITH COOPERATIVE AGREEMENT MODIFICATIONS [LFB Paper 506]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$1,087,600	6.00	- \$1,087,600	- 6.00	\$0	0.00

Governor: Provide \$466,100 in 2025-26 (\$443,600 for salaries and fringe benefits and \$22,500 for supplies and services), \$621,500 in 2026-27 (\$591,500 for salaries and fringe benefits and \$30,000 for supplies and services), and 6.0 positions annually to comply with modifications to National Guard Bureau (NGB) cooperative agreements, which no longer allow federal employees to supervise state employees within DMA.

The Department manages 32 cooperative agreements with the NGB, which account for 456.5 out of 625.0 of DMA's full-time equivalent positions. Cooperative agreements between the NGB and the state establish the program requirements, including federal and state contributions to the program, for the specified operations and maintenance of Wisconsin Army and Air National Guard facilities and programs. According to DMA, the federal fiscal year 2025 Army security guard program cooperative agreement provided to DMA in August, 2024, unlike past agreements, does not allow for the supervision of state employees by federal employees. The Department requested additional information from the NGB, which indicated that forthcoming cooperative agreements are likely to have the same restriction. As a result of this change, DMA will be required to designate a state employee as a project director to supervise and manage all personnel, activities, and projects within the scope of each cooperative agreement.

The Department has grouped the cooperative agreements requiring new state supervision into five categories: (a) security; (b) facilities and civil engineering; (c) environmental; (d) services; and (e) fire services. Under the proposal, each of the five categories of cooperative agreements would be managed by a state supervisor, for a total of 5.0 positions. In addition, 1.0 position would manage training oversight requirements and budgeting for all cooperative agreements.

Joint Finance/Legislature: Provision not included.

13. STATE DISASTER ASSISTANCE PROGRAM EXPANSION AND TOWN OF WESTPORT [LFB Paper 507]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding	Positions	Funding	Position
GPR	\$230,600	2.00	- \$230,600	- 2.00	\$0	0.00
SEG	<u>1,886,700</u>	<u>0.00</u>	<u>2,690,900</u>	<u>0.00</u>	<u>4,577,600</u>	<u>0.00</u>
Total	\$2,117,300	2.00	\$2,460,300	- 2.00	\$4,577,600	0.00

Governor: Modify statutes of the state disaster assistance program to include under eligible costs for reimbursement the following categories of work designated by the Federal Emergency Management Agency's (FEMA) public assistance program: (a) category D (water control facilities); (b) category E (public buildings and contents); (c) category F (public utilities); and (d) category G (parks, recreation, and other facilities).

Require DMA to provide a payment of \$68,100 GPR in 2025-26 from the GPR state disaster assistance appropriation to the Town of Westport (Dane County) as reimbursement for the costs incurred by storm damage. Specify that current law requirements for the distribution of assistance to local governmental units under the state disaster assistance program would not apply to the payment. Note that, as a result, the Town of Westport would not be required to pay the 30 percent match normally required under the program. According to DMA, the Town of Westport missed the 60 day deadline following an incident to submit their application, as required under DMA's administrative rules for the program.

Provide \$98,800 GPR in 2025-26, \$131,800 GPR in 2026-27, and 2.0 GPR positions annually to DMA's emergency management general program operations appropriation (\$91,300 for salaries and fringe benefits and \$7,500 for supplies and services in 2025-26, and \$121,800 for salaries and fringe benefits and \$10,000 for supplies and services in 2026-27), and \$977,400 SEG in 2025-26 (including \$68,100 for a payment to the Town of Westport) and \$909,300 SEG in 2026-27 to DMA's state disaster assistance; petroleum inspection fund appropriation to increase the amount of funding available for reimbursement to local governmental units. According to the Administration, 2.0 additional positions would be necessary to process the increased number of applications to the program as a result of the expansion of covered disasters.

Under current law, DMA may make payments from the state disaster assistance appropriation account to local governmental units for the damages and costs incurred as the result

of a disaster if federal funding is not available because: (a) the Governor's request that the President declare the disaster a major disaster under the federal definition has been denied; or (b) DMA determines the disaster does not meet the per capita impact indicator under the public assistance program issued by FEMA. Additionally, the entity receiving the grant is required to pay for 30 percent of the amount of damages and costs resulting from the disaster. Per administrative rule, the state disaster program currently only provides reimbursement for: (a) debris removal including woody debris, building wreckage, dirt, gravel, vehicles, and other disaster-related materials; (b) emergency protective measures to eliminate or reduce immediate threats to life, public health, or safety, or a hazard that threatens significant damage to improved public or private property; or (c) damage to roads and bridges including surfaces, bases, shoulders, ditches, drainage structures, piers, girders, abutments, slope protection, and approaches.

Note that, while the bill requires the payment to the Town of Westport to be made from a GPR appropriation, SEG funding is provided for this purpose in the bill. Base funding for the GPR state disaster assistance appropriation is \$0 GPR, and base funding and position authority for the SEG state disaster assistance appropriation is \$711,200 SEG and 1.0 SEG position. If the provision to waive current law requirements and require DMA to provide a payment of \$68,100 GPR in 2025-26 from the GPR state disaster assistance appropriation to the Town of Westport were enacted, DMA would need to request the funds to be transferred from another GPR appropriation under s. 13.10 of the statutes, or the funds would need to be appropriated in an act of legislation.

Joint Finance/Legislature: Provision not included. Remove \$711,200 SEG annually from the SEG continuing appropriation for state disaster assistance funded from the petroleum inspection fund [s. 20.465(3)(s)]. Create a SEG appropriation, funded from the local government fund, for the state disaster assistance program. Provide \$3.0 million SEG annually to this appropriation for the state disaster assistance program.

[Act 15 Sections: 80 and 121]

14. WISCONSIN ALL-HAZARDS INCIDENT MANAGEMENT TEAM [LFB Paper 508]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$503,200	- \$503,200	\$0

Governor: Provide \$251,600 annually for training costs associated with the Wisconsin All-Hazards Incident Management Team (IMT), a multi-agency, multi-jurisdiction response team capable of assisting jurisdictions confronted with an incident beyond their capabilities in either complexity or duration, including tornados, earthquakes, fires, floods, search and rescue, multi-day situations, or planned mass-gathering events. The IMT is staffed by qualified personnel covering 16 different organizational functions. Team members come from disciplines including: law enforcement, fire, EMS, public works, emergency management, public health, finance, forestry, and general administration.

Members are required to maintain a certain level of basic and advanced training,

qualifications, and experience through their home agency. The state-level IMT provides complex incident management, while regional teams focus on the management of smaller-scale, less complex incidents. Participants at both levels must attend quarterly trainings and one annual full-scale incident training.

Previously, training costs were funded by the Homeland Security Grant Program or the Emergency Management Performance Grant. However, grant funding from these programs has been reduced. State funding for training costs would replace the grant funding gaps and provide for the wages, lodging, meals, and instruction for state team members, and for the instruction and meals for regional team members.

Joint Finance/Legislature: Provision not included.

15. POSITION FOR INFORMATION TECHNOLOGY HELP DESK

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
GPR	\$185,200	1.00	-\$185,200	- 1.00	\$0	0.00

Governor: Provide \$79,400 in 2025-26 (\$75,600 for salary and fringe benefits and \$3,800 for supplies and services), \$105,800 in 2026-27 (\$100,800 for salary and fringe benefits and \$5,000 for supplies and services), and 1.0 position annually for an Information Technology (IT) help desk technician.

According to the Department, DMA's State Information Management directorate, which manages DMA's IT needs, currently employs 8.0 full-time equivalent positions, as well as a limited-term employee (LTE) help desk technician, and the demand for IT services within DMA is increasing. The 1.0 position would be classified as an IS technical services specialist. Under the proposal, the function currently performed by an LTE would be performed by a permanent employee.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE [LFB Paper 509]

GPR	\$174,600

Governor/Legislature: Provide \$87,300 annually to increase funding for agency supplies and services. According to DMA, over the past several years, costs for general agency operations and maintenance have increased due to economic pressures including inflation and vendor cost increases. Cost increases are related to: (a) moving from DMA-owned to leased vehicles; (b) maintenance, including janitorial, lawncare, snow removal, and pest control services for expanded or state-funded facilities; (c) fleet management services; (d) software, licensing, and IT; (e) personnel; (f) equipment master leases; (g) travel and meal reimbursement; and (h) assessments to

the agency that are ineligible for federal funding.

Funding increases would be provided to the following appropriations: (a) \$27,700 annually to the National Guard general program operations appropriation; (b) \$46,300 annually to the National Guard repair and maintenance appropriation; and (d) \$13,300 annually to the emergency management services general program operations appropriation.

17. WORKPLACE INVESTIGATOR

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Position</u>	<u>Funding</u>	<u>Position</u>	<u>Funding</u>	<u>Position</u>
GPR	\$147,500	1.00	-\$147,500	- 1.00	\$0	0.00

Governor: Provide \$63,200 in 2025-26 (\$59,400 for salary and fringe benefits and \$3,800 for supplies and services), \$84,300 in 2026-27 (\$79,300 for salary and fringe benefits and \$5,000 for supplies and services), and 1.0 position annually for a workplace investigator position. Workplace investigations may be initiated for reasons such as harassment, discrimination, violence or threats against others, theft or vandalism, conflicts of interest, and work rule violations. The State Human Resources (SHR) office within DMA provides support to 625 state employees and 250 limited-term employees.

According to DMA, there was an increase in state workplace investigation events and complaints in calendar year 2024, which were investigated by SHR staff. The workforce investigator position would be classified as an employment relations specialist and would undertake the following duties: (a) complete workplace complaint investigations for state employees; (b) assist with open records requests related to investigations; (c) assist with the grievance process; (d) observe work units and management associated with complaints and investigations; and (e) provide training to other staff and investigators.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. NATIONAL GUARD TUITION GRANT PROGRAM MODIFICATIONS AND POSITION

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Position</u>	<u>Funding</u>	<u>Position</u>	<u>Funding</u>	<u>Position</u>
GPR	\$115,500	1.00	-\$115,500	- 1.00	\$0	0.00

Governor: Provide \$49,500 in 2025-26, \$66,000 in 2026-27, and 1.0 position annually to provide additional administrative capacity for the National Guard tuition grant program. According to DMA, changes made to the program under 2023 Act 117, which directed the

Department to pay tuition grants directly to the school on behalf of the applicant rather than to the applicant, has resulted in an increased demand for administrative services related to the grant program.

Regarding the National Guard tuition grant program under the Department, rename and modify any references to "tuition grants" to instead be referenced as "educational grants."

Modify statutory language pertaining to educational grant payment amounts to specify that, beginning with the academic term after the effective date of the bill: (a) for University of Wisconsin System institutions, "tuition" includes academic and segregated fees; (b) for a technical college, "tuition" includes program and incidental fees; and (c) an educational grant must be paid in full and other financial aid awards to an eligible guard member may not be reduced due to the provision of the educational grant, except to the extent that this results in an over-award of financial assistance in violation of federal law, federal regulation, or the terms of a donation agreement for a privately-funded grant or scholarship.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

19. BUILDING AND GROUNDS STAFF [LFB Paper 510]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Position	Funding	Position
GPR	\$58,400	0.40	- \$24,400	- 0.20	\$34,000	0.20
FED	<u>233,400</u>	<u>1.60</u>	<u>- 97,800</u>	<u>- 0.80</u>	<u>135,600</u>	<u>0.80</u>
Total	\$291,800	2.00	- \$122,200	- 1.00	\$169,600	1.00

Governor: Provide \$29,200 GPR, \$116,700 FED, and 0.4 GPR position and 1.6 FED positions annually to maintain Truax Field in Madison.

Under 2023 Act 19, the Department was provided with 2.0 two-year project positions (0.4 GPR and 1.6 FED) for heavy equipment operators at Truax Field. These positions will expire in 2025-26, and are removed under the standard budget adjustment for removal of noncontinuing elements from the base. The Department indicates that the heavy equipment operators would provide snowplow and airfield clearing services, as well as assistance with construction projects.

Joint Finance/Legislature: Modify funding and position authority by -\$12,200 GPR and -0.2 GPR position annually and -\$48,900 FED and -0.8 FED position annually to provide \$17,000 GPR and 0.2 GPR position annually and \$67,800 FED and 0.8 FED position annually for one heavy equipment operator position.

**20. FUNDING SOURCE FOR LAW ENFORCEMENT
SUPPORT OFFICE PROGRAM COORDINATOR**
[LFB Paper 511]

	Funding	Position
GPR	\$53,000	0.25
PR	<u>- 53,000</u>	<u>- 0.25</u>
Total	\$0	0.00

Governor/Legislature: Modify funding and position authority by providing \$26,500 GPR and 0.25 GPR position and removing \$26,500 PR and 0.25 PR position annually. The Department's Division of Emergency Management oversees the Law Enforcement Support Office (LESO) program. Formerly known as the 1033 program, the LESO program provides certain excess military property from the federal Department of Defense to local law enforcement agencies. The LESO program is administered by the Program Coordinator, a 0.25 full-time equivalent position. According to DMA, the program revenue supporting the LESO program is insufficient to fund the PR Program Coordinator position. Under the bill, the funding source for the 0.25 position and associated funding would be transferred from the Emergency Management Systems program services PR appropriation to the Emergency Management Services general program operations GPR appropriation.

21. HAZARDOUS MATERIALS RESPONSE TEAMS

SEG	\$3,000,000

Joint Finance/Legislature: Create a SEG, continuing appropriation for hazardous substance emergency response, funded from the local government fund [s. 20.465(3)(qh): hazardous substance emergency response; local government fund]. Provide \$1.5 million SEG annually to the appropriation for hazardous materials response teams. Under current law, \$1,247,400 GPR annually is provided for hazardous materials response teams.

[Act 15 Section: 75]

22. NEENAH-MENASHA FIRE RESCUE

SEG	\$200,000

Joint Finance/Legislature: Create an annual SEG appropriation to provide \$200,000 SEG in 2025-26 from the local government fund for a grant to fund a portion of the renovation costs of a training facility for Neenah-Menasha Fire Rescue. Repeal the appropriation on July 1, 2027.

[Act 15 Sections: 78, 79, and 9431(1)]

23. LIVE 911

Joint Finance/Legislature: Create an annual SEG appropriation under the Department of Military Affairs for a pilot grant program for Live 911, funded from the 911 fund. Provide to the Committee's SEG supplemental appropriation \$100,000 SEG in 2025-26 for potential release to the Department of Military Affairs for grants to public safety answering points to enable real-time video and multimedia communications between public safety answering points and individuals who call for emergency services. [See "Program Supplements."]

[Act 15 Section: 76]

MISCELLANEOUS APPROPRIATIONS

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled Amount	Percent
GPR	\$393,042,000	\$438,640,400	\$431,362,000	\$431,362,000	\$431,362,000	\$38,320,000	9.7%
SEG	64,742,000	64,545,600	63,798,200	63,798,200	63,798,200	- 943,800	- 1.5
TOTAL	\$457,784,000	\$503,186,000	\$495,160,200	\$495,160,200	\$495,160,200	\$37,376,200	8.2%

FTE Position Summary
There are no authorized positions for Miscellaneous Appropriations.

Budget Change Items

1. GENERAL FUND SUPPLEMENT TO THE VETERANS TRUST FUND [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$17,129,600	- \$13,005,200	\$4,124,400

Governor: Provide \$9,889,800 in 2025-26 and \$7,239,800 in 2026-27 to reflect the Administration's estimate of the GPR funding increase needed for an annual transfer made to the veterans trust fund (VTF) to maintain a positive balance in that fund through the 2025-27 biennium. The appropriation base for this transfer is \$15,085,200; with the increase under this item, total funding for the transfer would be estimated at \$24,975,000 in 2025-26 and \$22,325,000 in 2026-27. [See "Veterans Affairs" for a complete summary of the projected VTF revenues and expenditures.]

Joint Finance/Legislature: Reduce funding increases by \$7,877,600 in 2025-26 and \$5,127,600 in 2026-27 to reflect a reestimate of the transfers in the 2025-27 biennium, based on anticipated VTF expenditures under Joint Finance action. Total transfers are estimated at \$17,097,400 in 2025-26 and \$17,197,400 in 2026-27.

2. MARQUETTE DENTAL SCHOOL DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$139,800	\$7,200	- \$132,600

Governor: Reestimate funding by \$99,200 in 2025-26 and -\$239,000 in 2026-27 for debt service costs on state general obligation bonds and commercial paper debt issued to fund a portion of the dental and education facility for the Marquette Dental School. Budgeted debt service costs associated with the School would be \$831,500 in 2025-26 and \$493,300 in 2026-27.

Joint Finance/Legislature: Reestimate an additional \$5,000 in 2025-26 and \$2,200 in 2026-27 for debt service costs on state general obligation bonds and commercial paper debt issued to fund a portion of the dental and education facility for the Marquette Dental School. Budgeted debt service costs associated with the School are \$836,500 in 2025-26 and \$495,500 in 2026-27.

3. TRANSFERS TO THE CONSERVATION FUND -- RECREATIONAL VEHICLES [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$0	\$28,200	\$28,200
SEG	- 196,400	- 747,400	- 943,800
Total	- \$196,400	- \$719,200	- \$915,600

Governor: Reestimate transfers to the conservation fund from the transportation fund for motorized recreational vehicles by -\$67,900 in 2025-26 and -\$128,500 in 2026-27. Transfers are deposited in the all-terrain vehicle (ATVs and utility terrain vehicles), snowmobile, and water resources (motorboats) accounts of the segregated conservation fund under the recreational vehicle fuel tax formulas. By statute, the snowmobile, motorboat, and ATV and UTV transfers are based on the fuel tax rate and the count of registered recreational vehicles as of certain dates in the preceding fiscal year.

Recreational Vehicle Transfers -- Governor

<u>Source</u>	<u>Base</u>	<u>2025-26</u>		<u>2026-27</u>	
		<u>Change to Base</u>	<u>Reestimate</u>	<u>Change to Base</u>	<u>Reestimate</u>
Transportation SEG					
Motorboats	\$13,190,500	-\$23,600	\$13,166,900	-\$231,200	\$12,959,300
Snowmobiles	5,319,500	-114,200	5,205,300	-115,800	5,203,700
ATVs & UTVs	<u>3,097,700</u>	<u>69,900</u>	<u>3,167,600</u>	<u>218,500</u>	<u>3,316,200</u>
Total	\$21,607,700	-\$67,900	\$21,539,800	-\$128,500	\$21,479,200

Joint Finance/Legislature: Reestimate transfers to the conservation fund from the transportation fund for motorized recreational vehicles by an additional -\$694,900 in 2025-26 and -\$52,500 in 2026-27. In addition, reestimate the general fund transfer for off-highway motorcycles by \$11,300 in 2025-26 and \$16,900 in 2026-27. Registration fees for off-highway motorcycles are deposited into the transportation fund, and the off-highway motorcycle account of the conservation fund instead receives a transfer from the general fund equal to annual registration fees as its primary source of revenues. Reestimates under Act 15 are shown in the following table.

Recreational Vehicle Transfers -- Act 15

<u>Source</u>	<u>Base</u>	<u>2025-26</u>		<u>2026-27</u>	
		<u>Change to Base</u>	<u>Reestimate</u>	<u>Change to Base</u>	<u>Reestimate</u>
GPR					
Off-Highway Motorcycles	\$112,400	\$11,300	\$123,700	\$16,900	\$129,300
Transportation SEG					
Motorboats	\$13,190,500	-\$318,300	\$12,872,200	-	\$13,190,500
Snowmobiles	5,319,500	-445,700	4,873,800	-\$243,400	5,076,100
ATVs and UTVs	<u>3,097,700</u>	<u>1,200</u>	<u>3,098,900</u>	<u>62,400</u>	<u>3,160,100</u>
SEG Total	\$21,607,700	-\$762,800	\$20,844,900	-\$181,000	\$21,426,700

4. DISASTER DAMAGE AIDS TRANSFER TO TRANSPORTATION FUND [LFB Paper 106] GPR - \$1,000,000

Joint Finance/Legislature: Reestimate the disaster damage aids appropriation transfer to the transportation fund by -\$1,000,000 in 2025-26.

2013 Wisconsin Act 20 established a GPR sum-sufficient appropriation to fund a transfer to the transportation fund in the second year of the biennium equal to the amount of disaster aid payments made during the biennium in excess of \$1,000,000 for any single disaster event. Although the funding is only needed in the second year of each biennium, this funding is automatically included in the base funding for the first and second years of the next biennium. As a result, the first year of funding has to be removed during the biennial budget process. The current base level is \$1,000,000. The provision removes funding not needed in 2025-26.

5. WISCONSINEYE ENDOWMENT GPR \$10,000,000

Joint Finance/Legislature: Amend the biennial appropriation titled "Transfer for an endowment fund for WisconsinEye" under Miscellaneous Appropriations to extend the last date by which a payment may be made to WisconsinEye from June 30, 2025, to June 30, 2026. In addition, remove the deadline for WisconsinEye to raise non-state revenues, and provide \$10,000,000 in 2025-26 to the existing WisconsinEye endowment appropriation. Require the Secretary of the Department of Administration (DOA) to make a payment of \$250,000 in 2025-26 to WisconsinEye. [No match would be required for the \$250,000. The current law match requirement would apply to the remaining \$9,750,000.]

Under current law and under the bill, DOA is prohibited from providing a grant to WisconsinEye unless WisconsinEye has already raised for the endowment fund from non-state funding sources total amounts that at least equal the amount of the payment. Further, DOA must make a payment in the form of a grant only if the Joint Committee on Finance approves a request for funding made jointly by the Secretary of DOA and WisconsinEye. In addition, statute specifies that: (a) in perpetuity, if WisconsinEye ever ceases operations and divests assets, the state amount granted to WisconsinEye through the aforementioned process would be returned to the state for deposit to the general fund; and (b) as a condition of receiving any payment, WisconsinEye is prohibited from charging any fee for access.

[Act 15 Sections: 6, 7, 94, and 9101(1)]

Other Miscellaneous Appropriation Changes

The description and fiscal effect of miscellaneous GPR appropriation changes relating to Illinois-Wisconsin income tax reciprocity (\$20,700,000), interest on overpayment of taxes (\$4,000,000), and the oil pipeline terminal tax distribution (\$600,000) are summarized under "General Fund Taxes -- Refundable Tax Credits and Other Payments."

MISCELLANEOUS PROVISIONS

Budget Change Items

1. INCREASE PUBLIC RECORD LOCATION FEE THRESHOLD

Governor: Modify the statutory cost threshold for imposing a fee to cover the costs of locating a record such that the cost must be at least \$100 before any state agency, elected official, or local government could charge a fee. Under current law, the aforementioned entities may impose a fee upon a requestor for locating a record, not exceeding the actual, necessary, and direct cost of location, if the cost is at least \$50.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. EXTREME RISK PROTECTION TEMPORARY RESTRAINING ORDERS AND INJUNCTIONS

Governor: Create an extreme risk protection temporary restraining order and extreme risk protection injunction, prohibiting a person from possessing a firearm if he or she is a danger to themselves or others. The bill specifies that the intent of the provision is to implement a state crisis intervention court proceeding in the form of an extreme risk protection order program that is eligible for federal grants.

a. Extreme Risk Protection Temporary Restraining Orders and Injunctions - General. Establish a two-part procedure for an extreme risk protection injunction action. First, if the petitioner requests an extreme risk protection temporary restraining order, the court must issue or refuse to issue the order. If issued, the order must set a date for the injunction hearing, which must be within 14 days of issuing the temporary restraining order for the hearing on the injunction, and must forward a copy of the order, hearing date, and petition to the appropriate law enforcement agency. The law enforcement agency must immediately, or as soon as practicable, service it on the respondent or have the court order other appropriate service. If a temporary restraining order is not issued, the respondent must be served notice of the petition by a law enforcement officer or have the court order other appropriate service, and the date for the hearing must be set in motion. Service must include the name of the respondent and petition, and the date, time and place of the injunction hearing, if known. The date for the hearing must be set upon motion by either party. Second, the court must hold a hearing on whether to issue an injunction (the final relief).

Specify that an extreme risk protection order or injunction must include a statement that the order or injunction may be accorded full faith and credit in every civil or criminal court of the United States, any other state, and tribal courts, to the extent that the court has personal jurisdiction. In addition, specify that an extreme risk protection action must be filed in the county in which the

case of action arose, or where the petitioner or respondent resides.

b. Petition and Service. Specify that no extreme risk protection temporary restraining order and injunction action may be commenced by complaint and summons (only by petition). Specify petition requirements for extreme risk protection restraining orders and injunctions. Provide that only a law enforcement officer or a family or household member of the respondent may file a petition. Require that the petition must allege specific facts to show: (a) the name of the petitioner and how the petitioner is a family or household member of the respondent (unless the petitioner is a law enforcement officer); (b) the name of the respondent; (c) that the respondent is substantially likely to injure themselves, or another person if the respondent possesses a firearm; (d) information on the number, types, and locations of firearms possessed by the respondent; and (e) evidence of an immediate and present danger (increased by waiting for an injunction hearing), if requested a temporary restraining order. Specify that the Clerk of Circuit Court must provide simplified forms to assist a person in filing a petition. In addition, specify that a petitioner for an injunction that knowingly provides false information in the petition is subject to prosecution for false swearing (a Class H felony, a maximum sentence of three years confinement and three years extended supervision and/or a fine of up to \$10,000).

c. Temporary Restraining Orders. Establish an extreme risk protection temporary restraining order, prohibiting the respondent from possessing a firearm and ordering the respondent to surrender all firearms in the respondent's possession if all of the following occur: (1) a petitioner files a petition containing the appropriate information and requesting a temporary restraining order. The petition must be heard by the court in an expedited manner and the petitioner and any witnesses may be examined under oath and may produce or rely on a submitted affidavit; or (2) the judge finds all of the following: (a) substantial likelihood the petition will be successful; and (b) good cause that there is an immediate and president danger. If the petition is successful, the temporary restraining order remains in effect until a hearing is held and may not be renewed or extended. The order must inform the respondent named in the petition of the requirements and penalties related to a violation.

Upon issuance of a temporary order, either a law enforcement officer may require the respondent to immediately surrender all firearms in his or her possession, if the officer is able to serve the respondent with the order, or, order the respondent to surrender all firearms to a law enforcement officer or transfer or sell all firearms in his or her possession within 24 hours of service, if the officer is not able to serve the respondent with the order. Specify that the respondent must file with the court a receipt, containing certain information, indicating that the respondent's firearms were surrendered, transferred, or sold within 48 hours of service.

Under the bill, if the respondent does not comply with the requirements of an order issued to surrender firearms, or if a law enforcement officer has probable cause to believe that the respondent possesses a firearm, a law enforcement officer must request a search warrant to seize the firearms and may use information contained in the petition to establish probable cause. In addition, the court may schedule a hearing to surrender firearms for any reason relevant to the surrender of firearms.

d. Injunctions. Establish an extreme risk protection injunction prohibiting the

respondent from possessing a firearm and, if the respondent was not subject to an extreme risk protection temporary restraining order, requiring the respondent to surrender all firearms in the respondent's possession if: (a) the petitioner files a petition and serves a copy or summary of the petition and notice of the injunction hearing time on the respondent, or the respondent serves a notice of the injunction hearing time on the petitioner; and (b) the judge finds by clear and convincing evidence that the respondent is substantially likely to injure themselves or another person if the respondent possesses a firearm. Specify that the judge may enter an injunction only against the respondent named in the petition, and any issued injunction must inform the named respondent of possession of firearm requirements and penalties.

Under the bill, unless a judge vacates the extreme risk protection injunction, an injunction is effective for a period determined by the judge that is no longer than one year (although the court can extend an expired injunction, upon petition, for up to one additional year, if the judge finds the respondent is still substantially likely to injure themselves or another person if the respondent possesses a firearm).

Specify that an injunction may be vacated upon written request by the respondent to a judge (one request during any injunction period). The petitioner must be notified of the request before it is considered, and the judge must vacate the injunction if the respondent demonstrates by clear and convincing evidence that the respondent is no longer substantially likely to injure themselves or another person if the respondent possesses a firearm.

Provide that if an injunction is issued, extended, or vacated, the Clerk of Circuit Court must notify the Department of Justice of the action, and provide information concerning the effective period of the injunction or the date on which the injunction is vacated, along with information necessary to identify the respondent (this information may be disclosed only to: (a) a law enforcement agency for law enforcement purposes; or (b) to respond to a request to access firearm prohibition orders, for a firearms restrictions record search, or for a background check). The Clerk must also send a copy of the injunction or order extending or vacating an injunction to the sheriff or to any other local law enforcement agency which is the central repository for injunctions, with jurisdiction over the petitioner's premises, within one business day after the injunction is issued, extended, or vacated. No later than 24 hours after receiving a copy of the issued, extended, or vacated injunction, the sheriff or law enforcement agency must enter the information into the transaction information for management enforcement system and make the information available to other law enforcement agencies. Specify that the information does not need to be maintained after the injunction is no longer in effect.

e. Modification of Court Procedure, Criminal Statutes, and Enforcement of Actions. Modify statutory language to add extreme risk protection orders: (a) to the time limits statutes for parties seeking a hearing de novo ("anew"); (b) to the list of actions for which a petitioner may combine with other actions, in certain circumstances; (c) to the list of orders for which a foreign protection order or modification with the same effect must be enforced; (d) to the list of actions circuit court commissioners have the power to hold hearings, make findings, and issue temporary orders on; (e) to the list of actions that must be extended in the case of needing a substitute judge; (f) to the list of statutes prohibiting firearm possession, used by the Department of Justice to conduct background checks to determine whether an applicant for a license to carry a concealed

weapon is prohibited from possessing a firearm; and (g) to the list of orders for which a person subject to the order may not possess a firearm (or otherwise be subject to a Class G felony for possession of a firearm, a maximum sentence of five years confinement and five years extended supervision and/or a fine of up to \$25,000).

f. Return of a Firearm. Specify that a firearm surrendered under extreme risk protection statutes cannot be returned until the respondent completes a petition and the judge or commissioner determines: (a) the temporary restraining order or injunction has been vacated or has expired and not been extended; and (b) the person is not prohibited from possessing a firearm under any state or federal law or order, other than the order relevant to the present petition. The judge or commissioner must use information maintained by law enforcement, identified above, to aid in their determination.

Specify that if a surrendered firearm is owned by a person other than the respondent, the owner may apply to the court for its return in the county in which the respondent is located. The court must order notice to be given to all persons who have or may have an interest in the firearm and must hold a hearing on all claims to the true ownership. The court must order the firearm returned, along with information on the requirements and penalties of straw purchasing firearms, if rightful possession is proved to the court's satisfaction.

Specify that the Director of State Courts is required to develop a petition for the return of firearms form that is substantially the same as the notice and process for firearm surrender form, available under current law.

g. Definitions. For the purposes of the extreme risk protections provisions, define "family or household member," to mean: (a) a person related by blood, adoption, or marriage to the respondent; (b) a person with whom the respondent has or had a dating relationship, or with whom the respondent has a child in common; (c) a person who resides with, or within the six months before filing a petition, had resided with, the respondent; (d) a domestic partner of the respondent as defined under state law; (e) a person who is acting or has acted as the respondent's legal guardian or who is or was a foster parent or other physical custodian of the respondent; or (f) a person for whom the respondent is acting or has acted as a legal guardian or for whom the respondent is or was the foster parent or other physical custodian. Use current law definitions of "firearms dealer" and "law enforcement officer" in conjunction with extreme risk protection injunctions.

Modify the statutory language to define "firearms restrictions record search" to mean a search of Department of Justice records to determine whether a person seeking to purchase a handgun is prohibited from possessing a firearm under possession of a firearm statutes or is included in the self-assigned firearm exclusion database, and require a search to determine whether a person is subject to an extreme risk protection order or injunction as prohibitive of firearm possession within the definition.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. FIREARMS IN UNATTENDED RETAIL FACILITIES

Governor: Require any person who engages in the retail commercial sale or transfer of firearms, when the place of business is unattended, to secure each firearm that is located in the place of business using one of the following methods:

a. in a locked fireproof safe, in a locked steel gun cabinet, or in a vault in the business premises;

b. in a display case that is made with a steel frame that is no thinner than 12 gauge, is fitted with a hardened steel lock where the case opens to access the firearm, and is fitted either with smash-proof polycarbonate panels that are at least one-quarter inch thick or with glass that is protected with a security or protective laminate film that is specifically designed to delay entry and unauthorized access, with a minimum thickness of at least eight-thousandths of an inch, and that includes an anchoring system on all seams of each glass panel and is also anchored to the frame. If the location of the retail store is at street level, one of the following is also required:

1. concrete or hardened steel bollards, or other barriers such as security planters or other devices with a similar structural integrity of bollards, that protect the location's front entrance, any floor-to-ceiling windows, and any other doors that could be breached by a vehicle; or

2. locking steel roll-down doors that are installed on all perimeter doors and floor-to-ceiling windows, unless the installation would violate a state or local fire code;

c. with a hardened steel rod or cable of at least one-eighth inch in diameter through the trigger guard of the firearm. The steel rod or cable must be secured with a hardened steel lock that has a shackle. The lock and shackle must be protected or shielded from the use of a bolt cutter, and the rod or cable must be anchored in a manner that prevents the removal of the firearm from the premises. If the location of the retail store is at street level, one of the following is also required:

1. concrete or hardened steel bollards, or other barriers such as security planters or other devices with a similar structural integrity of bollards, that protect the location's front entrance, any floor-to-ceiling windows, and any other doors that could be breached by a vehicle; or

2. locking steel roll-down doors that are installed on all perimeter doors and floor-to-ceiling windows, unless the installation would violate a state or local fire code.

d. in a windowless room that is equipped with a steel security door fitted with a deadbolt lock and that does not have a door exposed to the outside of the building; or

e. behind a steel roll-down door or security gate, or in a locked steel gun rack by use of a hardened steel bar.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. GENDER-NEUTRAL STATUTORY REFERENCES

Governor: Modify current statutes by replacing all references to "husband" or "wife" with "spouse." Modify current statutes to make applicable to married persons of the same sex all provisions under current law that apply to married persons of different sexes, consistent with the U.S. Supreme Court decision *Obergefell v. Hodges*. Define "spouse" as a person who is legally married to another person of the same sex or a different sex.

Specify the ways in which married couples of the same sex may be the legal parents of a child, and with some exceptions, make current references in the statutes to "mother" and "father," and related terms, gender-neutral.

Adoption. Modify current law to expressly permit same sex spouses to jointly adopt a minor child. Under current law a husband and wife may jointly adopt a minor child. Further, expressly permit a same-sex spouse of a person who is the parent of a minor child to adopt the child and become the legal parent of the spouse's child.

Artificial Insemination. Specify that a same or opposite sex spouse may consent to the artificial insemination of their spouse and upon successful insemination become the natural parent of any child conceived from the procedure. Delete the requirement that artificial insemination occur under the supervision of a physician but specify that if the procedure is not supervised by a physician the semen used must have been obtained from a sperm bank. Under current law, a same or opposite sex spouse may consent to the artificial insemination of his or her wife, but while a husband would be considered the natural parent of any child conceived, a same sex spouse would not be automatically considered a natural parent. Further, under current law, the insemination must occur under the supervision of a licensed physician.

Marital Presumption of Paternity. Expand the legal marital presumption of paternity to become a legal marital presumption of parentage and apply that presumption to spouses of either sex. Under this provision, a person is presumed to be the natural parent of a child if he or she: (a) was married to the child's established natural parent when the child was conceived or born; or (b) married the child's established natural parent after the child was born but had a relationship with the established natural parent when the child was conceived and no person has been adjudicated to be the father and no other person is presumed to be the child's parent because he or she was married to the natural parent when the child was conceived or born. Modify the current law allowing for the rebuttal of the marital presumption of paternity, to allow a person to rebut the marital presumption of parentage by the results of a genetic test showing that the statistical probability of another person's parentage is 99.0 percent or higher. Specify that the marital presumption may be rebutted regardless of whether the presumption applies to a male or female spouse.

Voluntary Acknowledgement of Paternity. Expand voluntary paternity acknowledgements to allow for voluntary parentage acknowledgements. Permit both natural parents to sign a voluntary parentage acknowledgement and file it with the state registrar. If the state registrar receives such a statement, the two people who signed the statement are presumed to be the parents of the child. Specify that a statement acknowledging parentage that is not rescinded, in accordance with state law, conclusively establishes parentage with regard to the person who did not give birth

to the child and who signed the statement. Under current law, the mother and a man may sign and file a statement acknowledging paternity in order for the man to become the presumed father of the child.

Modify current statutes by replacing a number of references to "biological parent" with the term "natural parent." Define "natural parent" to mean an individual who is the parent of a child who is not an adoptive parent, whether the parent is biologically related to the child or not. By replacing references to "biological parent" with "natural parent" additional rights are awarded to spouses who do not rebut the marital presumption of parentage, without requiring the non-biological parent to adopt the minor child. Additional rights are also awarded to non-biological parents who voluntarily acknowledge parentage. Under current law, these rights apply to parents and pertain to areas of the law including, but not limited to, education, medical information and decision-making, and parental responsibilities such as child support.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. PROVISION AND FUNDING OF EMERGENCY MEDICAL SERVICES BY TOWNS

Governor: Provide town boards the authority to contract for or maintain emergency medical services for the town. Specify that if the town board contracts for emergency medical services, the board may contract with more than one provider. Allow that for the purposes of funding emergency medical services, the board would be authorized to do any of the following: (a) appropriate money; (b) charge property owners a fee for the cost of emergency medical services provided to their property, according to a written schedule established by the town board; (c) levy taxes on the entire town; and (d) levy taxes on property served by a particular source of emergency medical services, to support the source of emergency medical services.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. REPEAL 2023 ACT 12 LOCAL GOVERNMENT ADVISORY REFERENDA RESTRICTIONS

Governor: Repeal the restrictions that prohibit cities, villages, towns, and counties from conducting most types of advisory referenda. 2023 Act 12 prohibited cities, villages, towns, and counties from conducting advisory referenda, with the exception of advisory referenda regarding capital expenditures to be funded from the property tax levy or municipal or county revenue sharing agreements between political subdivisions. In addition, municipalities are allowed under current law to conduct advisory referenda related to the following: (a) a cooperative plan related to municipal boundary changes; (b) the operation of a cable system by a municipality; (c) the provision of video service, telecommunications service, or Internet access service directly or indirectly to the public by a municipality; or (d) supporting the operation of a municipal telecommunications utility.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. FLOODPLAIN AND FLOOD DAMAGE DISCLOSURE REQUIREMENTS

Governor: Amend provisions of Chapter 709 of the statutes (real estate disclosures) that list the information that must be contained in residential condition report forms, which are filled out and provided to a prospective buyer of residential real property or of vacant land by the owner. Provide as follows: (a) include a definition of the term "flooding" in the forms' introduction, to mean a general or temporary condition of partial or complete inundation of a dwelling caused by: (i) the overflow of inland or tidal waters; (ii) the unusual and rapid accumulation of runoff or surface waters from any established water source such as a river, stream, or drainage ditch; or (iii) excessive rainfall; (b) a link to a website maintained by the Department of Natural Resources about flood insurance, which would be placed following a question on the forms regarding the owner's awareness of whether the property or portion of the property is in a floodplain, wetland, or shoreland zoning area; (c) amend a question as to whether the owner has filed any insurance claims relating to damage within the last five years, to include the phrase "including damage caused by flooding"; and (d) include, as a new question, "Have you applied for financial support, other than an insurance claim, related to damage to this property or premises caused by flooding within the last five years?"

Specify that these changes do not require a property owner that has furnished to a prospective buyer of the property an original or amended report before the effective date of this provision, to submit an amended report. Specify that the changes to the forms first apply to report forms that are furnished on the first day of the seventh month beginning after publication of the bill.

Modify a provision under Chapter 704 of the statutes (landlords and tenants) relating to the lease of residential or nonresidential premises to specify that if a landlord has actual knowledge that any premises are located in a floodplain, the landlord must disclose that fact to a prospective tenant, before entering into a rental agreement with or accepting any earnest money or security deposit from the prospective tenant.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. WINE SALES IN PUBLIC PARKS

Governor: Permit municipalities and counties to sell wine in its public parks without an alcohol beverage license. Under current law, no person may sell alcoholic beverages to a consumer without holding the appropriate license, permit, or authorization issued under Chapter 125 of the Wisconsin Statutes. However, certain exceptions in state law waive the requirement to hold a license or permit. An exception currently applies for sales of fermented malt beverages (beer) in any public park operated by a county or municipality, if the beer is sold by officers or employees of the county or municipality under an ordinance, resolution, rule, or regulation enacted by the

governing body. The bill would expand the current law exception to include sales of wine in public parks. This provision would take effect on the bill's effective date.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

NATURAL RESOURCES

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$198,441,400	\$246,405,100	\$226,158,600	\$226,158,600	\$226,158,600	\$27,717,200	14.0%
FED	202,630,600	199,357,400	187,920,000	187,920,000	187,920,000	- 14,710,600	- 7.3
PR	70,587,400	68,305,100	67,033,100	67,033,100	67,033,100	- 3,554,300	- 5.0
SEG	<u>733,646,200</u>	<u>981,498,100</u>	<u>778,484,500</u>	<u>778,484,500</u>	<u>776,134,500</u>	<u>42,488,300</u>	5.8
TOTAL	\$1,205,305,600	\$1,495,565,700	\$1,259,596,200	\$1,259,596,200	\$1,257,246,200	\$51,940,600	4.3%
BR		\$875,000,000	\$0	\$0	\$0		

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	219.77	232.77	219.77	219.77	219.77	0.00
FED	544.09	498.09	493.59	493.59	493.59	- 50.50
PR	212.63	205.13	200.03	200.03	200.03	- 12.60
SEG	<u>1,563.43</u>	<u>1,593.93</u>	<u>1,560.43</u>	<u>1,560.43</u>	<u>1,560.43</u>	<u>- 3.00</u>
TOTAL	2,539.92	2,529.92	2,473.82	2,473.82	2,473.82	- 66.10

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,717,900	0.00	- \$639,400	0.00	\$1,078,500	0.00
FED	- 3,273,200	- 46.00	- 905,600	0.00	- 4,178,800	- 46.00
PR	- 1,524,300	0.00	0	0.00	- 1,524,300	0.00
SEG	<u>21,020,100</u>	<u>0.00</u>	<u>- 4,003,200</u>	<u>0.00</u>	<u>17,016,900</u>	<u>0.00</u>
Total	\$17,940,500	- 46.00	- \$5,548,200	0.00	\$12,392,300	- 46.00

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	-\$479,600	-\$679,200	\$0	-\$2,964,200	-\$4,123,000
Removal of Noncontinuing Elements	0	-531,100	0	0	-531,100
Full Funding of Cont. Pos. Salary/Fringe	1,320,200	864,500	-838,200	9,707,800	11,054,300
Reclassification/Pay Progression	12,200	13,500	51,300	205,800	282,800
Overtime	0	0	8,000	3,324,100	3,332,100
Night and Weekend Differential	0	0	0	224,900	224,900
Full Funding of Lease/Directed Moves	<u>1,400</u>	<u>216,400</u>	<u>0</u>	<u>-74,500</u>	<u>143,300</u>
Total	\$854,200	-\$115,900	-\$778,900	\$10,423,900	\$10,383,300
2026-27					
Turnover Reduction	-\$479,600	-\$679,200	\$0	-\$2,964,200	-\$4,123,000
Removal of Noncontinuing Elements	0	-3,592,100	0	0	-3,592,100
Full Funding of Cont. Pos. Salary/Fringe	1,320,200	864,500	-838,200	9,707,800	11,054,300
Reclassification/Pay Progression	19,400	22,700	84,800	348,800	475,700
Overtime	0	0	8,000	3,324,100	3,332,100
Night and Weekend Differential	0	0	0	224,900	224,900
Full Funding of Lease/Directed Moves	<u>3,700</u>	<u>226,800</u>	<u>0</u>	<u>-45,200</u>	<u>185,300</u>
Total	\$863,700	-\$3,157,300	-\$745,400	\$10,596,200	\$7,557,200
Biennial Totals	\$1,717,900	-\$3,273,200	-\$1,524,300	\$21,020,100	\$17,940,500

In addition, reduce authorized positions by 9.00 FED in 2025-26 and 46.00 FED in 2026-27 under the removal of noncontinuing elements standard budget adjustment.

Joint Finance/Legislature: Delete an additional -\$15,300 SEG to correct calculations for turnover reduction. Further, increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$319,700 GPR, -\$1,986,300 SEG, and -\$452,800 FED annually.

2. LIMITED-TERM EMPLOYEE COMPENSATION [LFB Paper 515]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$472,000	- \$472,000	\$0
SEG	<u>4,440,400</u>	<u>- 4,440,400</u>	<u>0</u>
Total	\$4,912,400	- \$4,912,400	\$0

Governor: Provide \$2,456,200 (\$236,000 GPR, \$51,700 environmental SEG, and \$2,168,500 conservation SEG) annually in additional funding to increase limited-term employee (LTE) wages and fringe benefits. The provision would increase base-level funding for LTE salaries by \$1,948,300 (\$187,200 GPR, \$41,000 environmental SEG, and \$1,720,100 conservation SEG), and base-level fringe benefit allotments by \$507,900 (\$48,800 GPR, \$10,700 environmental SEG, and \$448,400 conservation SEG).

The following table shows annual additional funding amounts for LTE salaries and fringe benefits by Department of Natural Resources (DNR) division and program area under the provision.

Limited-Term Employee Funding Increases -- Governor

<u>Division/Program Area</u>	<u>GPR</u>	<u>SEG</u>	<u>Total</u>
Fish, Wildlife, and Parks			
Wildlife Management		\$396,700	\$396,700
Southern Forests		158,800	158,800
Parks		455,500	455,500
Natural Heritage/Endangered Resources		175,700	175,700
Fisheries Management		429,500	429,500
Property and Recreational Management		144,800	144,800
Forestry		212,200	212,200
Public Safety and Resource Protection		43,300	43,300
Environmental Management			
Drinking and Groundwater	\$31,500		31,500
Water Quality	177,800		177,800
Air Management		7,600	7,600
Remediation and Redevelopment		44,100	44,100
Internal Services			
Finance		5,900	5,900
Facilities and Lands		12,400	12,400
Information Technology		18,900	18,900
External Services			
Watershed Management	26,700		26,700
Waterways		30,700	30,700
Environmental Analysis and Sustainability		16,800	16,800
Customer and Outreach Services		67,300	67,300
Total	\$236,000	\$2,220,200	\$2,456,200

Joint Finance/Legislature: Provision not included.

3. LEGAL SERVICES FROM DEPARTMENT OF JUSTICE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$332,000	- \$332,000	\$0
PR	167,600	- 167,600	0
SEG	394,800	- 394,800	0
Total	\$894,400	- \$894,400	\$0

Governor: Provide \$447,200 annually (\$166,000 GPR, \$83,800 PR, and \$197,400 SEG) for legal services provided to DNR by the Department of Justice (DOJ). The Administration indicates that DNR and DOJ have had a memorandum of understanding since 2005-06 for legal services related to the enforcement and defense of laws related to air, land, and water resources. The Administration further indicates that there has been increased workload related to legal

services in recent years, with DNR's payment for 2024-25 to DOJ for these services totaling \$907,200.

The following table provides the additional annual funding amounts by funding type in the provision.

Legal Services Funding -- Governor

<u>Division/Program</u>	<u>GPR</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Fish, Wildlife, and Parks				
Wildlife Management			\$17,000	\$17,000
Parks			13,600	13,600
Fisheries Management			17,300	17,300
Forestry			11,400	11,400
Public Safety and Resource Protection	\$15,200			15,200
Environmental Management				
Drinking and Groundwater			16,900	16,900
Water Quality	27,300			27,300
Air Management		\$55,500	5,800	61,300
Waste and Materials Management			31,000	31,000
Remediation and Redevelopment			27,800	27,800
Internal Services				
Legal Services		28,300	26,200	54,500
Facilities and Lands			12,500	12,500
Human Resources			4,300	4,300
External Services				
Watershed Management	59,800			59,800
Waterways	63,700			63,700
Environmental Analysis and Sustainability			6,500	6,500
Customer and Outreach Services			7,100	7,100
Total	\$166,000	\$83,800	\$197,400	\$447,200

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. NIGHT AND WEEKEND DIFFERENTIAL PAY

SEG	\$184,200

Governor/Legislature: Provide \$92,100 conservation SEG each year in additional funding for night and weekend differential pay costs. DNR pays an additional 80¢ per hour for all hours worked between 6:00 P.M. and 6:00 A.M. and an additional 80¢ per hour for all hours worked on Saturdays and Sundays. Employees who work between 6:00 P.M. and 6:00 A.M. on weekends receive both pay differentials, adding \$1.60 to their hourly wage.

5. NONPROFIT CONSERVATION ORGANIZATION GRANT FUNDING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$830,000	- \$830,000	\$0
SEG	<u>747,000</u>	<u>- 747,000</u>	<u>0</u>
Total	\$1,577,000	- \$1,577,000	\$0

Governor: Create a GPR appropriation for grants to four nonprofit conservation organizations (NCOs), and provide \$415,000 GPR annually. Provide \$373,500 forestry SEG annually in funding for grants to two organizations also receiving GPR funding and to three separate NCOs. The bill would restore funding for these seven grants to the amounts that were provided prior to 2015 Wisconsin Act 55, which deleted funding for these grants.

The bill would provide funding for the following grants to NCOs: (a) Gathering Waters, for grants to an organization that assists NCOs; (b) the Ice Age Trail Alliance, for grants to an organization that supports the Ice Age Trail; (c) Great Lakes Timber Professionals Association, for grants to support individuals that are receiving logging education; (d) Natural Resources Foundation, for grants to an organization that encourages private corporations to undertake activities to preserve endangered species and other natural resources; (e) River Alliance of Wisconsin, for grants to an organization that provides assistance to river protection groups; (f) grants to organizations that support urban forest protection; and (g) Wisconsin Lakes, for grants to an organization that provides assistance for lake classification projects.

The following table summarizes annual funding amounts for each of the seven grants to NCOs.

Nonprofit Conservation Organization Grants -- Governor

<u>Grant Recipient or Program</u>	<u>Annual GPR Funding</u>	<u>Annual SEG Funding</u>	<u>Annual Total Funding</u>
Gathering Waters	\$103,800	\$34,600	\$138,400
Ice Age Trail Alliance	0	74,200	74,200
Great Lakes Timber Professionals Association	0	148,500	148,500
Natural Resources Foundation	42,000	42,000	84,000
River Alliance of Wisconsin	69,200	0	69,200
Urban Forest Protection Grants	0	74,200	74,200
Wisconsin Lakes	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total	\$415,000	\$373,500	\$788,500

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. INFORMATION TECHNOLOGY SYSTEMS MAINTENANCE AND FIELD EQUIPMENT FUNDING [LFB Paper 516]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$141,000	- \$141,000	\$0
SEG	<u>556,000</u>	<u>- 119,800</u>	<u>436,200</u>
Total	\$697,000	- \$260,800	\$436,200

Governor: Provide \$348,500 annually (\$70,500 GPR, \$152,300 environmental SEG, and \$125,700 petroleum inspection SEG) for the maintenance of information technology (IT) systems and replacement of IT field equipment for staff in the Division of Environmental Management. Environmental SEG funding would include \$149,900 from the environmental management account and \$2,400 from the nonpoint account. The Administration reports that systems for high-capacity well online applications and wastewater plan reviews are examples of those that need maintenance. Field equipment such as pressure and temperature sensors, impact-resistant tablets or laptops, and buoys would be acquired with the funding.

Joint Finance/Legislature: Modify provision to provide \$218,100 SEG each year in one-time funding for the high-capacity well application interface system and wastewater plan review system information technology projects, and for replacement of information technology field equipment for staff in the Division of Environmental Management. (Funding includes \$178,700 environmental SEG and \$39,400 petroleum inspection fund SEG each year.)

7. DOCUMENT DIGITIZING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,766,600	- \$1,766,600	\$0

Governor: Provide \$883,300 annually in one-time funding to convert DNR paper records into digital format. The Administration indicates that funding would be utilized to lease 10 scanner machines and hire 15 LTEs to carry out the project.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. eGRANTS SYSTEM LICENSING AND SUPPORT [LFB Paper 517]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$0	- \$4,200	- \$4,200
SEG	<u>700,000</u>	<u>- 393,200</u>	<u>306,800</u>
Total	\$700,000	- \$397,400	\$302,600

Governor: Provide \$350,000 annually in funding for hosting and maintenance services related to the eGrants system. Annual funding would include \$245,000 conservation SEG and \$105,000 environmental SEG, each in split-funded appropriations.

DNR administers approximately 60 grant programs annually to local units of governments, tribal nations, nonprofit organizations, private businesses, and individuals. The Administration reports that DNR's current grant processing and administration system is more than 20 years old and requires manual data entry by staff as well as paper document storage. The current system also requires that applicants download grant application documents to fill out and does not allow applicants to view the status of applications. The eGrants system is currently in the procurement process and would be a web-based grant processing and administration system integrated with DNR's fiscal management system. The funding would support further eGrants system post-procurement costs, such as maintaining security protocols, cloud storage for data, and data backup and recovery functions.

Joint Finance/Legislature: Modify provision to include funding of \$350,000 (\$245,000 split-funded conservation SEG and \$105,000 split-funded environmental SEG) in 2026-27 for eGrants system post-procurement costs. In addition, delete \$4,200 GPR, \$19,800 SEG from the snowmobile account of the conservation fund, and \$23,400 split-funded conservation SEG in 2026-27 related to LTE salaries allotments and fringe benefits for the DNR Bureau of Community Financial Assistance.

9. GIS LICENSES

SEG	\$300,000

Governor/Legislature: Provide \$150,000 each year for mobile geographic information systems (GIS), desktop GIS licensing, and unlimited server capacity. The provision consolidates certain funding for GIS-related activities from various departmental programs to the technology services program in the Internal Services Division with net annual additions of \$139,200 split-funded conservation SEG and \$10,800 split-funded environmental SEG. GPR transfers between appropriations would net to \$0. DNR uses mobile mapping technology to collect field data for emergency response, property management, and public online maps. The additional server capacity is intended to improve the resiliency and efficiency of mobile mapping technology.

10. PROPERTY ASSET MANAGEMENT SYSTEM [LFB Paper 518]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,497,600	- \$1,497,600	\$0

Governor: Provide \$1,497,600 one-time conservation SEG (split-funded) funding in 2025-26 to develop a new property asset management system. The Administration indicates that DNR's current property asset management system was created in 2011 and is used to inventory DNR-owned property assets such as bridges, dikes, dams, water control structures, and buildings. The Administration reports that the current system has not been updated since its creation in 2011 and is difficult to use, which can lead to errors in reporting. The new system would integrate geospatial and tabular data from existing DNR systems and would be expected to improve data collection, maintenance tracking, and work order creation for staff.

Joint Finance/Legislature: Provision not included.

11. BUILDING DEMOLITION [LFB Paper 518]

GPR	\$500,000

Governor/Legislature: Provide \$500,000 one-time funding in a new continuing appropriation in 2025-26 to demolish DNR-owned buildings that have collapsed, or are in danger of collapsing. The Department reports that currently 100 DNR-owned buildings require demolition; 94 of the 100 buildings have a projected demolition cost of \$2.9 million. Buildings will be prioritized based on need when determining those to be demolished with the one-time funds.

[Act 15 Section: 37]

12. OFF-HIGHWAY MOTORCYCLE SALES TAX COLLECTION

Governor: Modify statutes to allow DNR to retain 1% of sales and use taxes collected on the sale of off-highway motorcycles (OHM). The bill would deposit the retained amounts in the off-highway motorcycle account of the conservation fund rather than the general fund. The Administration estimates a minimal fiscal effect to the OHM account and the general fund.

Any person registering an OHM must pay state sales and use taxes due on the purchase, if not already paid. DNR collects those payments upon registration, and the Administration expects receipts under the provision would defray the Department's administrative costs relating to collecting the taxes. Current law includes similar provisions related to sales and use taxes for all-terrain vehicles (ATVs), utility terrain vehicles (UTVs), boats, and snowmobiles.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. TRANSPORTATION PROJECT REVIEW STAFFING

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$121,500	1.00	- \$121,500	- 1.00	\$0	0.00

Governor: Provide \$52,800 in 2025-26 and \$68,700 in 2026-27 with 1.0 permanent position for transportation project review. The Administration reports increases in transportation infrastructure projects in recent years, including from the Infrastructure Investment and Jobs Act (IIJA), has required environmental reviews beyond current staffing capacity.

Joint Finance/Legislature: Provision not included.

14. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$11,577,900	- \$484,800	- \$12,062,700
SEG	- 6,091,500	- 131,100	- 6,222,600
Total	- \$17,669,400	- \$615,900	- \$18,285,300

Governor: Delete -\$10,258,000 (-\$6,307,100 GPR and -\$3,950,900 SEG) in 2025-26 and -\$7,411,400 (-\$5,270,800 GPR and -\$2,140,600 SEG) in 2026-27 to reestimate debt service payments on bonds issued for various DNR programs. The following table shows all DNR debt service budgeted under the bill.

DNR Debt Service Reestimates -- Governor

	2025-26			2026-27	
	Base	Change to Base	Reestimate	Change to Base	Reestimate
GPR					
Stewardship and predecessors	\$56,092,500	-\$6,394,000	\$49,698,500	-\$5,332,400	\$50,760,100
Combined sewer overflow	41,000	76,600	117,600	68,500	109,500
Municipal clean drinking water grants	300	700	1,000	700	1,000
Administrative facilities	<u>423,600</u>	<u>9,600</u>	<u>433,200</u>	<u>-7,600</u>	<u>416,000</u>
GPR Subtotal	\$56,557,400	-\$6,307,100	\$50,250,300	-\$5,270,800	\$51,286,600
SEG					
<i>Conservation Fund</i>					
State forest acquisition (sum-certain)	\$13,500,000	\$0	\$13,500,000	\$0	\$13,500,000
Dam repair and removal	55,400	19,600	75,000	-4,000	51,400
Administrative facilities	<u>7,544,900</u>	<u>-606,400</u>	<u>6,938,500</u>	<u>-13,800</u>	<u>7,531,100</u>
Conservation Fund SEG Subtotal	\$21,100,300	-\$586,800	\$20,513,500	-\$17,800	\$21,082,500

	2025-26			2026-27	
	Base	Change to Base	Reestimate	Change to Base	Reestimate
SEG					
Environmental Fund					
Remedial action	\$1,709,700	-\$405,600	\$1,304,100	-\$556,400	\$1,153,300
Contaminated sediment cleanup	2,333,900	128,000	2,461,900	-65,600	2,268,300
Rural nonpoint source grants - priority watershed program	2,051,900	-298,700	1,753,200	80,800	2,132,700
Rural nonpoint source grants - targeted runoff management	4,730,100	-1,816,900	2,913,200	-1,161,200	3,568,900
Urban nonpoint source	4,118,500	-1,138,500	2,980,000	-501,000	3,617,500
Water pollution abatement	242,600	391,700	634,300	226,300	468,900
Administrative facilities	<u>1,101,200</u>	<u>-224,100</u>	<u>877,100</u>	<u>-145,700</u>	<u>955,500</u>
Environmental Fund SEG Subtotal	\$16,287,900	-\$3,364,100	\$12,923,800	-\$2,122,800	\$14,165,100
SEG Total	\$37,388,200	-\$3,950,900	\$33,437,300	-\$2,140,600	\$35,247,600
All Funds Total	\$93,945,600	-\$10,258,000	\$83,687,600	-\$7,411,400	\$86,534,200

Joint Finance/Legislature: Reestimate debt service by an additional \$346,700 (\$358,300 GPR and -\$11,600 SEG) in 2025-26 and -\$962,600 (-\$843,100 GPR and -\$119,500 SEG) in 2026-27, as shown in the following table.

DNR Debt Service Reestimates -- Act 15

		2025-26			2026-27		
	Base	Change to Base	Change to Bill	Total	Change to Base	Change to Bill	Total
GPR							
Stewardship and predecessors	\$56,092,500	-\$6,063,600	\$330,400	\$50,028,900	-\$6,202,400	-\$870,000	\$49,890,100
Combined sewer overflow	41,000	76,600	0	117,600	68,500	0	109,500
Municipal clean drinking water grants	300	800	100	1,100	500	-200	800
Administrative facilities	<u>423,600</u>	<u>37,400</u>	<u>27,800</u>	<u>461,000</u>	<u>19,500</u>	<u>27,100</u>	<u>443,100</u>
GPR Subtotal	\$56,557,400	-\$5,948,800	\$358,300	\$50,608,600	-\$6,113,900	-\$843,100	\$50,443,500
SEG							
Conservation Fund							
State forest acquisition (sum-certain)	\$13,500,000	\$0	\$0	\$13,500,000	\$0	\$0	\$13,500,000
Dam repair and removal	55,400	17,800	-1,800	73,200	-4,000	0	51,400
Administrative facilities	<u>7,544,900</u>	<u>-594,300</u>	<u>12,100</u>	<u>6,950,600</u>	<u>-81,100</u>	<u>-67,300</u>	<u>7,463,800</u>
Conservation Fund SEG Subtotal	\$21,100,300	-\$576,500	\$10,300	\$20,523,800	-\$85,100	-\$67,300	\$21,015,200
Environmental Fund							
Remedial action	\$1,709,700	-\$398,600	\$7,000	\$1,311,100	-\$562,200	-\$5,800	\$1,147,500
Contaminated sediment cleanup	2,333,900	107,000	-21,000	2,440,900	-77,300	-11,700	2,256,600
Rural nonpoint source grants - priority watershed program	2,051,900	-298,400	300	1,753,500	77,000	-3,800	2,128,900
Rural nonpoint source grants - targeted runoff management	4,730,100	-1,822,700	-5,800	2,907,400	-1,173,900	-12,700	3,556,200
Urban nonpoint source	4,118,500	-1,139,400	-900	2,979,100	-516,500	-15,500	3,602,000
Water pollution abatement	242,600	391,600	-100	634,200	226,000	-300	468,600
Administrative facilities	<u>1,101,200</u>	<u>-225,500</u>	<u>-1,400</u>	<u>875,700</u>	<u>-148,100</u>	<u>-2,400</u>	<u>953,100</u>
Environmental Fund SEG Subtotal	\$16,287,900	-\$3,386,000	-\$21,900	\$12,901,900	-\$2,175,000	-\$52,200	\$14,112,900
SEG Total	\$37,388,200	-\$3,962,500	-\$11,600	\$33,425,700	-\$2,260,100	-\$119,500	\$35,128,100
All Funds Total	\$93,945,600	-\$9,911,300	\$346,700	\$84,034,300	-\$8,374,000	-\$962,600	\$85,571,600

15. ONLINE ALL-TERRAIN VEHICLE AND UTILITY-TERRAIN VEHICLE TRAIL MAP [LFB Paper 519]

SEG	\$1,000,000

Governor/Legislature: Provide \$1,000,000 from the all-terrain vehicle (ATV) and utility-terrain vehicle (UTV) account of the conservation fund in 2025-26 on a one-time basis for the development of an online, application-based, trail map for ATV and UTV routes. Funding will be provided to an organization that is eligible for a ATV/UTV safety enhancement grant under s. 23.33(5m)(b) of the statutes to develop and be responsible for ongoing costs related to the map. Under current law, eligibility requirements include that the organization is a nonstock corporation in Wisconsin, that the organization promotes the operation of ATVs/UTVs in a safe manner and in a manner that does not harm the environment, and that the interest of the organization is the recreational operation of ATVs/UTVs on ATV trails. Historically, this funding has been awarded to the National Off-Highway Vehicle Insurance Services Group (NOHVIS).

16. SNOWMOBILE TRAIL AND PROJECT AIDS APPROPRIATION LAPSE [LFB Paper 520]

Joint Finance/Legislature: Lapse the unencumbered balance on June 30, 2025, from the snowmobile trail and project aids continuing appropriation under s. 20.370(5)(cr) of the statutes to the balance of the snowmobile account of the conservation fund. The lapse is approximately \$8.6 million. Continuing appropriations do not lapse amounts that were unspent and unencumbered in a fiscal year or biennium to the source that provided the funding. Instead, they can accumulate unencumbered balances over time for their statutorily designated purpose.

In recent fiscal years, revenues have regularly been less than the authorized expenditures for the snowmobile account, in part due to unfavorable weather conditions in Wisconsin during recent snowmobile seasons that have reduced snowmobile usage, registrations, and trail pass purchases. The provision is intended to increase the available balance of the snowmobile account. The account had a cash balance of \$10.9 million on July 1, 2024, but an available balance of -\$3.6 million due to: (a) encumbrances carried by the account for funds already committed but yet to be spent; and (b) amounts in continuing appropriation balances, which are designated for specific purposes and not available for general use.

[Act 15 Section: 9132(1)]

17. TRIBAL LIAISON POSITION

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Position	Funding	Position	Funding	Position
SEG	\$155,400	1.00	-\$155,400	- 1.00	\$0	0.00

Governor: Provide \$67,300 in 2025-26 and \$88,100 in 2026-27 and 1.0 permanent position from conservation SEG (split-funded) annually to create an agency tribal liaison position. The DNR tribal liaison would be responsible for working with Native American tribes and bands on

behalf of the agency, as well as coordinating with the Director of Native American Affairs in the Department of Administration. [See "Administration -- Tribal Affairs and Division of Gaming."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. TRANSFERS BETWEEN APPROPRIATIONS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- \$389,600	\$389,600	\$0
SEG	<u>389,600</u>	<u>- 389,600</u>	<u>0</u>
Total	\$0	\$0	\$0

Governor: Transfer 2.0 SEG positions and funding between appropriations in DNR, as described in the following paragraphs by program. The provision would convert funding of \$194,800 annually from PR to SEG, with no net change overall. The transfer of 2.0 SEG positions would occur between appropriations of the environmental fund.

Federally-Regulated Air Pollution Fees. Transfer \$68,400 PR annually budgeted from fees on federally-regulated sources of air pollution to the environmental management account of the segregated environmental fund. Permit fee revenues from federally-regulated sources, also known as Title V sources, in recent years have been insufficient to fund all authorized positions. DNR reallocated 7.75 positions from these program revenues among several appropriations to environmental fund SEG under provisions of 2023 Act 19. The bill budgets for the position transfers under standard budget adjustments; additional transfers of supplies and services under the provision would delete remaining PR funding associated with those positions. (Separate provisions would increase fees on federally-regulated sources to provide additional PR funding for the program.)

The table shows funding transferred under the provision, by program area, to the environmental management SEG operations appropriations for the division noted.

Air Program Title V Funding Transfers

<u>DNR Division/Program</u>	<u>Funding</u>
Environmental Management (Administration)	\$20,200
Public Safety and Resource Protection	2,000
External Services	
Customer Services	8,700
Environmental Analysis and Sustainability	35,000
Communications	<u>2,500</u>
Total	\$68,400

Remediation and Redevelopment. Convert \$7,800 for supplies and services funded from dry cleaner environmental response fund (DERF) SEG to environmental fund SEG. DNR previously transferred 2.0 DERF SEG positions to environmental management SEG under 2023 Act 19 provisions. This transfer would eliminate remaining operations funding from DERF SEG, with the intention of having available DERF SEG revenues be allocated to repaying DERF obligations to the environmental improvement fund under provisions of 2009 Act 28.

Air Management -- New Source Review. Convert \$126,400 PR for supplies and services funded by air pollution sources new construction permit fee revenues to environmental management SEG. Funding is associated with 10.0 positions transferred under 2023 Act 19 provisions due to decreasing program revenues for the appropriation.

External Services. Convert \$274,100 for supplies and services funded from environmental improvement fund (EIF) SEG to environmental management SEG. DNR previously transferred 10.3 EIF SEG positions to environmental management SEG under 2023 Act 19 provisions to preserve EIF balances for financial assistance and other purposes under the clean water fund and safe drinking water loan programs. The provision would convert remaining EIF SEG funding budgeted to the External Services Division.

Additionally, reallocate \$206,500 and 2.0 positions in the Bureau of Watershed Management primarily funded by the environmental management account to regulation of concentrated animal feeding operations, funded by the nonpoint account of the environmental fund.

Joint Finance/Legislature: Provision not included.

19. BECOMING AN OUTDOORS-WOMAN PROGRAM

Governor: Modify the appropriation that funds the Becoming an Outdoors-Woman (BOW) program within the conservation fund from the fish, wildlife, and parks general program operations appropriation (fish and wildlife account) to the split-funded law enforcement operations appropriation. The BOW program is allocated \$53,700 annually by statute; this amount would not be modified by the provision, but the bill would transfer \$53,700 annually between the appropriations consistent with the statutory change. The Administration indicates that the DNR departmental reorganization, which was completed in 2017 Act 59, transferred the BOW program to the Division of Public Safety and Resource Protection, and the provision would align statute with current practice.

The BOW program was created in 1991 and is administered by the University of Wisconsin - Stevens Point to teach women outdoors-related skills. The program provides multi-course workshops twice a year, as well as other events. The workshops include classes on shooting sports, fishing, and non-harvest activities. The program is available to women of all ages.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

20. RECREATIONAL VEHICLES REESTIMATES [LFB Paper 106 and 521]

SEG	- \$1,348,700

Joint Finance/Legislature: Reestimate DNR continuing appropriations for the ATV and snowmobile accounts of the SEG conservation fund under the recreational vehicle fuel tax formulas as shown in the table. By statute, transfers are made from the transportation fund based on the fuel tax rate and the count of registered recreational vehicles as of certain dates in the preceding fiscal year.

Recreational Vehicle Motor Fuel Tax Transfer Reestimates -- Act 15

	<u>Base</u>	<u>Change to Base</u>		<u>Reestimate</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
Recreation aids - snowmobile trail areas	\$5,319,500	-\$445,700	-\$243,400	\$4,873,800	\$5,076,100
Recreation aids - all-terrain and utility terrain vehicle project aids	\$3,097,700	\$1,200	\$62,400	\$3,098,900	\$3,160,100

Further, reestimate the DNR supplemental snowmobile trail aids appropriation by -\$502,100 in 2025-26 and by -\$227,700 in 2026-27 from a base of \$1,117,500. Snowmobile supplemental trail aids are based on the number of nonresident annual trail passes sold in the prior fiscal year, multiplied by \$47.

Reestimate the ATV/UTV trail safety grant appropriation by \$100 in 2025-26 and \$6,500 in 2026-27 from a base of \$320,800. The value of the trail safety grant is set each year based on the greater of either \$297,000 or 80¢ multiplied by ATVs and UTVs registered in the state on the last day of February in the prior fiscal year.

21. DELETE VACANT POSITIONS

Joint Finance/Legislature: Delete 20.1 positions vacant for 12 months or longer, including -4.5 FED, -12.6 PR, -2.0 environmental SEG and -1.0 conservation SEG (forestry). Reduce funding associated with the positions by -\$365,900 FED, -\$1,015,000 PR, and -\$249,300 SEG annually. The following table summarizes deleted positions by program area and fund source.

	Funding	Positions
FED	- \$731,800	- 4.50
PR	- 2,030,000	- 12.60
SEG	<u>- 498,600</u>	<u>- 3.00</u>
Total	- \$3,260,400	- 20.10

Vacant Positions Deleted

<u>Program Area</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
Forestry Field Operations			1.0	1.0
Water Quality	2.0			2.0
Air Management		8.0		8.0
Waste and Materials Management	1.5	4.0	1.0	6.5
Remediation and Redevelopment		0.1	1.0	1.1
Environmental Analysis and Sustainability		0.5		0.5
Community Financial Assistance	<u>1.0</u>	<u>—</u>	<u>—</u>	<u>1.0</u>
Total	4.5	12.6	3.0	20.1

Stewardship

1. KNOWLES-NELSON STEWARDSHIP PROGRAM REAUTHORIZATION OVERVIEW [LFB Paper 525]

Governor: Reauthorize the Warren Knowles-Gaylord Nelson Stewardship Program for 10 years from 2026-27 through 2035-36 with an annual total allocation of \$100.0 million of bonding authority, GPR, and forestry SEG combined. The stewardship program was last authorized in 2021 Wisconsin Act 58 from 2022-23 through 2025-26 with an annual allocation of \$33.25 million. Under current law, DNR is authorized to incur debt for the purposes of: (a) acquiring land to expand recreational opportunities and protect environmentally sensitive areas; (b) developing outdoor recreational facilities on state conservation lands; (c) providing grants to local governments and nonprofit conservation organizations (NCOs), typically for up to 50% of the cost of acquiring or developing land for outdoor recreational activities; (d) providing grants to counties for up to 50% of the cost of acquiring forestry land; and (e) providing grants to local governments for developing all-terrain and utility terrain vehicle trails and facilities.

The following table provides the annual allocation amounts for the stewardship program by funding type and subprogram under current law and the bill. Bill provisions for the program's reauthorization are discussed in subsequent separate entries in this section.

Joint Finance/Legislature: Provision not included.

Knowles-Nelson Stewardship Program -- Comparison of Current Law and Senate Bill 45/Assembly Bill 50

	Current Law (2022-23 thru 2025-26)			GPR	SB 45/AB 50 (2026-27 thru 2035-36)			GPR	Change to Current Law		
	Bonding	SEG	Total		Bonding	SEG	Total		Bonding	SEG	Total
Land Acquisition											
DNR Acquisitions	\$1,000,000	\$5,000,000	\$6,000,000	\$0	\$1,000,000	\$6,000,000	\$7,000,000	\$0	\$0	\$1,000,000	\$1,000,000
NCO Acquisitions	7,000,000	0	7,000,000	0	14,000,000	0	14,000,000	0	7,000,000	0	7,000,000
County Forest Grants	0	3,000,000	3,000,000	0	0	3,000,000	3,000,000	0	0	0	0
Subtotal	\$8,000,000	\$8,000,000	\$16,000,000	\$0	\$15,000,000	\$9,000,000	\$24,000,000	\$0	\$7,000,000	\$1,000,000	\$8,000,000
Recreational Boating Aids	\$3,000,000	\$0	\$3,000,000	\$0	\$9,000,000	\$0	\$9,000,000	\$0	\$6,000,000	\$0	\$6,000,000
Motorized Recreation Grants ¹	0	0	0	0	5,000,000	0	5,000,000	0	5,000,000	0	5,000,000
Tribal Co-Management Program	0	0	0	3,000,000	0	0	3,000,000	3,000,000	0	0	3,000,000
Grants to NCOs	0	0	0	5,000,000	0	0	5,000,000	5,000,000	0	0	5,000,000
Property Development and Local Assistance											
DNR Property Development	\$4,500,000	\$0	\$4,500,000	\$0	\$15,450,000	\$0	\$15,450,000	\$0	\$10,950,000	\$0	\$10,950,000
Grants to Friends Groups	500,000	0	500,000	0	2,500,000	0	2,500,000	0	2,000,000	0	2,000,000
Local Assistance Grants	9,250,000	0	9,250,000	0	36,050,000	0	36,050,000	0	26,800,000	0	26,800,000
Subtotal	\$14,250,000	\$0	\$14,250,000	\$0	\$54,000,000	\$0	\$54,000,000	\$0	\$39,750,000	\$0	\$39,750,000
Total	\$25,250,000	\$8,000,000	\$33,250,000	\$8,000,000	\$83,000,000	\$9,000,000	\$100,000,000	\$8,000,000	\$57,750,000	\$1,000,000	\$66,750,000

¹ Motorized recreation grants may be awarded from either the land acquisition subprogram or the property development and local assistance subprogram under the bill.

2. CURRENT SUBPROGRAMS REAUTHORIZATION [LFB Paper 525]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$830,000,000	- \$830,000,000	\$0
SEG	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$830.0 million in additional bonding authority and \$1.0 million forestry SEG annually beginning in 2026-27 in additional funding for the reauthorization of current stewardship program subprograms from 2026-27 through 2035-36.

Land Acquisition Subprogram

The bill would provide the following allocations to the three components of the current land acquisition subprogram over the period of reauthorization: (a) \$1,000,000 in bonding authority annually and \$6,000,000 forestry SEG annually for DNR acquisitions, an increase of \$1,000,000 forestry SEG annually compared to \$5,000,000 under current law; (b) \$14,000,000 in bonding authority annually for NCO acquisitions, an increase of \$7,000,000 in bonding authority annually compared to \$7,000,000 under current law; and (c) \$3,000,000 forestry SEG annually for county forest grants, as under current law.

The bill would modify the title of the grants to NCOs for land acquisition component of the subprogram to "stewardship grants to nonprofit conservation organizations."

Under current law, of the amount allocated for DNR land acquisitions, DNR may not obligate more than one-third for the purchase of DNR land in fee-simple; at least two-thirds of allocated funding can be used for DNR acquisitions of easements. The bill would create an expiration date for this provision at the end of 2025-26.

Property Development and Local Assistance Subprogram

The bill would modify the title of the property development and local assistance subprogram to the "state property development and local parks and recreation subprogram."

The bill would provide the following allocations of general obligation bonding authority to the three components of the current state property development and local parks and recreation subprogram, over the period of reauthorization: (a) \$15,450,000 annually for DNR property development, an increase of \$10,950,000 annually compared to \$4,500,000 under current law; (b) \$2,500,000 annually for grants to friends groups, an increase of \$2,000,000 annually compared to \$500,000 under current law; and (c) \$36,050,000 annually for local assistance grants, an increase of \$26,800,000 compared to \$9,250,000 under current law. The Administration in April of 2025 submitted an erratum to clarify the intended bonding authority described.

Under current law, as a subset of the \$5,000,000 annual bonding authority for DNR property development, DNR is required to establish a program for grants to friends groups and NCOs for projects for property development on DNR properties. Friends groups are nonprofit organizations

that provide direct support to individual DNR properties, such as by organizing park cleanup and trail work days. The bill would increase the maximum amount per property that DNR can encumber for grants to friends groups from \$20,000 to \$50,000.

Recreational Boating Aids

The bill would modify the title of the recreational boating aids subprogram to the "local recreation boat facilities" subprogram. The bill would provide \$9,000,000 in bonding authority annually for local recreation boat facilities grants, an increase of \$6,000,000 annually compared to \$3,000,000 under current law.

Under current law, the Waterways Commission is required to place recreational boating projects on a priority list based on certain factors. The bill would modify one of the factors on the list from "projects underway" to "projects in a state of readiness."

Under current law, recreational boating grants can be utilized to fund feasibility studies to determine whether the construction of a recreational boating facility is feasible from an environmental, economic, and engineering perspective. The bill would repeal the authorization for these feasibility studies.

Under current law, 40% of recreational boating grants must be expended on Great Lakes related projects, 40% must be expended on inland waters related projects, and 20% can be expended on projects deemed necessary by the Waterways Commission regardless of location. However, on the first day of the fourth quarter of the fiscal year, with the approval of the Commission, DNR may reallocate any unencumbered funds for that fiscal year, regardless of the percentages discussed above. The bill would modify the date to the first day of the third quarter of the fiscal year.

Motorized Recreation Grants

The bill would provide \$5,000,000 bonding authority annually for a motorized recreation grants program for the acquisition of land in fee simple or easement for ATV, OHM, or snowmobile trails, and for construction of trail crossings by local units of government or recreational vehicle clubs. Under current law, DNR may obligate stewardship bonding authority under the property development and local assistance subprogram for motorized recreation projects. Eligible activities include: (a) acquisition of easements; (b) development of facilities, routes, and trails; and (c) signage improvements. However, DNR has not awarded stewardship funds for these purposes under the program's current reauthorization.

The bill would specify that grants for land acquisition would be considered obligations from the land acquisition subprogram and that grants for construction of trail crossings would be considered obligations from the state property development and local parks and recreation subprogram. However, the bill does not specify amounts to be allocated for each category. Further, the stewardship program under current law and the bill specifies maximum amounts that can be obligated under each of the land acquisition and property development and local assistance subprograms, but the bill does not account for motorized recreation grants in either subprogram. The Administration indicates the grants are intended to be created in a separate subprogram.

The bill would define eligible recreational vehicle clubs as ATV, OHM, or snowmobile clubs as specified elsewhere in statutes, and the bill would also define utility terrain vehicle club as a group promoting the recreational use of UTVs. The bill would prohibit grant recipients from converting the acquired land, or any rights in the land, to a use inconsistent with the type of trail specified in the grant unless approved by the Natural Resources Board.

Joint Finance/Legislature: Provision not included.

3. GRANTS TO NONPROFIT CONSERVATION ORGANIZATIONS [LFB Paper 525]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,000,000	- \$5,000,000	\$0

Governor: Create a grant program under the stewardship program for grants to NCOs to support wildlife and habitat management on NCO-owned lands. Further, provide \$5,000,000 each year in a new continuing appropriation beginning in 2026-27. The program's purpose of supporting wildlife and habitat management would differ from the uses of current stewardship NCO grants for land acquisition. Acquisitions use bond funding that is not allowed to be used for certain non-capital costs that could be supported under the provisions.

Joint Finance/Legislature: Provision not included.

4. TRIBAL CO-MANAGEMENT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,000,000	- \$3,000,000	\$0

Governor: Create a program under the stewardship program to coordinate with federally-recognized Native American tribes or bands in Wisconsin regarding the management of education infrastructure, land management activities, and other activities on DNR-owned land. Further, provide \$3,000,000 annually in a new continuing appropriation for the program beginning in 2026-27. The Administration indicates the program will support both grants and internal projects, which could include funding for educational infrastructure, such as signage, and ecological projects with tribes.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. STEWARDSHIP PROGRAM CAPITAL IMPROVEMENT FUND TRANSFER DISCONTINUATION [LFB Paper 525]

Governor: Modify the stewardship program to eliminate the transfer of forestry SEG funds to the capital improvement fund. Amend DNR land acquisition and county forest grants appropriations to eliminate references to forestry SEG transfers to the capital improvement fund and modify the appropriations to continuing appropriations. Amend the capital improvement fund statutes to remove references to forestry SEG transfers.

Under the bill, \$6.0 million forestry SEG for DNR acquisitions each year and \$3.0 million forestry SEG each year for county forest grants would instead be funded directly by forestry SEG. The amendments to land acquisition and county forest grant appropriations would be effective on July 1, 2026, at the beginning of the new authorization period. The amendment to the capital improvement fund statute would be effective on enactment, which would require an amendment to mirror the effective date of the land acquisition and county forest amendments.

Under current law, the state capital improvement fund is established to receive the proceeds of state issuance of public debt (bonds). The stewardship program has been primarily bond-funded, meaning that program expenditures for land acquisition and grants would be financed by debt issuance but disbursed from the capital improvement fund.

Since 2022-23, the stewardship land acquisition subprogram is funded by \$5 million forestry SEG each year for DNR land acquisitions and \$3 million forestry SEG each year for county forest grants, and these amounts are created by statute as transfers from the conservation fund to the capital improvement fund. DNR is authorized to obligate these amounts, as well as \$1 million in bonding authority each year, from the capital improvement fund under the stewardship land acquisition program.

Joint Finance/Legislature: Provision not included.

6. STEWARDSHIP PROGRAM TRANSFER FROM CAPITAL IMPROVEMENT FUND [LFB Paper 525]

Governor: Transfer from the capital improvement fund to the forestry account of the conservation fund in 2026-27 an amount equal to the total amount of forestry SEG transferred to the capital improvement fund from 2022-23 through 2025-26, minus the total amount obligated for the DNR acquisitions and county forest grants components of the land acquisition subprogram from 2022-23 through 2025-26, but excluding \$4.0 million to account for the \$1.0 million bonding authority annually provided for DNR acquisitions.

As described in a previous item, the stewardship land acquisition program is funded by forestry SEG amounts that are transferred to the capital improvement fund. DNR has interpreted the statutes currently to require the transfer of the entire \$8 million forestry SEG annually, regardless of the amounts actually obligated each year for departmental acquisitions or county forest grants. The provision is intended to effectively reverse the transfer of forestry SEG that was transferred to the capital improvement fund but went unobligated during the four fiscal years of

the current stewardship program authorization. The bill would not transfer \$4 million, equal to the \$1 million in bonding authority under the land acquisition subprogram each year of the four-year current authorization.

Joint Finance/Legislature: Provision not included.

7. STEWARDSHIP PROGRAM APPRAISALS

Governor: Sunset the provision that requires DNR to utilize at least two appraisals to determine the current fair market value of land being acquired through a stewardship program grant. Under current law, DNR is required to obtain two appraisals for any land acquisition grants to local units of government or NCOs funded by stewardship program bonding authority that is estimated by DNR to be greater than \$350,000. For land acquisition grants, DNR pays for one appraisal and the grant applicant pays for the second appraisal. DNR may also require a third appraisal be obtained by the local unit of government or NCO, and the costs of the third appraisal are split equally. The provision would take effect with the 2026-27 fiscal year.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Fish, Wildlife, and Natural Heritage Conservation

1. LICENSE AND APPROVAL FEE INCREASES [LFB Paper 530]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG-REV	\$51,000,000	- \$51,000,000	\$0

Governor: Increase the statutory fee amounts for hunting, fishing, and other types of licenses, permits, stamps, and approvals. License fees are intended to be increased to amounts that would stabilize the fish and wildlife account of the conservation fund and address the structural imbalance in the account. The Administration estimates that this provision would generate \$17 million in revenue in 2025-26 and \$34 million in revenue in 2026-27 and in subsequent fiscal years. The changes to fees would take effect on March 1, 2026.

The following table provides statutory fee amounts for each of the licenses, permits, stamps, and other approvals that would be modified by the provision. The amounts do not include issuing and other fees. In most cases, licenses would incur \$0.75 issuing fees, and stamps and certain other authorizations would incur \$0.25 issuing fees. Hunting approvals also would incur the wildlife damage surcharge; under current law and the bill, this surcharge is \$4 for conservation patron licenses and \$2 for most other hunting approvals. In general, the provision would increase fees by

the following amounts:

- \$20 for resident and nonresident gun deer, archery/crossbow, small game, and resident sports licenses;
- \$40 for resident, nonresident adult, and nonresident youth conservation patron licenses and for nonresident sports licenses;
- \$40 for wolf harvesting licenses and for resident and nonresident Class A bear licenses;
- \$10 for other resident and nonresident hunting licenses, including several resident youth and senior licenses;
- \$10 for most resident and nonresident fishing licenses;
- A range of \$6 to \$7.75 for most hunting and fishing stamps;
- \$40 for guide and sport trolling fishing licenses, and \$10 or \$20 for other commercial fishing licenses;
- \$20 for most trapping and fur licenses, except \$10 for youth and mentored trapping; and
- \$10 for wild rice, ginseng, and endangered resources authorizations.

Fish and Wildlife License and Approval Fees -- Governor

	<u>Current Fee Amount¹</u>	<u>SB 45/AB 50 Fee Amount¹</u>	<u>Change</u>
Resident Hunting Licenses			
Small Game	\$15.25	\$35.25	\$20.00
Small Game Senior	6.25	16.25	10.00
Small Game Youth	6.25	16.25	10.00
Deer	21.25	41.25	20.00
Bonus Deer	11.25	21.25	10.00
Bonus Deer in CWD-affected Area	5.75	15.75	10.00
Deer Youth	17.25	27.25	10.00
Wolf Harvesting	48.25	88.25	40.00
Elk	46.25	66.25	20.00
Class A Bear	46.25	86.25	40.00
Archer	21.25	41.25	20.00
Archer Youth	17.25	27.25	10.00
Crossbow	21.25	41.25	20.00
Crossbow Youth	17.25	27.25	10.00
Archery/Crossbow Upgrade	2.25	12.25	10.00
Wild Turkey	12.25	22.25	10.00
Additional Wild Turkey	9.75	19.75	10.00
Nonresident Hunting Licenses			
Annual Small Game	\$87.25	\$107.25	\$20.00
Five-day Small Game	57.25	67.25	10.00
Deer	197.25	217.25	20.00
Bonus Deer	19.25	29.25	10.00
Bonus Deer in CWD-affected Area	5.75	15.75	10.00
Wolf Harvesting	250.25	290.25	40.00
Elk	248.25	268.25	20.00

Fish and Wildlife License and Approval Fees -- Governor (continued)

	Current <u>Fee Amount</u> ¹	SB 45/AB 50 <u>Fee Amount</u> ¹	<u>Change</u>
Nonresident Hunting Licenses (continued)			
Class A Bear	248.25	288.25	40.00
Archer	197.25	217.25	20.00
Crossbow	197.25	217.25	20.00
Archery/Crossbow Upgrade	2.25	12.25	10.00
Fur-bearing Animal	162.25	182.25	20.00
Wild Turkey	62.25	72.25	10.00
Additional Wild Turkey	14.75	24.75	10.00
Hunting Stamps			
Wild Turkey	\$5.00	\$12.75	\$7.75
Pheasant	9.75	15.75	6.00
Waterfowl	11.75	13.75	2.00
Resident Fishing Licenses			
Annual	\$19.25	\$29.25	\$10.00
Annual Senior	6.25	16.25	10.00
Spousal	30.25	40.25	10.00
Annual for 16- and 17-year Olds	6.25	16.25	10.00
One-day Fishing	7.25	17.25	10.00
Two-day Sports Fishing	13.25	23.25	10.00
Two-day Inland Lakes Trout	13.25	23.25	10.00
Annual or Temporary for Disabled Person	6.25	16.25	10.00
One-day Group Fishing for Developmentally Disabled	24.25	34.25	10.00
Annual or Temporary for Disabled Veteran	2.25	12.25	10.00
Sturgeon Spearing	19.25	34.25	15.00
Nonresident Fishing Licenses			
Annual	\$54.25	\$64.25	\$10.00
Annual Family	69.25	79.25	10.00
Fifteen-day	32.25	42.25	10.00
Fifteen-day Family	44.25	54.25	10.00
Four-day	28.25	38.25	10.00
One-day	14.25	24.25	10.00
Two-day Sports	9.25	19.25	10.00
Sturgeon Spearing	64.25	103.25	39.00
Fishing Stamps			
Inland Waters Lake Trout	\$9.75	\$15.75	\$6.00
Great Lakes Trout and Salmon	9.75	16.75	7.00
Fishing Tags			
Sturgeon Hook and Line Resident	\$19.75	\$31.75	\$12.00
Sturgeon Hook and Line Nonresident	49.75	79.75	30.00
Combination Resident Licenses			
Sports	\$57.25	\$77.25	\$20.00
Sports Youth	32.25	42.25	10.00
Conservation Patron	160.25	200.25	40.00
Conservation Patron Youth	70.25	80.25	10.00
Conservation Patron Purple Heart	9.25	19.25	10.00
Annual Disabled Veteran Recreation	7.00	17.25	10.25
Combination Nonresident Licenses			
Sports	\$292.25	\$332.25	\$40.00
Sports Youth	33.25	72.25	39.00

Fish and Wildlife License and Approval Fees -- Governor (continued)

	Current Fee Amount ¹	SB 45/AB 50 Fee Amount ¹	Change
Combination Nonresident Licenses (continued)			
Conservation Patron	615.25	655.25	40.00
Conservation Patron Youth	72.25	112.25	40.00
Conservation Patron Purple Heart	160.25	170.25	10.00
Guide and Sport Trolling Resident Licenses			
Guide	\$39.25	\$79.25	\$40.00
Sport Trolling	100.00	140.25	40.25
Guide and Sport Trolling Nonresident Licenses			
Guide	\$99.25	\$139.25	\$40.00
Lake Michigan and Green Bay Sport Trolling	400.00	440.00	40.00
Lake Superior Sport Trolling	400.00	440.00	40.00
Trapping, Fur, and Taxidermist Resident Licenses			
Trapping	\$19.25	\$39.25	\$20.00
Trapping Under 16-years Old	9.25	19.25	10.00
Mentored Trapping	9.25	19.25	10.00
Class A Fur Dealer	25.00	45.00	20.00
Class B Fur Dealer	10.00	30.00	20.00
Taxidermist	50.00	70.00	20.00
Trapping and Taxidermist Nonresident Licenses			
Trapping	\$149.25	\$169.25	\$20.00
Taxidermist	100.00	120.00	20.00
Other Fur Licenses			
Itinerant Fur Buyer	\$200.00	\$220.00	\$20.00
Fur Dresser or Dyer	25.00	45.00	20.00
Fur Auctioneer	250.00	270.00	20.00
Resident Commercial Fishing Licenses			
Outlying Waters per Boat	\$899.25	\$919.25	\$20.00
Outlying Waters without Boat	899.25	919.25	20.00
Rough Fish Harvest per Boat	25.00	35.00	10.00
Rough Fish Harvest without Boat	25.00	35.00	10.00
Nonresident and Other Commercial Fishing Licenses			
Nonresident Outlying Waters per Boat	\$6,499.25	\$6,519.25	\$20.00
Nonresident Outlying Waters without Boat	6,499.25	6,519.25	20.00
Outlying Waters License Transfers	50.00	60.00	10.00
Other Commercial Licenses			
Seine Nets First 500 Feet	\$20.00	\$30.00	\$10.00
Seine Nets Second 500 Feet	10.00	20.00	10.00
Seine Nets Additional 100 Feet or Fraction Thereof	2.00	12.00	10.00
Gill Nets First 2,000 Feet	10.00	20.00	10.00
Gill Nets Additional 100 Feet or Fraction Thereof	1.00	11.00	10.00
Bait Nets	20.00	30.00	10.00
Buffalo and Frame Nets	10.00	20.00	10.00
Slat Nets	20.00	30.00	10.00
Trammel Nets	20.00	30.00	10.00
Inland Waters Set or Bank Pole	2.25	12.25	10.00
Inland Waters Setline	10.00	20.00	10.00
Shovelnose Sturgeon Permit	50.00	60.00	10.00
Wholesale Fish Dealer	100.00	110.00	10.00

Fish and Wildlife License and Approval Fees -- Governor (continued)

	Current Fee Amount ¹	SB 45/AB 50 Fee Amount ¹	Change
Other Commercial Licenses (continued)			
Clam Buyer	\$300.00	\$310.00	\$10.00
Clam Sheller	30.00	40.00	10.00
Bait Dealer Approvals			
Class A Bait Dealer	\$49.25	\$59.25	\$10.00
Class B Bait Dealer	9.25	19.25	10.00
Wild Rice and Ginseng Approvals			
Wild Rice Harvest	\$7.50	\$17.50	\$10.00
Class A Wild Rice Dealer	15.00	25.00	10.00
Class B Wild Rice Dealer	50.00	60.00	10.00
Class C Wild Rice Dealer	100.00	110.00	10.00
Class D Wild Rice Dealer	150.00	160.00	10.00
Wild Ginseng Harvest Resident	15.00	25.00	10.00
Wild Ginseng Harvest Nonresident	30.00	40.00	10.00
Class A Resident Wild Ginseng Dealer	100.00	110.00	10.00
Class B Resident Wild Ginseng Dealer	500.00	510.00	10.00
Class C Resident Wild Ginseng Dealer	1,000.00	1,010.00	10.00
Nonresident Wild Ginseng Dealer	1,000.00	1,010.00	10.00
Endangered Species Permit	\$100.00	\$110.00	\$10.00

¹Fee amounts do not include issuing and other fees.

Joint Finance/Legislature: Maintain fish and wildlife license and approval fees as provided under current law. Further, transfer \$15,000,000 SEG each year on a one-time basis from the balance of the forestry account of the conservation fund to the balance of the fish and wildlife account of the conservation fund. The transfer is intended to stabilize the fish and wildlife account balance through the 2025-27 biennium. The \$15,000,000 amount is based on the estimated structural imbalance of the fish and wildlife account's general revenues and expenditures. The fish and wildlife account's general structural balance excludes revenues that are required by statute to be used for dedicated purposes, such as the revenues from fish and wildlife stamps.

[Act 15 Section: 9232(2)]

2. WOLF MONITORING AND ABATEMENT PROJECTS [LFB Paper 531]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,700,000	- \$3,700,000	\$0

Governor: Provide \$3,525,000 in 2025-26 and \$175,000 in 2026-27 for DNR wolf monitoring efforts and aids to livestock producers for nonlethal abatement projects in locations with persistent wolf activity. The bill would provide \$3,500,000 in 2025-26 and \$150,000 in 2026-27 for aids to livestock producers for predator-proof fencing projects. The bill would further provide \$25,000 annually for wolf monitoring efforts at the Department.

DNR has monitored the state's wolf population since 1979. DNR monitors the wolf population through methods such as snow track surveys, public observations and reports, wolf radio-collaring, and field observations of wolf mortality. DNR annually calculates an estimated wolf population utilizing data collected through these monitoring methods. Currently, DNR may reimburse wolf depredation of livestock using GPR, endangered resources SEG from the conservation fund, or certain federal grants. The U.S. Department of Agriculture Wildlife Service program assists in implementing nonlethal abatement in Wisconsin. The 2023 Wisconsin Wolf Management Plan notes there is currently no dedicated state source to fund wolf conflict abatement measures.

Joint Finance/Legislature: Provision not included.

3. HABITAT STRATEGY AND PLANNING SYSTEM [LFB Paper 532]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$700,000	- \$700,000	\$0
SEG	<u>800,000</u>	<u>- 800,000</u>	<u>0</u>
Total	\$1,500,000	- \$1,500,000	\$0

Governor: Provide \$1,000,000 one-time funding (\$700,000 GPR and \$300,000 forestry SEG) in 2025-26 and \$500,000 fish and wildlife SEG beginning in 2026-27 for the purchase of mobile devices with GIS capability for field data collection, development of training modules, development of a habitat strategy and planning system, and ongoing maintenance and licensing costs associated with the system. The \$1,000,000 in one-time funding is associated with the purchase of mobile devices, the development of training modules, and the development of the habitat strategy and planning system, and the \$500,000 in continuing funding is associated with maintenance and licensing costs related to the system.

2023 Wisconsin Act 66 requires that DNR prepare a biennial habitat work plan that coincides with the biennial budget process. The plan is to establish and measure progress for priorities and goals for habitat management efforts on lands managed by DNR. 2023 Act 66 also requires that DNR annually report to the Natural Resources Board, the Joint Committee on Finance, and relevant standing committees of the Legislature on its progress towards the habitat work plan goals. The Administration reports that the habitat strategy and planning system would be used to more comprehensively comply with the reporting requirements of 2023 Act 66, such as by establishing habitat goals, ranking efforts based on habitat management priorities, conducting field assessments, mapping and tracking, conducting project planning, and tracking project expenditures. (The first biennial habitat work plan under 2023 Act 66 was submitted June 30, 2025.)

Joint Finance/Legislature: Provision not included.

4. DEER CARCASS DISPOSAL GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,000,000	- \$1,000,000	\$0

Governor: Create a continuing appropriation for grants to local governments, businesses, or nonprofit conservation organizations for the acquisition of large metal receptacles to dispose of deer carcasses. Further, provide \$1,000,000 fish and wildlife SEG in 2025-26 as one-time funding in the new continuing appropriation.

CWD is a fatal neurological disease in cervids such as deer and elk. The disease is communicable through deformed prions that can pass to other cervids through saliva, urine, or blood. Prions shed by infected animals are thought to persist in soils, although infectivity and the length of prion viability is still being researched. The provision is intended to provide additional secured options for disposing of a deer carcass and entrails, rather than leaving the carcass at the site of field dressing and risking the spread of prions from infected carcasses or tissues.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. TRIBAL FISH HATCHERY MAINTENANCE GRANTS [LFB Paper 533]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$2,000,000	- \$2,000,000	\$0

Governor: Provide \$1,000,000 annually in one-time funding from tribal gaming receipts for grants to federally-recognized tribes or bands for the maintenance and repair of fish hatcheries operated by the tribe or band. The Administration indicates that the structure of the grant program will be determined in the future by DNR in consultation with the tribes.

Joint Finance/Legislature: Provision not included.

6. HATCHERY AND CREEL SURVEY FUNDING [LFB Paper 534]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$182,000	- \$182,000	\$0
PR	185,000	- 185,000	0
SEG	<u>21,600</u>	<u>- 21,600</u>	<u>0</u>
Total	\$388,600	- \$388,600	\$0

Governor: Provide \$194,300 (\$91,000 GPR, \$92,500 PR from tribal gaming revenues, and

\$10,800 fish and wildlife SEG) annually for increased costs at state-owned fish hatcheries and to fund creel surveys of anglers and fish characteristics throughout the ceded territory in northern Wisconsin. \$92,500 PR and \$10,800 fish and wildlife SEG annually would be utilized for forage and freight costs at state-owned hatcheries. \$91,000 GPR annually would be utilized for additional creel surveys.

DNR monitors, maintains, and enhances aquatic ecosystems and sport and commercial fisheries. Fisheries population and habitat surveys are conducted to monitor the status and health of the state's fisheries and aquatic habitat, and to evaluate regulation effectiveness and needs. DNR also operates 14 facilities for fish propagation and stocking activities across the state.

Joint Finance/Legislature: Provision not included.

7. LAC DU FLAMBEAU APPROVAL FEES

Governor: Modify a tribal gaming PR appropriation for payments to the Lac du Flambeau Band of Lake Superior Chippewa for fishing license approvals sold on the tribe's reservation to allow the appropriation's unencumbered balance to lapse to the general fund on June 30 of each odd-numbered fiscal year. Tribal gaming revenues are allocated to 49 purposes annually. Most tribal gaming appropriations lapse their unencumbered balance to the general fund at the close of each fiscal year or fiscal biennium. The bill would amend the Lac du Flambeau license approvals appropriation to allow it to lapse, similar to other tribal gaming appropriations. As of June 30, 2024, the appropriation had an unencumbered balance of approximately \$678,000.

Current law authorizes DNR to remit, to the Lac du Flambeau band from tribal gaming PR, an amount equal to the fees collected for certain fishing licenses sold within the Lac du Flambeau reservation to non-tribal members on behalf of DNR. However, under s. 29.2295(5) of the statutes, to receive the approval fees, the tribe must have an agreement with DNR that requires the tribe to use the fees only for reservation fishery management, and that limits tribal member's use of off-reservation fishery rights. DNR has not had such an agreement with the tribe since 2013.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. KENOSHA DUNES RESTORATION PROJECTS [LFB Paper 535]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$6,000,000	- \$6,000,000	\$0

Governor: Create a continuing appropriation to fund erosion control projects in the Kenosha Dunes Unit of the Chiwaukee Prairie State Natural Area in Kenosha County. Provide \$6,000,000 one-time funding in 2025-26 for an erosion control project in the Kenosha Dunes Unit. The Administration reports that this project was selected during a planning and feasibility process

that occurred between 2015 and 2021. Funding would be utilized for a project design that would include the construction of a shoreline protection structure along approximately 1,400 feet of shoreline, breakwaters, offshore fish habitat enhancements, and a shoreline trail. The Administration and DNR intend for the project to mitigate erosion, increase climate resilience, enhance habitat, protect archaeological deposits, and provide controlled access within the site and between neighboring sites.

Joint Finance/Legislature: Modify provision to redirect \$6,000,000 in unobligated stewardship program bonding authority from 2023 Wisconsin Act 19 for the Kenosha Dunes restoration projects.

[Act 15 Section: 118]

9. ENDANGERED RESOURCES MATCH

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$900,000	- \$900,000	\$0

Governor: Raise the statutory cap on donations to the endangered resources program that may be matched with GPR from \$500,000 to \$950,000. Reestimate the match by \$450,000 annually. Revenues to the endangered resources (natural heritage conservation) program accrue primarily from donations, including from a voluntary income tax check-off program, and from sales of the \$25 endangered resources license plate. Other revenue sources include the sale of wild rice harvesting permits and timber harvests in state natural areas. In 2023-24, these sources raised \$1.5 million and were deposited to the endangered resources account of the conservation fund. Under current law, tax check-offs and other donations are matched with GPR up to \$500,000.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. WILD RICE RESTORATION AND PUBLIC EDUCATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$400,000	- \$400,000	\$0

Governor: Create an annual appropriation for wild rice restoration in northern Wisconsin's ceded territory, where tribes have treaty rights to harvest wild rice. Provide \$200,000 annually to fund wild rice stewardship. Specify that at least \$50,000 annually would be used for public education and outreach. Wild rice, also known as manoomin, is an important staple for many tribes, who harvest the rice for spiritual and cultural purposes. Wild rice harvests have diminished in recent years as climate change and habitat destruction have altered the traditional river and wetland habitats for the plant. The funding would be used for public outreach on wild rice conservation

efforts, seed purchases, and analysis of replanting efforts.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. WILD RICE MANAGEMENT COORDINATOR

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$145,400	1.00	-\$145,400	- 1.00	\$0	0.00

Governor: Provide \$62,300 in 2025-26 and \$83,100 in 2026-27 for salaries and fringe benefits and 1.0 position annually for a wild rice management coordinator. The Administration reports that the coordinator position would serve as a liaison within DNR and between the Department and external partners. For example, the position would represent DNR on wild rice-related committees and councils, and other responsibilities would include implementing rice management strategies, writing and managing grants, and performing education and outreach functions. The provision would be funded through the annual appropriation created under the item for wild rice restoration and public education.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Forestry

1. FORESTRY MILL RATE REESTIMATE AND REDUCTION [LFB Papers 106, 540, and 541]

Governor: Reduce the forestry mill tax transfer rate to 0.1406 mills for each dollar of the assessed valuation of taxable property in the state (14.06¢ per \$1,000) beginning in 2025-26. 2017 Wisconsin Act 59 replaced the state forestry mill tax with a sum-sufficient appropriation from the general fund equal to the value of the tax, or 0.1697 mills for each dollar of the assessed valuation of taxable property in the state (16.97¢ per \$1,000). Funds are transferred to the forestry account for the purposes of acquiring, preserving, and developing the forests of the state. The bill would reestimate the current law transfer by \$29,057,600 in 2025-26 and by \$36,169,400 in 2026-27, and decrease reestimate amounts by -\$28,464,200 in 2025-26 and -\$29,683,700 in 2026-27 to account for the reduction in the mill tax rate. The bill budgets the transfers at \$137,528,200 in 2025-26 and at \$143,420,500 in 2026-27. [See "Shared Revenue and Tax Relief -- Forestry Mill Rate."]

Joint Finance/Legislature: Include provision to reestimate the current law transfer by \$29,057,600 in 2025-26 and by \$36,169,400 in 2026-27. Further, maintain the forestry mill tax

transfer rate at 0.1697 mills for each dollar of the assessed valuation of taxable property in the state. The transfer is budgeted at \$165,992,400 in 2025-26 and at \$173,104,200 in 2026-27 under Act 15.

2. FORESTRY ACCOUNT TRANSFER TO THE TRANSPORTATION FUND

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG-Transfer	-\$25,000,000	\$25,000,000	\$0

Governor: Transfer \$25,000,000 forestry SEG to the transportation fund on July 1, 2026, for the Agricultural Roads Improvement Program. [See "Transportation -- Transportation Finance."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. HAZARDOUS TREE REMOVAL [LFB Paper 542]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$4,234,000	6.00	\$0	- 6.00	\$4,234,000	0.00

Governor: Provide \$2,066,500 forestry SEG in 2025-26 and \$2,167,500 forestry SEG in 2026-27 and 6.0 four-year project positions for hazardous tree removal on DNR-owned properties. The Administration reports that outbreaks of invasive spongy moth and emerald ash borers in Wisconsin have increased the volume of hazardous trees on DNR-owned properties, and that current staffing and funding levels are insufficient to manage the current volume of hazardous trees. The funding provided would include \$203,900 for project position salaries in 2025-26, \$271,800 for project position salaries in 2026-27, \$177,800 for fringe benefits in 2025-26, \$210,900 for fringe benefits in 2026-27, \$302,800 annually for LTE salaries, and \$1,382,000 annually for supplies and services. Amounts for LTEs and supplies and services would continue as base funding following the expiration of the project positions.

Joint Finance/Legislature: Modify provision to authorize \$2,066,500 forestry SEG in 2025-26 and \$2,167,500 forestry SEG in 2026-27 on a one-time basis for contracting costs for hazardous tree removal on DNR-owned recreational properties. Funding is provided in the DNR general forestry operations appropriation. Delete the creation of 6.0 project positions.

4. FIRE SUPPRESSION SERVICES FUNDING [LFB Paper 543]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$3,119,200	- \$836,800	\$2,282,400

Governor: Provide \$1,638,800 forestry SEG in 2025-26 and \$1,480,400 forestry SEG in 2026-27 for costs related to DNR fire suppression and prescribed burn efforts. The funding would provide for the following costs: (a) \$700,000 annually for contracts with third-party firefighting aircraft services; (b) \$495,400 in 2025-26 and \$465,400 in 2026-27 for procurement, replacement, and maintenance of DNR ground vehicles for firefighting; (c) \$190,000 each year for the maintenance and modernization of DNR firefighting aircraft; (d) \$125,000 annually for the maintenance of radios, a service the Administration reports is no longer provided by the Department of Transportation (DOT); (e) \$108,000 in 2025-26 for forward-looking infrared cameras to outfit existing state aircraft for aerial surveillance; (f) \$10,400 in 2025-26 for pilot training for aircraft services; and (g) \$10,000 in 2025-26 for flight safety equipment for DNR aircraft, such as life rafts, life jackets, and signal guns.

DNR has broad authority to prevent, detect, and suppress forest fires. DNR utilizes funding to establish and maintain ranger stations and fire suppression and communications equipment and for fire education and law enforcement activities. DNR's forest fire control program takes primary responsibility for forest fires on public and private lands in most northern and many southern counties. The forest fire control program also provides cooperative services to towns in those southern counties where wooded lands are more scattered. In addition, DNR also relies on local fire departments as needed for additional wildland fire suppression support.

Joint Finance/Legislature: Modify provision to include \$1,220,400 forestry SEG in 2025-26 and \$1,062,000 forestry SEG in 2026-27 on a one-time basis for costs related to DNR wildfire suppression and prescribed burn efforts. The funding is for: (a) \$281,600 each year for contracts for single-engine air tanker firefighting services; (b) \$495,400 in 2025-26 and \$465,400 in 2026-27 for replacement and maintenance of DNR ground vehicles for firefighting; (c) \$190,000 each year for the modernization of DNR aircraft; (d) \$125,000 each year for the maintenance of DNR mobile and portable radios; (e) \$108,000 in 2025-26 for forward-looking infrared cameras; (f) \$10,400 in 2025-26 for open-water survival courses and updates to flight simulator software for DNR's 10 pilots; and (g) \$10,000 in 2025-26 for flight safety equipment for DNR aircraft.

5. FIRE SUPPRESSION SERVICES OVERTIME [LFB Paper 543]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$987,000	- \$987,000	\$0

Governor: Provide \$493,500 forestry SEG annually in additional funding for overtime costs associated with DNR fire suppression services. The Administration reports that there has been an

increase in the frequency of significant wildfires in recent years, which are also occurring earlier and later in the year compared to historical rates. The Administration also reports that overtime costs related to DNR fire suppression services averaged \$491,600 annually more than the amount allocated in funding from 2019-20 through 2022-23. The provision would provide \$426,200 annually for salaries and \$67,300 annually for fringe benefits.

Joint Finance/Legislature: Provision not included.

6. EMERGENCY FIRE WARDEN REIMBURSEMENT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$492,400	- \$492,400	\$0

Governor: Create a sum sufficient appropriation to provide wages and reimbursement for other costs for emergency fire wardens. Funding for wages and reimbursement of other costs for emergency fire wardens would be estimated at \$246,200 forestry SEG annually. Emergency fire wardens are individuals that are deputized by DNR to serve as fire wardens during fire season or other temporary periods determined by DNR. Under current law, half of the payments related to emergency fire wardens are mostly expended from the general program operations appropriation of the forestry account and half of the payments are paid by the relevant county. The Administration indicates that \$246,200 was the average payment from DNR related to emergency fire wardens from 2020-21 through 2023-24. The bill language for the new appropriation references the forest fire protection grant program, under s. 26.145 of the statutes. However, the Administration indicates that the appropriation should reference ss. 26.11(4), 26.14(3), and 26.14(4) of the statutes, which would require a correction. In April of 2025, the Administration issued an erratum to that effect.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. STATE NURSERY OPERATIONS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$1,239,300	2.00	-\$1,239,300	- 2.00	\$0	0.00

Governor: Provide \$598,900 forestry SEG in 2025-26 and \$640,400 forestry SEG in 2026-27 and 2.0 positions annually to support operations at state nurseries. The bill would include: (a) \$131,700 annually for LTE salaries; (b) \$83,900 for permanent position salaries in 2025-26 and \$111,800 for permanent position salaries in 2026-27; and (c) \$75,000 in 2025-26 and \$88,600 in 2026-27 for fringe benefits. The bill would further include \$308,300 annually for costs related to seed and seedling production, such as fertilizer, pesticides, trucking, and shipping supplies.

In 2023-24, DNR allocated \$1.9 million and 9.0 positions for operations at state nurseries. DNR's reforestation program operates tree nurseries in Boscobel (Wilson State Nursery), Hayward (Hayward State Nursery), and Wisconsin Rapids (Griffith State Nursery). The Wilson nursery produces and distributes seedlings (trees and wildlife shrubs) used for reforestation and conservation purposes. The Hayward and Griffith nurseries are used for tree improvement, reforestation field trials, seed orchard production and breeding, seed processing and storage, and as seedling distribution centers. The Administration reports that 1.0 position would be hired to work at the Hayward State Nursery and 1.0 position would be hired at the Griffith State Nursery.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. STREAM CROSSING INVENTORY

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$1,144,100	1.00	-\$1,144,100	- 1.00	\$0	0.00

Governor: Provide \$561,100 forestry SEG in 2025-26 and \$583,000 forestry SEG in 2026-27 and 1.0 four-year project position annually to conduct a stream crossing inventory on northern forests, adjacent forest legacy program easements, and public roads. The inventory would follow the Great Lakes Stream Crossing Inventory protocol that outlines how stream crossings should be recorded and measured. The protocol was jointly developed by the Michigan DNR, Wisconsin DNR, the U.S. Fish and Wildlife Service, and other organizations. The bill would provide \$500,000 annually for supplies and services and \$61,100 in 2025-26 and \$83,000 in 2026-27 in salary and fringe benefit costs for the project position. The amount for supplies and services would continue as base funding following the expiration of the project position.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. FORESTRY WORKFORCE AND EDUCATION PROGRAMS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,300,000	-\$1,300,000	\$0

Governor: Provide \$650,000 forestry SEG annually for the Wisconsin Forestry Careers Coalition (WFCC) program and the Learning, Experiences, and Activities in Forestry (LEAF) program at the University of Wisconsin - Stevens Point. The bill would provide \$150,000 annually to the WFCC program and \$500,000 annually to the LEAF program. Under current law, the LEAF program has a base funding of \$350,000 annually. The bill would initiate ongoing funding for the WFCC program.

The WFCC was created in 2022 with an \$8 million federally-funded grant from the Wisconsin Economic Development Corporation. WFCC is a forestry education and career pathway program. The program has three focus areas: (a) educating high school students through applied forestry curriculum; (b) training entry-level employees through immersion programs in forestry operations and mill technology; and (c) raising public awareness of the forestry industry and its careers.

LEAF is a K-12 forestry education program that was created in 2001. LEAF provides professional development opportunities, curriculum, and forestry kits to teachers to promote forestry education in schools. LEAF has also registered over 27,000 acres of land in the school forest program.

Joint Finance/Legislature: Provision not included.

10. COUNTY SUSTAINABLE FORESTRY AND COUNTY FOREST ADMINISTRATOR GRANTS [LFB Paper 544]

SEG	\$1,000,000

Governor/Legislature: Provide \$500,000 forestry SEG each year in additional funding for county sustainable forestry and county forest administrator grants. County forests are the largest form of public land ownership in the state. County forests are managed to protect wildlife and watersheds, provide recreational opportunities, and to produce merchantable timber for the state's forest products industries. DNR provides grants to counties with forests enrolled in the county forest program to encourage the implementation of sustainable forestry practices. Additionally, DNR provides grants to counties with county forest land for up to 50% of the salary and fringe benefit costs of a county forest administrator or assistant forest administrator, with a maximum eligible fringe rate of 40% of salary. Both grants are paid from a single biennial appropriation. Act 15 increases base funding to \$2,363,900 each year.

Within the appropriation, DNR sets funding allocations for each grant. However, county forest administrator grants are awarded first, meaning the amounts allocated by category vary year to year in practice. DNR expects to increase base funding for each grant by \$250,000 annually to \$1,735,900 for county forest administrator grants and \$628,000 for county sustainable forestry grants.

11. WISCONSIN PRIVATE FOREST LANDOWNER GRANTS [LFB Paper 545]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$500,000	- \$409,800	\$90,200

Governor: Provide \$250,000 forestry SEG annually in additional funding for the private forest landowner grant program. The program provides grants to private landowners for the costs of developing and implementing forest stewardship management plans on plots of 500 acres or less of nonindustrial private forest land in the state. Management plans are required to contain

practices that protect and enhance: (a) soil and water quality; (b) endangered, threatened, or rare forest communities; (c) sustainable forestry; (d) habitat for fish and wildlife; and (e) the recreational, aesthetic, and environmental benefits that the forest land provides. DNR administers the program with grants up to 50% of project costs; by administrative rule, the state share of costs may be up to 75% and not to exceed \$10,000. DNR is also required to allocate at least \$60,000 each year for invasive plant control grants. The program has base funding of \$1,147,900.

Joint Finance/Legislature: Modify provision to provide \$45,100 forestry SEG each year in additional funding for the private forest landowner and weed management area grant programs. Act 15 increases base funding for the grants to \$1,193,000.

12. COUNTY FOREST WILDLIFE HABITAT GRANT [LFB Paper 544]

SEG	\$260,000

Governor/Legislature: Provide \$130,000 forestry SEG each year in additional funding for the county forest wildlife habitat grant program. Under the program, counties may apply for grants for the development and planning of wildlife habitat and for outdoor recreational facilities on county forest lands. Funding for habitat projects is limited to 10¢ for each acre registered as county forest land per county; however, funds that remain unallocated as of March 31 of each year may be allotted to any county, as long as the total received does not exceed 20¢ per acre registered as county forest. In 2023-24 and 2024-25, the county forest wildlife habitat program was appropriated \$112,200 annually, and \$112,200 was expended in 2023-24. This additional funding is to allow the Department to provide 10¢ for each acre. Previously the Department was able to provide 4.6¢ for each acre due to the amount of funding available.

13. FORESTRY INDUSTRYWIDE STRATEGIC PLAN

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$775,000	\$225,000	\$1,000,000

Governor: Create a continuing appropriation and provide \$775,000 forestry SEG one-time funding in 2025-26 to conduct a forestry industrywide strategic plan, including a "road map" to accomplish strategic objectives established by the plan. Funding would support the development of a report, conducted by outside consultants under the guidance of the Wisconsin Council on Forestry, that would identify methods of improving coordination, partnerships, and collaboration in the state's forest products industry. The report would also identify new markets for the state's forest products. The report would be due to the Council on Forestry by September 16, 2026.

Joint Finance/Legislature: Modify provision to create a continuing appropriation and provide \$1,000,000 forestry SEG on a one-time basis in 2025-26 to award a grant to the Great Lakes Timber Professionals Association and the Wisconsin Paper Council to conduct a forestry industrywide strategic plan. Further, require the grant recipients to present the research and recommendations to the Council on Forestry, and require the Council on Forestry to report, by

December 31, 2027, to the Governor and Legislature on research outcomes and recommendations.

[Act 15 Sections: 28 and 9132(10)]

14. WisFIRS UPDATE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$787,600	- \$787,600	\$0

Governor: Provide \$393,800 forestry SEG annually in one-time funding for ongoing maintenance and updates to the Wisconsin Forest Inventory and Reporting System (WisFIRS). The bill would provide funding for an estimated 4,160 hours of third-party development to support an ongoing project to update both the public lands and private lands components of WisFIRS.

The WisFIRS contains two component applications: the public lands and private lands applications. The public lands application enables DNR foresters and habitat managers and county foresters to manage functions and tasks related to forest management such as by storing field data, managing timber sales and prescribed burns, and tracking financials. The private lands application enables DNR foresters and certified plan writers to manage functions and tasks related to the managed forest law and forest crop law programs such as by storing field data, managing timber sales, and tracking financials.

Joint Finance/Legislature: Provision not included.

15. FORESTRY SOFTWARE LICENSES

SEG	\$153,400

Governor: Provide \$76,700 forestry SEG annually for the purchase of software licenses for the DNR Division of Forestry. The Administration reports that the funding would purchase licenses for the following software: (a) \$36,800 annually for Forest Metrix, a mobile forestry application and a related development project to migrate databases within the software; (b) \$26,100 annually for Avenza, a mobile geospatial application; (c) \$9,000 annually for iMazing, a file transfer application; (d) \$2,400 annually for Help+Manual, a help documentation creation application; (e) \$1,500 annually for Camtasia, a screen recording and video editing program; and (f) \$900 annually for Snagit, a screen capture and recording application.

Joint Finance/Legislature: Include provision, but specify funding is on a one-time basis in the 2025-27 biennium.

16. SPONGY MOTH TREATMENT

SEG	\$460,000

Governor: Provide \$230,000 forestry SEG annually for the treatment of spongy moths on DNR-owned properties. The spongy moth is a species that is native to Europe that is considered an invasive species in North America. The caterpillars of spongy moths feed on the leaves of trees

and shrubs, which can result in their severe defoliation and potential death.

Joint Finance/Legislature: Include provision, but specify funding is on a one-time basis in the 2025-27 biennium.

17. TICK-RESISTANT PERSONAL PROTECTIVE EQUIPMENT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$140,000	- \$140,000	\$0

Governor: Provide \$120,000 forestry SEG in 2025-26 and \$20,000 forestry SEG in 2026-27 for the purchase of tick-resistant personal protective equipment for DNR firefighters.

Joint Finance/Legislature: Provision not included.

18. FORESTRY LIAISON

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
SEG	\$155,400	1.00	- \$155,400	- 1.00	\$0	0.00

Governor: Provide \$67,300 forestry SEG in 2025-26 and \$88,100 forestry SEG in 2026-27 and 1.0 position for a forestry liaison to support coordination between DNR and forestry stakeholders. The Administration indicates that the forestry liaison would support the operations of the Wisconsin Council on Forestry, serve as the liaison for the county forest program, and provide administrative support for a separate item creating a forestry industrywide strategic plan. The provision would include \$62,300 for salaries and fringe benefits in 2025-26, \$83,100 for salaries and fringe benefits in 2026-27, and \$5,000 annually for supplies and services.

The Wisconsin Council on Forestry advises the Governor, Legislature, DNR, and other bodies regarding forestry issues such as sustainable forestry practices, protection of forests from fire, insects and disease, and economic development in the forestry industry. Members of the council are appointed by the Governor.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

19. MANAGED FOREST LAW FEES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$226,200	- \$226,200	\$0

Governor: Modify statutes to specify that the \$300 fees paid for the withdrawal of managed forest law (MFL) program lands are deposited in the appropriation for the payment of recording fees to the relevant register of deeds [s. 20.370(2)(cr)]. Further, modify statutes to specify that all of the \$100 fees paid for the transfer of MFL program lands are deposited in the recording fees appropriation. The bill would not change the amount of fees assessed to landowners.

Under current law, the \$300 withdrawal fee and \$80 of the \$100 transfer fee are deposited to the balance of the forestry account, and \$20 of the \$100 transfer fee is deposited in the recording fees appropriation. The bill would reestimate the recording fees appropriation by \$113,100 forestry SEG annually. The Administration reports that the amount of fees paid to registers of deeds has exceeded revenue deposited in the appropriation in recent years, which has required DNR to utilize funds from the general operations appropriation of the forestry account to cover the difference. In 2023-24, \$121,700 in revenue was deposited in, and \$164,600 was expended from, the recording fees appropriation.

1985 Wisconsin Act 29 created the MFL program, a landowner incentive program that provides a reduction in property tax for lands enrolled in the program in exchange for a commitment to sound management of private forest lands. Under the MFL program, an owner of 20 or more contiguous acres of productive forest land can petition DNR to enroll land in the MFL program, provided at least 80% of the parcel is capable of producing at least 20 cubic feet of sellable timber per acre per year.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

20. FORESTS INTERPRETIVE PROGRAM FEES

Governor: Modify the state parks interpretive program fees appropriation to allow the fees collected from interpretive programs in state forests to be used for costs associated with those programs. Current law provides for costs related to state parks interpretive program fees to be funded from the appropriation.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

21. IOWA COUNTY TRUNK HIGHWAY C

SEG	\$500,000

Joint Finance/Legislature: Provide \$500,000 forestry SEG in 2025-26 for the state park, forest, and Lower Wisconsin State Riverway roads appropriation. Require that DNR provide a

\$500,000 grant in 2025-26 from the state park, forest, and riverway roads appropriation to Iowa County for the construction and maintenance of County Highway C between State Highway 23 and U.S. Highway 14.

Veto by Governor [D-17]: Delete the provision that requires a grant to Iowa County. The \$500,000 forestry SEG in 2025-26 in additional funding for the state park, forest, and riverway roads appropriation is retained.

The state park, forest, and riverway roads appropriation is budgeted \$2,500,000 in 2025-26 and \$2,000,000 in 2026-27 under Act 15. By statute, one-third of the amounts from this appropriation are for the renovation, marking, and maintenance of town and county highways within the boundaries of DNR-owned properties, such as state parks and forests, as well as town and county highways that are outside of the boundaries of DNR-owned properties if the Department certifies that a substantial number of visitors to the properties utilize the relevant roads.

[Act 15 Vetoed Section: 9132(4)]

22. ROTHSCHILD DAM

Joint Finance/Legislature: Create a forestry SEG annual appropriation to provide financial assistance for the modernization of a dam on the Wisconsin River in the Village of Rothschild. Provide \$42,000,000 forestry SEG in 2025-26 in program supplements for the Rothschild Dam. [See "Program Supplements."]

[Act 15 Section: 30]

Parks

1. PARKS DEVELOPMENT AND MAINTENANCE [LFB Papers 550 and 551]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,751,200	- \$2,751,200	\$0
SEG	<u>12,887,400</u>	<u>- 7,803,000</u>	<u>5,084,400</u>
Total	\$15,638,600	- \$10,554,200	\$5,084,400

Governor: Provide \$7,819,300 each year (\$1,375,600 GPR, \$5,770,100 forestry SEG, \$434,600 split-funded conservation SEG, and \$239,000 parks SEG) for the development and maintenance of DNR-owned property and land. The funding would be provided to various appropriations with multiple purposes as shown in the following table.

DNR Parks and Recreational Property Development -- Governor

<u>Appropriation/Purpose</u>	<u>Source</u>	<u>2025-26</u>	<u>2026-27</u>
State Forest, Park, and Riverway Roads	Forestry SEG	\$4,109,500	\$4,109,500
DNR-Owned Property Development	Forestry SEG	1,660,600	1,660,600
State Forest, Park, and Riverway Development	GPR	1,147,400	1,147,400
State Parks and Trails Development and Maintenance	Parks SEG	239,000	239,000
Facilities Development and Maintenance	GPR	228,200	228,200
	Conservation SEG (Split)	213,800	213,800
DNR Property Acquisition and Development	Conservation SEG (Split)	<u>220,800</u>	<u>220,800</u>
Grand Total		\$7,819,300	\$7,819,300

Joint Finance/Legislature: Modify provision to instead provide \$1,264,900 SEG in 2025-26 and \$3,819,500 SEG in 2026-27 in additional funding from the parks account of the conservation fund for the appropriation for state parks and trails development. Since the appropriation was created under 2017 Wisconsin Act 59, DNR has used funds from the appropriation for campsite electrification as well as various projects including signage, fire rings, picnic tables, parking lot expansion, and building repairs in the state parks system. The Legislature has periodically added additional one-time funding to this appropriation. 2023 Act 19 provided \$690,000 in base funding each year, and Act 15 increases the base funding amount to \$4,509,500 in 2026-27. The additional base funding for the appropriation would be supported by increased fees or fee ranges for nonresident admissions, for nonresident campsite reservations, and for electric campsite add-ons for residents and nonresidents, as discussed in a separate entry.

2. PARKS OPERATIONS FUNDING [LFB Paper 552]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$3,965,000	- \$1,039,900	\$2,925,100

Governor: Provide \$1,785,000 (\$1,142,400 parks SEG, \$461,900 forestry SEG, \$151,800 split-funded conservation SEG, and \$28,900 ATV SEG) in 2025-26 and \$2,180,000 (\$1,417,400 parks SEG, \$581,900 forestry SEG, \$151,800 split-funded conservation SEG, and \$28,900 ATV SEG) in 2026-27 for operational costs in state parks, southern forests, and recreation areas.

The provision would provide \$42,700 annually for LTE salaries and fringe benefits and \$1,742,300 in 2025-26 and \$2,137,300 in 2026-27 for supplies and services. The Administration indicates that \$45,500 would be budgeted for the Sauk Prairie State Recreation Area, \$18,500 would be budgeted for Lapham Lodge at the Kettle Moraine State Forest - Lapham Peak Unit, and \$16,000 would be budgeted for the Menominee River State Recreation Area. The Administration further indicates that the remainder of the funding would be provided as general support for the state parks, forests, and recreational properties. The Administration reports that state parks system operational costs have risen in recent years due to inflation and increased visitation. Funding would

be utilized to support operations such as preventive maintenance, campsites, boat landings, day-use areas, cross-county ski trail grooming, and housekeeping and janitorial services.

Joint Finance/Legislature: Modify provision to include \$1,394,400 (\$950,300 parks SEG, \$384,200 forestry SEG, and \$59,900 split-funded conservation SEG) in 2025-26 and \$1,435,700 (\$978,400 parks SEG, \$395,600 forestry SEG, \$61,700 split-funded conservation SEG) in 2026-27 to increase the Department's supplies and services allotment for operational costs in the state parks system. Amounts are intended to reflect average shortfalls in supplies and services in recent years.

Include funding of \$28,900 ATV SEG each year for ATV and UTV trail projects on DNR-owned lands. Modify provision to include \$18,600 forestry SEG (\$10,000 for supplies and services and \$8,600 for LTE salaries and related fringe benefits) each year for property-specific operations funding for the Lapham Lodge in the Kettle Moraine State Forest.

3. PARKS TECHNOLOGY UPGRADES [LFB Paper 553]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,368,800	- \$451,000	\$917,800

Governor: Provide \$506,900 annually for technology upgrades for the state parks system. Annual ongoing funding of \$102,000 (\$71,400 parks SEG and \$30,600 forestry SEG) would be utilized for the operation of electronic sales kiosks, which allow individuals to purchase vehicle admission passes or state trail passes and are present at certain properties, and mobile phones. One-time funding of \$404,900 (\$283,400 parks SEG and \$121,500 forestry SEG) would be utilized for the following items: (a) \$170,000 for electronic sales kiosks; (b) \$100,100 for computers; (c) \$62,500 for WiFi internet installation; (d) \$50,300 for cell phone signal boosters; and (e) \$22,000 for cellular signal routers.

Additionally, provide \$355,000 parks SEG one-time funding in 2025-26 for broadband upgrades at state parks, forests, and DNR-owned shooting ranges. The Administration reports that the following 12 DNR-owned properties would receive funding for broadband upgrades: (a) Brunet Island State Park; (b) C.W. Caywood Shooting Range; (c) Cornell Public Gun Range; (d) Crystal Lake Entrance Station in Northern Highland-American Legion State Forest; (e) Hay Creek Shooting Range; (f) McMiller Public Shooting Range; (g) Peshtigo Shooting Range; (h) Reuss Ice Age Visitor Center in Kettle Moraine State Forest - Northern Unit; (i) Waushara County Public Shooting Range; (j) Whitewater Lake in Kettle Moraine State Forest - Southern Unit; (k) Yellowstone Lake Shooting Range; and (l) Yellowstone Lake State Park.

Joint Finance/Legislature: Modify provision to include \$458,900 (\$321,200 parks SEG and \$137,700 forestry SEG) each year, including \$404,900 each year in one-time funding, for technology upgrades for the state parks system. Ongoing funding of \$54,000 each year is for cellular data and credit card support for 60 electronic pay kiosks. One-time funding of \$404,900 each year is for the following costs: (a) \$170,000 each year for the purchase of 20 additional

electronic pay kiosks; (b) \$100,100 each year for the replacement of 150 to 160 laptop computers for state parks system staff; (c) \$62,500 each year for WiFi internet installation; (d) \$50,300 each year for cellular signal boosters; and (e) \$22,000 each year for cellular signal routers.

4. PARKS EQUIPMENT FUNDING [LFB Paper 554]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,161,300	- \$432,400	\$728,900

Governor: Provide \$729,100 (\$510,300 parks SEG and \$218,800 forestry SEG) in 2025-26 and \$432,200 (\$302,500 parks SEG and \$129,700 forestry SEG) in 2026-27 for the purchase of equipment for the state parks system. Funding would be utilized to replace non- and poorly-functioning mowers, UTVs, heavy equipment, trailers, and skid steer and tractor attachments. The Administration reports that, across all state parks system properties, there are 25 pieces of nonfunctioning equipment and 88 pieces of poorly-functioning equipment that would cost \$2,025,000 in total to replace.

Joint Finance/Legislature: Provide \$512,900 (\$358,500 parks SEG and \$154,400 forestry SEG) in 2025-26 and \$216,000 (\$151,000 parks SEG and \$65,000 forestry SEG) in 2026-27 on a one-time basis for the purchase of maintenance equipment for the state parks system to replace all 25 pieces of nonfunctional parks maintenance equipment and a quarter of the 88 pieces of lowest functioning equipment in the 2025-27 biennium.

5. OPEN THE OUTDOORS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$946,200	- \$946,200	\$0

Governor: Provide \$473,100 (\$323,100 parks SEG and \$150,000 forestry SEG) one-time funding each year of the biennium to purchase adaptive equipment for the state parks system to expand outdoor recreation opportunities for individuals with disabilities. The Administration reports that the adaptive equipment purchased would include all-terrain and beach wheelchairs and walkers, adaptive bicycles and kayaks, and cross-country sit skis.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. FREE FOURTH-GRADE ADMISSION TO STATE PARKS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG-REV	- \$422,600	\$422,600	\$0

Governor: Authorize the issuance of a waiver for an annual resident state parks and forests vehicle admission sticker to the parent or guardian of a Wisconsin fourth-grade student. Under the bill, a parent or guardian of a fourth-grade student in a Wisconsin public, private, or home school could apply for a waiver of the annual resident vehicle admission fee for a single vehicle, except a motor bus. The bill would require that an application include: (a) the child's name and date of birth; (b) the name of the school the child is or will be attending, or a certification that the child is in a home-based private educational program; (c) a certification that the child is, was, or will be a fourth-grade pupil on the January 1 of the calendar year for which the fee waiver is issued. Evidence of fourth-grade enrollment could include report cards, verified enrollment forms, a dated letter from the school on official letterhead, or other proof DNR may accept. The bill would authorize one fourth-grade fee waiver per parent or guardian in his or her lifetime. The Administration estimates that the provision would decrease revenue for annual vehicle admissions by \$140,900 in 2025-26 and \$281,700 in 2026-27 and in subsequent fiscal years. The provision would take effect on January 1, 2026.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. OutWiGo EXPLORER PROGRAM FUNDING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$545,600	- \$545,600	\$0

Governor: Provide \$272,800 (\$191,000 parks SEG and \$81,800 forestry SEG) annually in additional funding for the OutWiGo Explorer Program to expand outdoor youth recreation programming focused on outdoor recreation skills such as hiking, biking, boating, and camping. The bill would provide \$222,800 annually for LTE salaries and fringe benefits and \$50,000 annually for supplies and services.

The OutWiGo Explorer Program provides self-guided activities for children in state parks, forests, and recreation areas to encourage nature-based learning. The Explorer Program activities are available for three different age groups: 3 to 5 years, 6 to 8 years, and 9 years and up. Activities created for the program include scavenger hunts, games, hikes, and crafts.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. FREE ADMISSION TO STATE PARKS AND CAMPGROUNDS FOR TRIBAL MEMBERS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG-REV	-\$49,200	\$49,200	\$0

Governor: Require DNR to waive all fees for an annual resident state parks and forests vehicle admission sticker for a vehicle, except a motor bus, that is owned by a person that produces evidence that they are a member of a federally-recognized Native American tribe or band located in Wisconsin. Further, require DNR to waive all fees for reservations made for campgrounds located in state parks, forests, and other DNR-owned lands to a person who produces evidence that they are a member of a federally-recognized Native American tribe or band located in Wisconsin. The Administration estimates the waiver for vehicle admission stickers would decrease revenue by \$24,600 annually. An estimate for the decrease in revenue associated with the camping reservation fee waiver cannot be determined.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. VEHICLE ADMISSION STICKER CONVERSION COSTS [LFB Paper 552]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$446,000	-\$446,000	\$0

Governor: Provide \$223,000 (\$156,100 parks SEG and \$66,900 forestry SEG) annually for staffing and printing costs related to converting state parks and forests annual vehicle admission sticker validity from a calendar-year basis to a 12-month rolling time period, as enacted under 2023 Wisconsin Act 113. The bill would provide \$168,000 annually for LTE salaries and fringe benefits and \$55,000 for supplies and services for additional printing costs. The Administration indicates that additional staff time is necessary to mark each sticker sold, inspect the validity dates at DNR-owned properties, and to fulfill online sales.

Joint Finance/Legislature: Provision not included.

10. PARKS CREDIT CARD FEE RECOVERY

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,340,000	-\$1,340,000	\$0
SEG-REV	\$1,340,000	-\$1,340,000	\$0

Governor: Authorize DNR to collect a handling fee to offset the costs of credit card transaction fees incurred by the Department when it collects fees for vehicle admission stickers or passes and camping reservation fees paid by credit card. This provision would require that DNR promulgate rules to establish the amount of the handling fee, but the fee cannot be more than the amount necessary to offset credit card transaction fees. The Department may allow third-party sellers to collect a handling fee, of which DNR can allow the seller to retain all or a portion. The provision creates a conservation SEG continuing appropriation that would collect the revenues from the credit card handling fees. The Administration estimates that the handling fee would generate \$670,000 in revenue annually, which would be deposited in the new appropriation.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. MEDICAL TRAINING AND SUPPLIES [LFB Paper 554]

SEG	\$302,000

Governor: Provide \$267,000 (\$186,900 parks SEG and \$80,100 forestry SEG) in 2025-26 and \$35,000 (\$24,500 parks SEG and \$10,500 forestry SEG) in 2026-27 for medical training and supplies for staff of the state parks system. The Administration reports that the medical training provided to staff would include wilderness first aid and emergency medical responder training. Medical supplies purchased would include first aid kits, automated external defibrillators (AEDs), and naloxone kits.

Joint Finance/Legislature: Include provision, but specify funding is on a one-time basis in the 2025-27 biennium. The funding is for the following costs: (a) \$132,500 in 2025-26 and \$9,900 in 2026-27 for AEDs and related supplies; (b) \$67,000 in 2025-26 and \$12,500 in 2026-27 for wilderness first aid and emergency medical responder trainings for park rangers, park managers, and natural resources property supervisors; (c) \$34,500 in 2025-26 and \$7,800 in 2026-27 for first aid kits and supply refills; (d) \$26,300 in 2025-26 and \$1,000 in 2026-27 for naloxone to respond to opioid overdose emergencies; and (e) \$6,700 in 2025-26 and \$3,800 in 2026-27 for Hepatitis B vaccinations for front-line staff.

12. NONRESIDENT CAMPING, NONRESIDENT VEHICLE ADMISSION, AND ELECTRIC CAMPSITE FEES

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
SEG-REV	\$6,162,200	- \$1,400,800	\$4,761,400

Joint Finance/Legislature: Increase fees or fee ranges for nonresident daily and annual state parks system vehicle admissions stickers, nonresident camping fees, and campsites with electricity access. Fee changes are summarized in the following table. Amounts shown include issuing fees of \$0.15 for daily admissions and \$0.50 for annual admissions.

State Parks System Fee Changes -- Legislature

<u>Fee Type</u>	<u>Prior Law</u>	<u>Legislature</u>	<u>Change</u>
Nonresident Vehicle Admission			
Annual	\$38	\$50	\$12
Additional Annual	\$20.50	\$32.50	12
Daily	\$11 to \$16	\$20 to \$25	9
Daily Bus	\$15 to \$20	\$25 to \$30	10
Daily Nursing Home Bus	\$6 to \$11	\$10 to \$15	4
Nonresident Camping Reservations (maximum per night) *	\$45	\$50	\$5
Electric Campsites Add-On			
High-Visitation Parks **	\$15	\$25	\$10
All Other Parks	10	15	5

* A minimum fee of \$19 per night is not changed by the provision.

** Includes Devil's Lake, High Cliff, Kohler-Andrae, Peninsula, and Willow River State Parks.

Reestimate segregated revenues to the parks and forestry accounts of the conservation fund as follows: (a) for nonresident vehicle admissions, forestry SEG-REV by \$240,200 each year and parks SEG-REV by \$1,264,900 each year; (b) for nonresident camping, forestry SEG-REV by \$412,300 in 2026-27 and parks SEG-REV by \$1,204,400 in 2026-27; and (c) for campsites with electricity access, forestry SEG-REV by \$185,100 in 2026-27 and parks SEG-REV by \$1,350,200 in 2026-27. The parks account revenue increases correspond to the amounts provided for parks and trails development and maintenance in a separate entry.

Veto by Governor [D-18]: Delete language that specifies a range of fees for state parks system nonresident daily auto vehicle admission stickers, and thereby allow the DNR Secretary to determine the fee. The change to revenues of the parks and forestry accounts would vary with any fees established by the DNR Secretary; however, the Governor's veto message indicates the Administration finds the minimum fee increase under the enrolled bill to be unnecessary. Although \$647,600 parks SEG-REV and \$52,800 forestry SEG-REV each year is removed by the veto, additional funding for state parks and trails development associated with the increase in parks-related fees is retained.

[Act 15 Sections: 126 thru 133]

[Act 15 Vetoed Section: 127 (in part)]

13. **FEDERAL RESOURCE ACQUISITION AND DEVELOPMENT FUNDING REESTIMATE** [LFB Paper 551]

FED	- \$9,800,000

Joint Finance/Legislature: Reestimate s. 20.370(7)(fy) of the statutes for federal resource acquisition and development monies by -\$4,900,000 each year. Prior to Act 15, base funding for

this FED appropriation was \$9,112,800. However, from 2016-17 through 2023-24, the average actual annual expenditures from the FED appropriation were \$4,192,000. The reestimate does not change the amount of federal monies that DNR can spend for resource acquisition and development. Instead, the reestimate is made to more closely reflect actual expenditures from the appropriation.

Law Enforcement

1. CONSERVATION WARDEN PATROL EQUIPMENT [LFB Paper 560]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$520,500	- \$520,500	\$0
SEG	<u>6,961,300</u>	<u>- 6,961,300</u>	<u>0</u>
Total	\$7,481,800	- \$7,481,800	\$0

Governor: Provide \$4,306,100 (\$390,400 GPR, \$3,800,500 conservation SEG, and \$115,200 environmental SEG) in 2025-26 and \$3,175,700 (\$130,100 GPR, \$2,957,800 conservation SEG, and \$87,800 environmental SEG) in 2026-27 for purchase or upgrade of multiple pieces of patrol equipment for DNR conservation wardens. The following table shows amounts by source for each category of equipment to be purchased. Of the funding that would be provided from the conservation fund, amounts shown as split-funded would be primarily supported by the fish and wildlife account.

Conservation Warden Patrol Equipment Funding -- Governor

	Law Enforcement				
	<u>Radios</u>	<u>Body Cameras</u>		<u>Taser Units</u>	
	<u>(Annual)</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
GPR	\$92,100	\$232,000	\$12,200	\$30,800	\$1,100
Conservation SEG					
Boat	\$284,100	\$37,300	\$37,300	\$68,200	\$2,300
ATV-UTV	88,800	11,600	11,600	29,200	1,000
Water Resources	21,100	2,800	2,800	7,100	300
Split-Funded	<u>1,606,700</u>	<u>316,600</u>	<u>348,500</u>	<u>560,000</u>	<u>19,700</u>
Conservation SEG Subtotal	\$2,000,700	\$368,300	\$400,200	\$664,500	\$23,300
Environmental SEG	\$62,100	\$8,200	\$8,200	\$20,800	\$700
Total SEG	\$2,062,800	\$376,500	\$408,400	\$685,300	\$24,000
Annual Total	\$2,154,900	\$608,500	\$420,600	\$716,100	\$25,100

	<u>Toughbook Computers (Annual)</u>	<u>Vehicle Routers</u>		<u>Total</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
GPR	\$13,100	\$22,400	\$11,600	\$390,400	\$130,100
Conservation SEG					
Boat	\$40,200	\$49,700	\$25,700	\$479,500	\$389,600
ATV-UTV	12,500	21,300	11,000	163,400	124,900
Water Resources	0	5,200	2,700	36,200	26,900
Split-Funded	<u>230,400</u>	<u>407,700</u>	<u>211,100</u>	<u>3,121,400</u>	<u>2,416,400</u>
Conservation SEG Subtotal	\$283,100	\$483,900	\$250,500	\$3,800,500	\$2,957,800
Environmental SEG	\$8,900	\$15,200	\$7,900	\$115,200	\$87,800
Total SEG	\$292,000	\$499,100	\$258,400	\$3,915,700	\$3,045,600
Annual Total	\$305,100	\$521,500	\$270,000	\$4,306,100	\$3,175,700

Radios. Provide \$2,154,900 annually (\$92,100 GPR, \$2,000,700 conservation SEG, and \$62,100 environmental SEG) for the purchase of radios for conservation wardens. The Administration indicates that the funding would provide for the purchase of 240 portable radios for conservation wardens and 375 mobile radios for squad vehicles, patrol boats, and UTVs.

Body-Worn Cameras. Provide \$608,500 (\$232,000 GPR, \$368,300 conservation SEG, and \$8,200 environmental SEG) in 2025-26 and \$420,600 (\$12,200 GPR, \$400,200 conservation SEG, and \$8,200 environmental SEG) in 2026-27 for the purchase of body-worn cameras for conservation wardens and the storage of related data. The Administration indicates that the funding would support the purchase of 150 additional body-worn cameras.

Taser Units. Provide \$716,100 (\$30,800 GPR, \$664,500 conservation SEG, and \$20,800 environmental SEG) in 2025-26 and \$25,100 (\$1,100 GPR, \$23,300 conservation SEG, and \$700 environmental SEG) in 2026-27 to purchase Taser units for conservation wardens. Funding would be utilized to purchase 146 Taser 10 units to fully equip all conservation wardens. The Administration further indicates that the Taser 10 is an upgraded model, compared to the current models being utilized by conservation wardens, which allows for the deployment of up to 10 probes before a reload is necessary.

Toughbook Computers. Provide \$305,100 (\$13,100 GPR, \$283,100 conservation SEG, and \$8,900 environmental SEG) annually to purchase 240 Toughbook computers, related hardware, and cellular plans for conservation wardens.

Vehicle Routers. Provide \$521,500 (\$22,400 GPR, \$483,900 conservation SEG, and \$15,200 environmental SEG) in 2025-26 and \$270,000 (\$11,600 GPR, \$250,500 conservation SEG, and \$7,900 environmental SEG) in 2026-27 for the purchase and installation of vehicle internet routers for conservation wardens. The Administration indicates that the funding would support the purchase and installation of routers for 235 vehicles and 15 large patrol boats.

The Public Safety and Resource Protection (PSRP) Division of DNR is responsible for the investigation and enforcement of state laws regarding fish and wildlife, motorized recreation, and

environmental quality in water regulation and shoreland zoning, as well as for ensuring public safety at DNR recreational properties. The fish and wildlife, forestry, parks, water resources, boat registration, snowmobile, and ATV/UTV accounts each contribute funding to PSRP. DNR law enforcement personnel may respond to incidents in coordination with other law enforcement agencies. These activities are performed primarily by conservation wardens whose enforcement authority varies depending on the type, location and severity of the violation.

Joint Finance/Legislature: Provision not included.

2. CONSERVATION WARDEN OVERTIME

SEG	\$1,133,900

Governor/Legislature: Provide \$537,200 (\$520,900 conservation SEG and \$16,300 environmental SEG) in 2025-26 and \$596,700 (\$578,600 conservation SEG and \$18,100 environmental SEG) in 2026-27 for overtime costs for conservation wardens. Under standard budget adjustments each budget cycle, funding associated with overtime and night and weekend differential is removed in the calculations of full funding of salaries and fringe benefits. The budget instructions related to overtime specify that the same dollar amounts only be restored through the standard budget adjustment for overtime. The provision is intended to provide sufficient funding for 40,100 hours of warden overtime, paid at wage rates that will be earned by conservation wardens in the 2025-27 biennium, and accounting for the warden pay plan progression that was approved in the 2023-25 state compensation plan.

The following table shows amounts by source for conservation warden overtime funding. The split-funded enforcement amount is primarily supported by the fish and wildlife account.

Conservation Warden Overtime Funding -- Act 15

	<u>2025-26</u>	<u>2026-27</u>	<u>Fund</u>
Environmental Enforcement	\$16,300	\$18,100	Environmental SEG
Split-Funded Enforcement	\$418,500	\$464,800	Conservation SEG
Boat Enforcement	73,900	82,000	
ATV Enforcement	22,900	25,500	
Water Resources Enforcement	<u>5,600</u>	<u>6,300</u>	
Conservation Fund Subtotal	\$520,900	\$578,600	
Annual Total	\$537,200	\$596,700	

3. BOATING SAFETY AND ENFORCEMENT AIDS [LFB Paper 561]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,100,000	- \$459,200	\$640,800

Governor: Provide \$550,000 annually from the boat registration account of the conservation fund in additional funding for boat enforcement patrol grants. DNR distributes aids to municipalities for the costs of local boating law enforcement, search and rescue, and safety

activities. Municipalities are eligible to be reimbursed for up to 75% of their approved costs, but aid payments are prorated if claims exceed the appropriation level. No municipality may receive aid amounting to more than 20% of the funds available. 2021 Wisconsin Act 58 increased the amount available for these aids from \$1,386,000 to \$1,766,600. For enforcement activities that occurred in 2023-2024, 92 local agencies received reimbursements totaling \$1,766,600, which represented 58% of the approximately \$3.1 million in eligible local water patrol activities.

Joint Finance/Legislature: Modify provision to include \$320,400 boat SEG each year in additional funding for boating safety and enforcement aids. The annual funding of \$2,087,000 under Act 15 is intended to reflect 75% funding of average reported local patrol costs in recent years.

4. PATROL BOATS [LFB Paper 562]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$672,000	-\$672,000	\$0

Governor: Provide \$336,000 boat SEG annually to purchase one large patrol boat per year. Conservation wardens are assigned by DNR to enforce the state's boating and related safety laws. The Administration reports that DNR operates 16 large patrol boats and that the funding would replace one of the existing boats each year.

Joint Finance/Legislature: Provision not included.

5. TRANSFER SNOWMOBILE ENFORCEMENT FROM TRIBAL GAMING REVENUES

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
PR	-\$2,842,500	- 9.00	\$2,842,500	9.00	\$0	0.00
SEG	<u>2,842,500</u>	<u>9.00</u>	<u>- 2,842,500</u>	<u>- 9.00</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Repeal the tribal gaming PR appropriation for snowmobile enforcement. Delete \$1,404,500 PR in 2025-26 and \$1,438,000 PR in 2026-27 and 9.0 positions annually. Provide \$1,404,500 from the snowmobile account of the conservation fund in 2025-26 and \$1,438,000 snowmobile SEG in 2026-27 and 9.0 positions annually from the snowmobile enforcement appropriation. The provision reallocates tribal gaming revenues to other programs intended to benefit tribal communities. [See "Administration -- Tribal Affairs and Division of Gaming."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

PFAS and Emerging Contaminants

1. PFAS COMMUNITY GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$125,000,000	- \$125,000,000	\$0

Governor: Create a program to provide grants to municipalities for the investigation and response to per- and polyfluoroalkyl substances (PFAS) contamination statewide. Provide \$116,350,000 in 2025-26 and \$8,650,000 in 2026-27 in PFAS fund SEG one-time funding for program awards and costs of sampling and contracts. PFAS are synthetic chemicals commonly found in nonstick surfaces and cookware, paint, and firefighting foam. Research indicates that PFAS are toxic to humans. PFAS do not easily degrade and tend to accumulate in humans and the environment. Since 2013, numerous sites in Wisconsin have shown to have PFAS contamination in groundwater, drinking water, surface water, sediment, or soil as a result of various private and governmental uses of the chemicals.

PFAS Trust Fund. 2023 Act 19 created a segregated PFAS fund to provide funding for the mitigation and remediation of PFAS contamination. The PFAS fund was capitalized in 2023-24 at \$125 million, including \$110 million from the state general fund and \$15 million from environmental management SEG. Act 19 also created an appropriation from the PFAS fund for DNR addressing and preventing PFAS contamination. No PFAS SEG expenditures have been authorized for the appropriation in the 2023-25 fiscal biennium. However, the balance of the PFAS fund remains available for appropriations under budget legislation or other legislative action. As of August 1, 2025, the PFAS fund balance is \$130,369,900, including the initial transfers capitalizing the fund and interest earnings.

Municipality Eligibility. Specify that eligible municipalities include any city, village, town, county, tribal government, utility district, lake protection district, sewerage district, or municipal airport. Require one of the following to have occurred:

- a. The municipality or a third party tested or trained with a class B firefighting foam that contained intentionally added PFAS in accordance with applicable state and federal law, and within the boundaries of the municipality;
- b. The municipality applied biosolids to land under a DNR-issued wastewater permit;
- c. PFAS are impacting the municipality's drinking water supply, surface water, or groundwater within the area controlled by the municipality, and the responsible party is unknown, unwilling, or unable to take the necessary response actions; or
- d. Private wells within the municipality are impacted by PFAS-contaminated groundwater.

Eligible Activities. Authorize DNR to award grants for any of the following activities:

- a. Investigating potential PFAS impacts to the air, land, or water at a site or facility;
- b. Treating or disposing of PFAS-containing firefighting foam containers from a municipal site or facility;
- c. Sampling a private water supply within three miles of a site or facility known to contain PFAS or to have caused a PFAS discharge;
- d. Assisting owners of private wells with the cost of installing filters, treatment, or well replacement;
- e. Providing a temporary emergency water supply, a water treatment system, or bulk water to replace water contaminated with PFAS;
- f. Conducting emergency, interim, or remedial actions to mitigate, treat, dispose of, or remove PFAS contamination in the air, land, or waters of the state;
- g. Removing or treating PFAS in a public water system using the most cost-effective method to provide safe drinking water in areas where PFAS levels exceed either the maximum contaminant level or an enforcement standard for PFAS, or where the state has issued a health advisory for PFAS;
- h. Creating a new public water system or connecting private well owners to an existing public water system in an area widely impacted by PFAS contamination in private water supplies; and
- i. Sampling and testing in schools and daycares.

Evaluation Criteria. DNR would be required to consider the following: (a) a municipality's demonstrated financial and administrative commitment to performing and completing eligible activities; (b) the degree to which the project would have a positive impact on public health and the environment; and (c) other criteria on which DNR prioritizes available grant funds. Authorize DNR to request any applicant provide information necessary to determine the eligibility of the project, identify the funding requested, determine the priority of the project, and calculate the amount of a grant.

Funding. The Administration indicates that \$111,500,000 would be made available as grants for municipalities in the 2025-27 biennium. The bill would require applicants to contribute matching funds equal to at least 20% of the amount of the grant, including either cash or in-kind contributions. The remaining \$13,500,000 would be used for Department-administered contractual and sampling costs for the program.

The table describes funding that would be provided for the following categories of financial assistance intended to be awarded by the Department to local governments:

- a. Assistance to impacted communities, for providing temporary water supplies, grants

for public water and sanitary systems, and private well owner assistance;

b. Public health intervention, for implementing federal PFAS water quality standards, disrupting PFAS exposure routes, and providing private well owner assistance;

c. Destruction and disposal, for removing PFAS-containing substances, including firefighting foams;

d. Research, for sampling of drinking water, landfills, wastewater, surface waters, and biosolids; and

e. Source reduction, for reducing uses of PFAS by businesses and other facilities.

PFAS Community Grant Program Summary -- Governor

<u>Category</u>	<u>2025-26</u>	<u>2026-27</u>	<u>Biennium</u>
Aids to Local Government			
Assistance to Impacted Communities	\$60,000,000		\$60,000,000
Public Health Interventions	30,000,000		30,000,000
Destruction and Disposal	10,000,000		10,000,000
Research	7,500,000		7,500,000
Source Reduction	<u>4,000,000</u>		<u>4,000,000</u>
Subtotal	\$111,500,000		\$111,500,000
Contracts, Sampling and Other			
Assistance to Impacted Communities	\$1,650,000	\$2,500,000	\$4,150,000
Destruction and Disposal	1,250,000	1,400,000	2,650,000
Source Reduction	600,000	1,750,000	2,350,000
Public Health Interventions	750,000	1,500,000	2,250,000
Research	<u>600,000</u>	<u>1,500,000</u>	<u>2,100,000</u>
Subtotal	\$4,850,000	\$8,650,000	\$13,500,000
Total	\$116,350,000	\$8,650,000	\$125,000,000

Emergency Rules. Authorize DNR to issue emergency rules for the PFAS municipal grant program, without the finding of emergency or providing evidence that an emergency rule is necessary to preserve public health, peace, safety or welfare. Waive the requirements that DNR prepare a scope statement and submit proposed emergency rules to the Governor. In promulgating rules necessary to administer the program, specify rules must require the Department to give priority to providing assistance to owners of PFAS-contaminated private wells.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. INNOCENT LANDOWNER REMEDIATION OF PFAS CONTAMINATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$5,000,000	- \$5,000,000	\$0

Governor: Create a continuing appropriation from the environmental management account of the environmental fund to be used for investigation and cleanup actions on lands owned or controlled by persons that receive an innocent landowner exemption from provisions of the hazardous substances spills law [s. 292.11 of the statutes]. Provide \$5,000,000 in one-time funding in 2025-26.

Eligibility. Create an exemption for a person who possesses or controls property where a PFAS discharge occurred from requirements of responsible parties under the state hazardous substances spills law, if all of the following provisions apply:

- a. The property is used exclusively for agricultural or residential use;
- b. The discharge was caused by land application of biosolids permitted under Ch. 283 of the statutes (wastewater treatment and discharge);
- c. The person allows DNR, any party that possessed or controlled the PFAS or caused the discharge of PFAS, and any consultant or contractor of such parties to enter the property to take response actions;
- d. The person does not interfere with any action taken in response to the discharge and does not take action that worsens or contributes to the PFAS discharge;
- e. The person follows any other reasonable and necessary condition to ensure adequate response to the discharge, as determined by DNR, taking into consideration the current or intended use of the property; and
- f. The person allows the Department to limit public access to the property to prevent an imminent threat to human health, safety, or welfare or to the environment.

Specify that the exemption would only apply to PFAS for which there is a state or federal standard, Department of Health Services (DHS) public health recommendation, or EPA health advisory. Specify that the exemption would not apply after December 31, 2035. Further, the exemption would not be transferrable to subsequent property owners. Each person possessing or controlling the property where PFAS contamination occurred would be required to separately establish their eligibility under the exemption.

Requirements. An exempt party would be required to provide written disclosure to any prospective purchaser prior to any sale or entering a contract, or to any current renter as soon as reasonably practicable or upon reissuance of a lease. Written disclosure would be required to include: (a) a description of the contamination; (b) the location of the contamination; (c) any action taken to control or treat the contamination; (d) PFAS sample dates and results; and (e) a description

of compliance with reporting requirements. The written disclosure must be provided to DNR upon request.

Exemption. A person who possesses or controls property where a PFAS discharge occurred that DNR determines meets the provisions for innocent landowner exemption eligibility would be exempt from the following provisions of the hazardous substances spills law: (a) responsibility to take necessary actions to restore the environment to the extent practicable and minimize the harmful effects from the discharge to the air, lands, or waters of the state; (b) the ability for DNR to require preventive measures be taken to prevent discharges, if existing control measures were inadequate; (c) the requirement for the person to reimburse DNR for actual and necessary expenses in carrying out response actions under the law; and (d) the ability of the DNR to issue an emergency order requiring the person to fulfill the cleanup and restoration duties of a responsible party.

Administration. Upon submitting information to the Department that demonstrates the eligibility to receive the exemption, DNR would issue a written determination as to whether the person satisfies the exemption requirements and would be exempt from provisions of the hazardous substances spills law. The Department could request additional information prior to issuing a decision and could revoke its decision if any of the requirements are no longer met. The bill would authorize the Department to assess and collect fees to offset costs associated with issuing exemption decisions under this provision.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. COUNTY WELL TESTING GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$4,000,000	- \$4,000,000	\$0

Governor: Create a continuing appropriation from the PFAS fund to award grants to counties for the purpose of providing sampling and testing services of privately owned wells. Provide \$2,000,000 each year in base funding for financial assistance to counties under the grant program.

Specify that sampling and testing services should be provided for PFAS, nitrates, bacteria, and lead contamination in private wells. Require the Department to promulgate rules necessary to administer the program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. PFAS MANAGEMENT STAFFING

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,596,400	10.00	-\$1,596,400	- 10.00	\$0	0.00

Governor: Provide \$691,200 in 2025-26 and \$905,200 in 2026-27 with 10.0 positions to remediate and manage PFAS. The following table summarizes positions recommended by the Governor by DNR program area. All positions shown would be funded from the general fund. Funding primarily consists of salaries and fringe benefits for the classified positions; supplies and services would be \$5,000 per position.

PFAS Management Positions and Funding -- Governor

	<u>Positions</u>	<u>Funding</u>	
		<u>2025-26</u>	<u>2026-27</u>
Drinking Water and Groundwater	3.00	\$220,100	\$288,500
Water Quality	2.00	134,600	176,200
Air Management	1.00	67,300	88,100
Waste and Materials Management	1.00	67,300	88,100
Remediation and Redevelopment	<u>3.00</u>	<u>201,900</u>	<u>264,300</u>
	10.00	\$691,200	\$905,200

The Administration indicates that the 10.0 staff would have the following responsibilities, as described by program area.

Drinking Water and Groundwater. 1.0 executive leadership program coordinator would supervise the Office of Emerging Contaminants, 1.0 policy initiatives advisor would develop recommendations for legislative and administrative action to address contaminants of emerging concern, and 1.0 supply specialist would coordinate and complete sampling of public water supplies for emerging contaminants, in collaboration with local and tribal public health agencies, and provide support to private well owners with water quality analysis.

Water Quality. 2.0 water resources management specialists would develop water quality standards for PFAS based on DHS recommendations, assist in PFAS effluent monitoring and source reduction, and develop guidance for landspreading of PFAS-contaminated biosolids.

Air Management. 1.0 air management specialist would develop statewide policies on emerging contaminants.

Waste and Materials Management. 1.0 waste and materials management specialist would develop safe disposal and treatment methods for PFAS-containing waste.

Remediation and Redevelopment. 2.0 hydrogeologists would coordinate sampling and cleanup activities at cleanup sites and evaluate scientific data related to PFAS contamination, in coordination with state and local emergency responders, on the use of PFAS-containing firefighting foam, and 1.0 water supply specialist would sample for and address the impacts of PFAS threats to drinking water, in collaboration with local and tribal public health departments, and provide water quality analysis support to private well owners.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. PFAS SAMPLING, TESTING, AND RESEARCH

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,000,000	- \$4,000,000	\$0
SEG	<u>2,210,000</u>	<u>- 2,210,000</u>	<u>0</u>
Total	\$6,210,000	- \$6,210,000	\$0

Governor: Provide \$1,480,000 in 2025-26 and \$730,000 in 2026-27 in one-time funding of PFAS fund SEG for statewide PFAS sampling and testing activities. The Administration indicates the following intended uses of the funds: (a) \$600,000 each year for investigation, mitigation, and testing for PFAS and other emerging contaminants on properties where responsible parties cannot be identified, refuse to take timely action, or where contaminants pose an active threat to human health; (b) \$750,000 in 2025-26 for well sampling and testing; (c) \$55,000 each year to survey and analyze 44 large rivers across the state and their watersheds for PFAS; (d) \$50,000 in each year to collaborate with the University of Wisconsin-Madison and nearby states to identify sources of PFAS, impacted waterways, and possible fish consumption concerns for vulnerable populations; and (e) \$25,000 each year to sample wastewater where PFAS is suspected.

Additionally, create a continuing appropriation from the general fund to be used for activities addressing and preventing PFAS contamination in Wisconsin. Provide \$4,000,000 GPR in one-time funding in 2025-26 to fund two initiatives to study PFAS, each provided \$2,000,000. The Administration indicates that a research study would investigate options for PFAS disposal, including the impact on communities where transportation and disposal of PFAS takes place. A second initiative would test soil and groundwater in areas of the state where biosolids have been applied to land for at least 10 years, to evaluate the extent of PFAS contamination in soil and aquifers.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. PFAS EMERGENCY MEASURES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,800,000	- \$1,800,000	\$0

Governor: Provide \$900,000 annually from the PFAS fund for emergency measures related to PFAS contamination, such as providing temporary drinking water.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. PFAS RULEMAKING PROCEDURES AND EXCEPTIONS

Governor: Modify certain rulemaking processes for DNR proposed or existing rules that establish PFAS standards in groundwater, drinking water, surface water, air, soil, or sediment.

Groundwater Standards Rulemaking Procedure. Require DNR to commence rulemaking to establish a DHS-recommended PFAS groundwater standard as an enforcement standard within three months of receiving the recommendation.

Under current law, DNR maintains a categorized, ranked list of substances that have been detected in or have a reasonable probability of entering groundwater and that are a public health or welfare concern. DNR is to transmit the list to DHS, which can recommend enforcement standards for substances of public health concern. DNR must start rulemaking within nine months of transmitting the name of a substance to DHS.

Rulemaking Exemptions for PFAS. Create exemptions from certain rulemaking procedures for any proposed or existing DNR rules to establish acceptable levels and standards, performance standards, enforcement standards and preventative action limits, monitoring requirements, and required response actions for any PFAS or group of PFAS in groundwater, drinking water, surface water, air, soil, or sediment.

Under current law, if during the process of rule promulgation an economic impact analysis indicates that \$10,000,000 or more in implementation and compliance costs are expected over a two-year period as a result of the proposed rule, the rulemaking process may not continue unless legislation is passed allowing rulemaking to continue. The bill exempts DNR-proposed rules that establish PFAS standards from this requirement.

As of the bill's introduction, proposed rules were to be submitted to the Legislature, where the rule was subject to review by standing committees and the Joint Committee for Review of Administrative Rules (JCRAR). A standing committee could approve, object based on reasons specified in statute, or waive its jurisdiction of the proposed rule. JCRAR could request modifications and an independent economic analysis of proposed rules, and ultimately could approve, object to, or waive its jurisdiction over the proposed rule within a review period. A JCRAR objection stops agency rulemaking until legislation is passed allowing rulemaking to

continue. The bill exempts DNR proposed rules that establish PFAS standards from legislative review prior to promulgation.

Further, as of the bill's introduction, JCRAR was permitted to review rules after promulgation. JCRAR could suspend any rule, including emergency rules, and commence legislative procedure to permanently suspend the rule. The bill exempts DNR rules establishing PFAS standards from legislative review after promulgation.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

(In July of 2025, the Wisconsin Supreme Court found both statutes relating to JCRAR rule objection and suspension were in violation of the Wisconsin Constitution. As of August of 2025, rulemaking processes following the Supreme Court decision are being contested.)

8. HAZARDOUS SUBSTANCE SPILLS LAW MODIFICATIONS

Governor: Specify that an application for financial assistance from the well compensation grant program, county well testing grant program proposed under the bill, or any program funded by the American Rescue Plan Act of 2021, cannot be used by DNR to determine responsibility under s. 292.11 of the statutes, the hazardous substances spills law. Additionally, if there does not exist a standard for a hazardous substance, require the person that possesses or controls a hazardous substance or that caused the discharge of the hazardous substance to propose site-specific environmental standards for DNR approval.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. PFAS PROJECT PRIORITY IN THE SAFE DRINKING WATER LOAN PROGRAM

Governor: Require DNR, in assigning priority scores of safe drinking water loan program (SDWLP) projects, to rank a PFAS-related project as if a maximum containment level (MCL) for PFAS had been attained or exceeded, if there is a DHS-recommended enforcement standard for the PFAS to which the project relates.

Under current law, DNR and DOA are authorized to provide SDWLP financial assistance for drinking water projects. Administrative code provisions for the SDWLP assign relatively higher priority scores to projects addressing an MCL exceedance. PFAS projects are awarded under the emerging contaminants subprogram of the SDWLP, and priority scores have been assigned to emerging contaminants projects utilizing the DHS PFAS hazard index (HI). The hazard index is calculated based on the DHS-recommended groundwater standards, and it is intended to assess risk from exposure to multiple PFAS in drinking water.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. COMMUNITY IMPACTS OF PFAS TRANSPORTATION AND DISPOSAL

Governor: Require all persons disposing of PFAS or transporting PFAS for the purpose of disposal to avoid, to the greatest extent possible, disposing of or transporting PFAS in any location that contributes to environmental justice concerns. Those disposing of or transporting PFAS would be required to consider alternative locations. Authorize DNR to provide assistance in evaluating the environmental justice impacts of a person's PFAS transportation and disposal plan.

Additionally, define "environmental justice" as the fair treatment and meaningful involvement of all individuals, regardless of race, color, national origin, educational level, or income, with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies to ensure that no populations of color or community of color, indigenous community, or low-income community be exposed to a disproportionate burden of the negative human health and environmental impacts of pollution or other environmental hazards.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. MEDIATORS FOR MUNICIPALITIES SEEKING ALTERNATE WATER SOURCES DUE TO PFAS CONTAMINATION

Governor: Authorize DNR to, upon request, appoint mediators to assist in negotiations in which a municipality seeks an alternative water source from another municipality due to PFAS contamination.

Under the bill, PFAS must be in excess of a state or federal drinking water standard, a state groundwater standard, or a DHS public health recommendation for a municipality to request a mediator. The bill requires both municipalities to consent to the appointment of a mediator and specifies that a responsible party can participate in the negotiations. The bill directs DNR to promulgate rules to implement the provision, including rules for allocating the costs of the mediator.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. GENERATION, TRANSPORTATION, OR DISPOSAL OF SOLID OR HAZARDOUS WASTE

Governor: Require any person who generated solid or hazardous waste at a site under investigation by DNR to provide DNR access to any requested records relating to the type and quantity of waste generated at the site that was transported to, treated at, stored at, or disposed of at another site.

Under current law, any person who generated, transported, treated, stored, or disposed of solid or hazardous waste that may have been disposed of at a facility under investigation by DNR must provide, at DNR's request, access to records relating to: (a) the type and quantity of waste

and the dates of those activities; (b) the identity of people completing the activities; and (c) the identity of subsidiary or parent corporations of people who completed the activities. The bill would amend current authority to include investigations of solid or hazardous wastes that were moved to other sites.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. BIOSOLIDS TESTING AND REPORTING REQUIREMENTS

Governor: Create PFAS testing requirements for all Wisconsin pollutant discharge elimination system (WPDES) permits that allow for land application of sewage sludge. Specify that if a WPDES permit allows for the land application of sludge, permittees must sample and test for all PFAS for which there is a state or federal standard, a DHS public health recommendation, or a health advisory issued by the EPA before applying sludge and at least once per year thereafter. Each year before land-applying sludge, the permittee would be required to report the results of sampling and testing to DNR and to the property owner of each tax parcel upon which the sludge would be applied. Specify that the sampling and testing in this provision would be in addition to sampling and testing otherwise required under the WPDES permit. Additionally, require treatment works holding WPDES permits to test all sewage sludge for PFAS and report the results to the Department.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. PFAS TESTING AND RESEARCH BY OTHER AGENCIES

Governor: Direct the Department of Agriculture, Trade and Consumer Protection (DATCP) and DHS to conduct specific PFAS sampling and monitoring activities.

Require DATCP to test samples from any statewide monitoring program, sampling program, or Department-conducted survey for the presence of any PFAS, at the discretion of the Department. Under current law, regulatory agencies including DATCP are required to sample and monitor groundwater for substances related to facilities, activities, and practices under their jurisdiction that have a reasonable probability of entering groundwater. DATCP conducts statewide monitoring and targeted sampling of surface and groundwater to evaluate the impact of agrichemicals, including pesticides and fertilizers, to meet this statutory obligation. Under the bill, DATCP may incorporate PFAS testing and monitoring into its existing sampling, monitoring, and testing programs.

Additionally, the bill would require DHS to conduct statewide biomonitoring studies of PFAS exposure levels in Wisconsin communities. The Department may survey participants, test blood samples for the presence and levels of PFAS, and analyze results as part of this work. Ongoing funding and 1.0 position would be provided for the study in the Department of Health Services. [See "Health Services -- Public Health."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. FINANCIAL RESPONSIBILITY FOR PFAS

Governor: Authorize DNR to require proof of financial responsibility from individuals or businesses that possess or control PFAS. Financial responsibility would be intended to ensure means of addressing potential discharges or contamination, including emergency responses, remedial action, and long-term care of contaminated sites. Require DNR to establish rules for procedures to determine when proof of financial responsibility is necessary. Specify that rules may establish types of financial responsibility, procedures for calculating necessary amounts, and other conditions determined by DNR. Specify proof of financial responsibility for PFAS is in addition to any other requirements provided under Chapter 292 of the statutes (environmental remedial action).

Specify that parties exempt from the hazardous substances spills law under s. 292.11(9) of the statutes are exempt from this provision, which under current law includes permitted discharges, public safety officers acting in the performance of their duties, pesticide applicators, and certain local governments. Under the bill, this would also include certain parties who possess or control property where a PFAS discharge occurred, if certain requirements are met. [See a separate entry in this section.]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. EMERGING CONTAMINANTS INITIATIVE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$425,000	- \$425,000	\$0

Governor: Provide \$200,000 in 2025-26 and \$225,000 in 2026-27 from the environmental management account of the environmental fund for activities that monitor for and remediate contaminants of emerging concern. Provide \$150,000 in one-time funding in 2025-26 for a contract with the State Lab of Hygiene to complete testing of private well water samples and to hire 2.0 LTEs to conduct sampling and data analysis of drinking water tests for emerging contaminants. Wastewater monitoring, as well as surface water monitoring and fish sampling, would be funded with ongoing funding of \$50,000 in 2025-26 and \$225,000 beginning in 2026-27.

Emerging contaminants are defined by the EPA as a chemical, physical, or biological contaminant that has no regulatory standard, has recently been discovered in the environment, and that may pose a threat to human health or the environment. This initiative would focus on algal toxins, pharmaceuticals, lithium, and other contaminants of emerging concern.

The Administration indicates the bill was intended to fund activities providing alternative water sources due to contaminants of emerging concern, with \$175,000 environmental management SEG from a continuing appropriation for these purposes. The Administration in April of 2025 submitted an erratum to add \$175,000 in ongoing funding for replacement water supplies and reduce the same amount for monitoring and sampling of surface waters and fish. This would result in ongoing funding of \$50,000 each year for monitoring and sampling activities and \$175,000 starting in 2026-27 for providing alternative water sources.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Waste, Remediation, and Air

1. CREATE REVITALIZE WISCONSIN PROGRAM

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Positions
SEG	\$7,628,200	1.00	-\$7,628,200	- 1.00	\$0	0.00

Governor: Create a program known as Revitalize Wisconsin to provide grants to local governments and private parties to address properties contaminated by the discharge of hazardous substances. The provision would incorporate reimbursement for cleanup of dry cleaning sites that had applied for assistance under the dry cleaner environmental response program (DERP). The paragraphs below describe the program changes in greater detail.

Revitalize Wisconsin

Program Eligibility. Authorize the Department to award aids for the following types of contaminated sites: (a) brownfields; (b) sites owned by local governments, and that were acquired through such means as tax delinquency, condemnation, blight clearance, or certain other acquisitions; (c) persons with property affected by an off-site discharge; or (d) lenders who acquired a contaminated property through enforcement of a security interest (foreclosure), or persons acting in a capacity of a conservator, guardian, receiver, or trustee.

Also, provide that DNR may award funds to sites being remedied under the state spills law, and owned by the following private parties who acquired a contaminated property through an arms-length transaction: (a) a bank, trust company, or credit union; (b) a developer; (c) a nonprofit or for-profit business; or (d) an innocent landowner. An innocent landowner would be an owner that: (a) acquired the property prior to November 1, 2006, has continuously owned the property, and can demonstrate or document that the discharge or environmental pollution on the property

was caused by another person and that the property owner did not know, and had no reason to know, of the discharge or environmental pollution when the owner acquired the property; or (b) acquired the property on or after November 1, 2006, has continuously owned the property, and can document that all appropriate inquiries as specified under federal law were made prior to acquisition, that the discharge or environmental pollution on the property was caused by another person, and that the property owner did not know and had no reason to know of the discharge or environmental pollution when the owner acquired the property.

Limit aids only to recipients who did not cause a discharge of a hazardous substance, except for aids that may be provided to sites for which the owner or operator applied for assistance under the DERP before the bill's effective date. (The DERP is discussed in a separate section.) Specify DNR aids may be grants, direct services, or, in the case of DERP-eligible sites, reimbursements for cleanup.

Eligible Costs. Eligible activities for grants under the program would include: (a) assessment and investigation of a discharge or environmental pollution; (b) interim and remedial actions to remove hazardous substances from contaminated media; (c) treatment and disposal of contaminated media; (d) vapor intrusion assessment and mitigation; (e) removal of abandoned containers under Chapter 292 of the statutes; (f) asbestos abatement activities conducted as part of redevelopment activities; (g) environmental monitoring; (h) restoration of a private potable water supply; (i) removal of underground substances or petroleum product storage tanks; (j) preparation of documentation to apply for case closure; and (k) other costs as determined by DNR.

Specify that DNR may not award aid to an applicant under the Revitalize Wisconsin program for any of the following: (a) cost of activities conducted prior to award of aid; (b) cost of activities that the Department determines are not integral to the investigation and remediation of a discharge; (c) legal fees; or (d) investigations and remedial actions conducted outside Wisconsin. Specify that DNR may require an applicant to provide a match, either in cash or in kind, for any aid that is awarded under the program, except from DERP-eligible entities.

Funding. Create a biennial appropriation and provide base funding of \$3,000,000 environmental management SEG annually for aids and other payments to pending DERP claims, as described in a separate section. Require DNR to designate 15% of funds appropriated for aid to small or disadvantaged communities. Limit awards to one per site or facility in a fiscal year, except for DERP claims.

Additionally, create a biennial appropriation from the environmental management account of the environmental fund and provide \$971,800 in 2025-26 and \$1,471,800 in 2026-27 in one-time funding, as well as \$500,000 in base funding starting in 2026-27, for removing waste materials from abandoned properties, and for sampling and testing properties to assess risks of damage to the public health or environment. Provide \$67,300 in 2025-26 and \$88,100 in 2026-27 from environmental management SEG with 1.0 permanent position to process applications, assist applicants, and perform program evaluation. Provide \$28,200 annually for LTE staff to serve as a financial specialist.

Rules. Authorize DNR to promulgate rules to administer the Revitalize Wisconsin program, including: (a) criteria for determining aid; and (b) records to be retained by an applicant and the

minimum period for retention. Provide that DNR may inspect any document held by an applicant that is relevant to an application for aid.

Dry Cleaner Environmental Response Program

Delete \$763,600 dry cleaner environmental response fund SEG each year from the appropriation used to provide DERP cleanup awards. The provision removes all expenditure authority from the DERP for the reimbursement of claims.

Claims Backlog. As of January, 2025, there were 47 pending claims, with \$3,116,700 approved for payment when funds are available. DNR indicates that diminishing revenues to the fund would likely prevent the program from reimbursing the majority of approved claims. The bill would provide that for any fiscal year in which there remain DERP sites awaiting payment of claims submitted by the bill's effective date, DNR is to allocate a portion of the \$3,000,000 annual Revitalize Wisconsin awards appropriation to payment of those claims, up to \$1,000,000 per year. For DERP-eligible sites that have not submitted claims, DNR is to allocate \$450,000 each year from the Revitalize Wisconsin awards appropriation to pay those claims, until DNR determines the sites closed under current law.

Under 2009 Wisconsin Act 28, DOA and DNR were authorized to enter into an agreement to transfer up to \$6.2 million from the land recycling loan program (LRLP) within the environmental improvement fund (EIF) to the dry cleaner environmental response program to pay awards under the dry cleaner environmental response program. DNR and DOA entered into a memorandum of understanding and transferred the maximum amount of \$6.2 million from the LRLP to the segregated dry cleaner environmental response fund between 2009-10 and 2013-14. The entire loan must be repaid, and cannot be forgiven. As of February 17, 2025, \$1,092,500 in interest cost has accrued, and \$16,000 in principal and \$5,900 in interest has been repaid, for a total of \$7,270,600 owed by the DERF to the EIF.

Under the bill, the DERF would continue to collect fees from dry cleaning facilities and on dry cleaning chemicals, make payments to the EIF, and is relieved of its obligation to pay out reimbursement claims. The Administration in April of 2025 submitted an erratum for the Revitalize Wisconsin appropriation to collect DERF fees and for the environmental management account to repay the loan obligations to the EIF.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. AIR PERMIT FEES -- FEDERALLY-REGULATED SOURCES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR-REV	\$2,600,000	- \$2,600,000	\$0

Governor: Increase the annual air permit tonnage fee paid by facilities that are subject to

federal regulation under Title V of the Clean Air Act to operate a stationary source that emits air pollutants. Increase the annual tonnage fee from the current \$35.71 per ton of certain pollutants emitted in the previous calendar year to \$63.69 per ton billed in 2026 (for calendar year 2025 emissions) and for each year thereafter.

The fees are deposited into a program revenue appropriation for administration of permitting activities for federally-regulated sources. The Administration estimates the tonnage fee increase would generate additional revenue of approximately \$1,300,000 each year. The tonnage fees are assessed on sulfur dioxide, nitrogen oxides and other air pollutants. In 2023-24, \$4.2 million was assessed on over 46,500 tons of pollutants emitted by approximately 320 federally-regulated sources, including \$1.7 million in tonnage fees.

The revenue would support 46.0 PR positions and \$5.9 million PR annually in expenditures under the adjusted base and Governor's recommendations. The Department indicates that in several recent years, numerous authorized but vacant positions were not work-planned, due to inadequate funding levels.

In Wisconsin, the fees have been assessed for emissions since calendar year 1992. In addition to tonnage fees, sources are also required to pay an annual base fee categorized by the tons of actual billable emissions from the facilities in the prior calendar years, and an annual flat fee based on the type of facility and emissions controls applicable to it.

The U.S. EPA has delegated to DNR the authority to administer the federal air operation permit program in the state. DNR issues federal operation permits to sources, such as large factories and power plants, that emit over a certain threshold of air pollutants. The federal Clean Air Act Amendments of 1990 required states to assess fees based on the tonnage of emissions generated by a stationary source that is a federally-regulated facility under the federal operation permit program. The fees may only be used for the implementation of Clean Air Act provisions. States must demonstrate to EPA that the fees collected on emissions are adequate to cover the state's program costs associated with reducing the emissions of facilities being assessed the fee. The Department indicates that the Wisconsin Title V program is at risk of not meeting fee adequacy requirements, and that the proposed tonnage fee amount meets the EPA presumptive minimum level for fee adequacy.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. AIR PERMIT SYSTEM UPDATES [LFB Paper 571]

SEG	\$532,400

Governor/Legislature: Provide \$532,400 in 2025-26 as one-time funding from the environmental management account of the environmental fund to be used for updates to the air permit application interface. Funding would be used for two contractors, including an IT developer and a project manager, to create online interactive forms allowing for electronic signatures and payment options and an automated method of populating permit review documents using standard language and permit conditions. The Administration indicates that the proposed updates would improve system efficiency and ensure clear, consistent permitting statewide.

4. KEWAUNEE MARSH REMEDIATION [LFB Paper 572]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$18,000,000	- \$18,000,000	\$0
SEG	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total	\$18,000,000	- \$16,000,000	\$2,000,000

Governor: Create a continuing appropriation to provide for the remediation of arsenic contamination in the Kewaunee Marsh, located in Kewaunee County. Provide \$18,000,000 GPR in 2025-26 in one-time financing for the Kewaunee Marsh remediation project. DNR intends to use \$2 million to hire a consultant to create a remedial action plan. The remaining \$16 million would be used to remove arsenic-contaminated sediments and stabilize the marsh. The proposed project would remove and dispose of approximately 30 tons of arsenic in 93,000 to 100,000 cubic yards of contaminated soil and sediment. Completion of the project would reduce arsenic exposure to members of the public using the adjacent Ahnapee State Trail and Ice Age National Scenic Trail, as well as reduce or eliminate arsenic discharge to the Kewaunee River and Lake Michigan.

Joint Finance/Legislature: Modify provision to delete the GPR funding and provide \$2,000,000 environmental management SEG in 2025-26 to the state-funded spills response appropriation under s. 20.370(4)(dv) of the statutes for development of a remedial action plan for the Kewaunee Marsh contaminated sediments remediation.

5. BONDING FOR GREAT LAKES CONTAMINATED SEDIMENT REMOVAL [LFB Paper 573]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$9,000,000	- \$9,000,000	\$0
GPR	0	\$7,500,000	\$7,500,000

Governor: Increase bonding authority by \$9,000,000 for removing contaminated sediments in Lake Michigan, Lake Superior, and their tributaries. Since 2007, DNR has been authorized \$40 million in contaminated sediment bonding authority, as well as \$7.5 million GPR authorized by 2023 Act 19. Of these amounts, DNR has committed \$35.8 million as of February, 2025.

Funding under the provision would provide a required state match for federal funding to be used for remediation in the St. Louis River Area of Concern (Douglas County). Additional bonding authority is intended to be used for four projects that would be funded with previously unused bonding authority (\$4.2 million), GPR (\$7.5 million), leveraged federal funds (at least \$30 million), and the proposed bonding authority in the bill (\$9 million).

Debt service for contaminated sediment bonding is supported by environmental management SEG. See a separate entry under "Natural Resources -- Departmentwide" for

budgeted debt service for DNR programs.

Joint Finance/Legislature: Delete \$9,000,000 in bonding and instead provide \$7,500,000 GPR in 2025-26 for removing contaminated sediments in Lake Michigan, Lake Superior, and their tributaries. Funding is provided in a continuing appropriation created under 2023 Act 19.

6. AMCAST SUPERFUND SITE [LFB Paper 574]

SEG	\$4,000,000

Governor: Create a continuing appropriation from the environmental management account of the environmental fund to be used for remedial action at the Amcast Superfund site, located in Ozaukee County. Provide \$2,000,000 each year in one-time financing for a required state match to federal funding for remediation activities.

The Amcast Superfund site was named by the EPA to the National Priorities List in 2009. The Administration indicates that funding would go towards several projects at the Amcast site to: (a) remove contaminated material from soil, ponds, and storm sewers; (b) dispose of contaminated material off-site; and (c) backfill sites with clean material. Additionally, the funding would contribute to providing interim groundwater monitoring and institutional controls.

Joint Finance/Legislature: Specify that funding is to be provided from the state-funded spills response appropriation under s. 20.370(4)(dv) of the statutes.

7. LAPSE FUNDING FOR CLEANUP OF ELECTRONIC WASTE [LFB Paper 570]

Governor/Legislature: Lapse the unexpended, unencumbered balance (\$1,450,000) of s. 20.370 (4)(hs), the continuing appropriation for electronic waste cleanup related to 5R Processors, to the environmental management account of the environmental fund.

5R Processors, now defunct, operated as an electronics and appliance recycling firm with several sites in Wisconsin, including Ladysmith (Rusk County), Glen Flora (Rusk County), Catawaba (Price County), and West Bend (Washington County). 2021 Wisconsin Act 234 authorized \$2.5 million in environmental management SEG for site cleanup. 2023 Act 19 reauthorized the unexpended, unencumbered balance of the appropriation, raised a statutory expenditure cap of \$2,500,000 to \$4,500,000, and provided \$2,000,000 in additional funding for activities related to 5R Processors to account for increased cleanup costs in the 2023-25 biennium. Due to the timing of encumbrances, the appropriation balance exceeds the total statutory expenditure cap of \$4.5 million. The balance of \$1.45 million cannot be spent, nor will it automatically lapse from a continuing appropriation without legislative action.

[Act 15 Section: 9232(1)]

8. LANDFILL FOOD WASTE STUDY

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$250,000	- \$250,000	\$0

Governor: Provide \$250,000 environmental management SEG in 2026-27 in one-time funding to support a landfill food waste study. DNR has historically contracted a waste characterization study to determine the contents of state waste in order to better inform policy on recycling and waste management, in alignment with the U.S. 2030 Food Loss and Waste Reduction goal, set in 2015 to reduce food waste by half before 2030. The most recent study was completed in 2021.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. ENVIRONMENTAL IMPACTS ON COMMUNITIES

Governor: Require certain DNR permit holders to assess environmental impact of proposed facilities in covered communities prior to issuing of permits by DNR.

Covered Communities. Require DNR to identify and maintain a list of covered communities in the state, based on the most recent available data on household income and decennial census. The bill defines "covered communities" as census tracts at or above the 65th percentile for share of household income at or below 200% of the federal poverty level (\$53,300 in 2025 for a family of three) and that meet any of the following conditions:

- a. at or above the 90th percentile for share of households that are both earning less than 80% of area median family income, as determined by the federal Department of Housing and Urban Development, and are spending more than 30% of their income on housing costs;
- b. at or above the 90th percentile for share of homes built before 1960;
- c. at or above the 90th percentile for having hazardous waste treatment, storage, or disposal facilities or large quantity generators located within 3.1 miles;
- d. at or above the 90th percentile for number of proposed or listed sites identified by the EPA as Superfund or National Priorities List sites located within 3.1 miles;
- e. at or above the 90th percentile for mixture of particles in diesel exhaust in the air, measured as pounds per cubic foot;
- f. at or above the 90th percentile for number of vehicles, based on average annual daily traffic, at major roads within 1,640 feet, divided by distance in feet;
- g. at or above the 90th percentile for risk-screening environmental indicators modeled toxic concentrations at stream segments within 1,640 feet, divided by distance in feet; or
- h. occupied by a federally recognized American Indian tribe or band.

Permittee Requirements. Permit holders under Chapters 283 (wastewater permits), 285 (air permits), 289 (solid waste facilities permits), and 291 (transportation, treatment, storage, or disposal of hazardous waste licenses) would be required to comply with this provision. Under the bill, if a facility is to be located wholly or partly in a covered community, in order for the Department to issue a permit, permittees would be required to prepare a report assessing the environmental impact of the facility, including any cumulative impacts on the covered community, any adverse environmental effects that could not be avoided if the permit were issued, and the public health impact on the covered community. The permit applicant must make the report publicly available and provide the report to DNR, the municipal governing body, and the municipal clerk where the covered community is located.

"Cumulative impacts" would be defined as the combined past, present, and foreseeable future emissions and discharges occurring in a specific geographical area that are assessed based upon guidance issued by the DNR for exposure, public health or environmental risk, in addition to existing conditions in the community.

The permit applicant must conduct a public hearing in the municipality in which the covered community is located to provide clear, accurate, and complete information about the facility, and provide the opportunity for participation by residents of the covered community, within 30 days of providing the report to DNR. The permit applicant must publish public notices of the hearing in at least two newspapers circulating within the covered community at least 21 days before the public hearing, and provide a copy of the public notice to DNR, the municipal governing body, and the municipal clerk where the covered community is located at least 14 days prior to the hearing. Specify that if a permit holder needs to apply for more than one permit for a proposed facility, they may comply with the proposed provisions only once.

Under the bill, the Department would issue a decision on the permit at least 60 days after the public hearing. DNR would take into account the following when deciding to issue a permit: (a) community support and any testimony presented in the public hearing; and (b) any revisions or conditions to the permit that may be necessary to reduce adverse impact to public health or to the environment in the covered community. Authorize the Department to deny a permit application for the operation of a facility that is wholly or partially located within a covered community if the Department finds that the cumulative impact of the facility constitutes an unreasonable risk to the environment and health of the residents in the covered community.

Rules and Effective Date. Authorize DNR to promulgate rules necessary to administer the provision. Specify that the provision goes into effect on the first day of the sixth month after enactment, except for the definition of covered community and the requirement for the Department to maintain a list of covered communities, which take effect on the first day of the fourth month after enactment.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. WISCONSIN RAPIDS RIVERBANK

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
SEG	\$500,000	- \$500,000	\$0

Joint Finance/Legislature: Provide \$500,000 in 2025-26 in a new annual appropriation from the environmental management account to the City of Wisconsin Rapids for reconstruction of a retaining wall as part of the Wisconsin Rapids Riverbank Project.

Veto by Governor [D-15]: Delete provision.

[Act 15 Vetoed Sections: 17 (as it relates to s. 20.370(5)(hs)), 35, and 9132(5)]

11. LAKE VISTA SHORELINE STABILIZATION

SEG	\$2,200,000

Joint Finance/Legislature: Provide \$2,200,000 in 2025-26 in a new continuing appropriation from local government fund SEG to the City of Oak Creek for environmental remediation and redevelopment of Lake Vista Park.

[Act 15 Sections: 31 and 9132(8)]

Water Quality

1. WELL COMPENSATION GRANT PROGRAM [LFB Paper 581]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
	Funding Positions	Funding Positions	Funding Positions
SEG	\$5,000,000 1.00	- \$5,000,000 - 1.00	\$0 0.00

Governor: Provide \$2,500,000 environmental management SEG each year in the 2025-27 biennium for well compensation and well abandonment grants with 1.0 position for program administration. Amounts would include grant funding of \$2,432,800 in 2025-26 and \$2,412,000 in 2026-27, and staffing costs of \$67,200 in 2025-26 and \$88,000 in 2026-27.

DNR's well compensation grant program provides funding to eligible landowners or renters to replace, reconstruct, or treat contaminated private water supplies that serve a residence or provide water to livestock. The bill would also make changes to program eligibility and awards provisions as described in the following paragraphs.

Eligibility. Change eligibility criteria for the well compensation grant program as follows: (a) increase the annual family income limit to \$100,000 from \$65,000; (b) allow an owner or renter of a transient non-community water supply to apply for a grant; (c) specify that a well producing water containing levels of a per- or polyfluoroalkyl substance in excess of the maximum level set by federal or state law is eligible for compensation; (d) specify that a well subject to a DHS advisory opinion that it not be used due to human health risks is eligible; and (e) specify a well or private water supply that produces water with a concentration of at least 10 parts per billion of arsenic or 10 parts per million of nitrate-nitrogen is an eligible contaminated well or contaminated private water supply. A transient non-community water supply is defined as a water system that serves at least 25 persons at least 60 days of the year but that does not regularly serve at least 25 of the same persons over six months per year.

Additionally, repeal the requirement that if a claim is based on contamination by nitrates and not by any other substance, DNR may make a well compensation award only if the well: (a) is used as a source of drinking water for livestock or for both livestock and a residence; (b) is used at least three months of each year and while in use provides an estimated average of more than 100 gallons per day for consumption by livestock; and (c) produces water containing nitrates exceeding 40 parts per million (ppm) nitrate-nitrogen. This would make residential wells with nitrate contamination eligible for the program.

Grant Awards. Further, make the following program changes regarding well compensation grant awards: (a) allow a claimant whose family income is below the state's median income (estimated currently at \$75,700 for a family of four) to receive a grant of up to 100% of eligible project costs, rather than 75% under current law, but not to exceed \$16,000 as under current law; and (b) eliminate the requirement to reduce an award by 30% of the amount by which the claimant's income exceeds \$45,000 if the claimant's family income exceeds \$45,000.

Further, create an exception to the current requirement that DNR must allocate money for the payment of claims according to the order in which completed claims are received. The exception would specify that if the well compensation grant program has insufficient funds to pay claims, DNR would have discretion to prioritize claims based on nitrate contamination in the following order of priority: (1) claims based on water containing more than 40 ppm nitrate-nitrogen; (2) claims based on water containing more than 30 but not more than 40 ppm nitrate-nitrogen; (3) claims based on water containing more than 25 but not more than 30 ppm nitrate-nitrogen; (4) claims based on water containing more than 20 but not more than 25 ppm nitrate-nitrogen; and (5) claims based on water containing more than 10 but not more than 20 ppm nitrate-nitrogen.

Under current law, DNR is appropriated \$200,000 environmental management SEG each year in a continuing appropriation for well compensation grants. The appropriation had \$3,532,200 available during the 2023-25 biennium, including an unencumbered carry-in balance of \$3,132,200. Well compensation grants would be appropriated a total of \$2,632,800 in 2025-26 and \$2,612,000 in 2026-27 under this provision.

ARPA-Funded Well Compensation Program

Since 2022, the Governor has allocated federal funding from the American Rescue Plan Act

totaling \$15 million to a well compensation program with expanded eligibility, which has formed the basis of the eligibility changes to the state-funded program in the bill. While the ARPA-funded program ran, the Department has mostly paused the state-funded program to new applicants. Since 2022, DNR has awarded 591 well compensation grants and 202 well abandonment grants, totaling \$10,820,800. The table shows awards made each year of the ARPA-funded program. The ARPA-funded program opened for a second round of applications in early 2025, and the Department indicated that it will make awards to applicants until August, 2025, or until funds are exhausted. Grant awardees can submit claims for reimbursement until August, 2026, and all federal funding will be spent by December 31, 2026.

ARPA-Funded Well Compensation Grant Awards

<u>Award Year</u>	<u>Total Applicants</u>		<u>Total ARPA-Funded Grants Awarded</u>		
	<u>Private Well</u>	<u>Transient Non-Community Water Supply</u>	<u>Awards Issued</u>	<u>Eligible Awards</u>	<u>Actual Funds Paid</u>
2023	262	55	222	\$2,503,299	\$456,682
2024	438	42	404	5,575,010	4,558,672
2025*	<u>156</u>	<u>17</u>	<u>167</u>	<u>2,742,491</u>	<u>3,443,308</u>
Total	856	114	793	\$10,820,800	\$8,458,662

*Awards made through June 12, 2025.

Joint Finance/Legislature: Provision not included.

2. HIGH-CAPACITY WELL APPROVAL FEE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR-REV	\$200,000	- \$200,000	\$0

Governor: Increase the high-capacity well approval fee from \$500 to \$1,000. The statutes require that a property owner provides advance notice to DNR before construction of any new high-capacity well, which is a well that can withdraw more than 100,000 gallons per day. An owner must submit an application and fee to apply for a high-capacity well. Residential wells with a capacity less than 100,000 gallons per day and fire protection wells are excluded from the statutory definition, and therefore residential and fire protection wells do not require DNR pre-approval and are not subject to the approval fee. The Department estimates that the high-capacity well approval fee would generate approximately \$100,000 annually. Revenues from high-capacity well approval fees are deposited to program revenue appropriations for groundwater administration, research, and management.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. BALLAST WATER AND COMMERCIAL VESSEL FEES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR-REV	\$189,700	- \$189,700	\$0

Governor: Repeal the requirements that DNR must issue a general permit authorizing a vessel that is at least 79 feet in length to discharge ballast water into state waters, and repeal the current permit application fee of \$1,200 and annual permit fee of \$345. Require owners or operators of commercial vessels subject to the federal Vessel Incidental Discharge Act to pay \$650 per arrival to ports in Wisconsin. Specify that such fees may not exceed \$3,250 per calendar year, per operator.

The Administration estimates that the commercial vessel arrival fee would generate approximately \$226,850 annually in the 2025-27 biennium, based on an approximately 350 port arrivals each year. Repealing the permit application and annual fees, estimated at \$132,000 on average annually in revenue, would result in a net increase of \$94,850 in fee revenue each year.

Allow DNR to enter into a memorandum of agreement with the U.S. Coast Guard to authorize DNR to board and inspect any vessel to ensure compliance with the federal Vessel Incidental Discharge Act. The provision is intended to conform Wisconsin's ballast water enforcement programs with terms of federal changes enacted in the Coast Guard Reauthorization Act (CGRA) of 2018. Among other terms, the CGRA limits the fees states may assess for ships carrying and discharging ballast water, but allows for fees to be adjusted for inflation. The bill would authorize DNR to adjust fees once every five years based on changes in the consumer price index for all urban consumers (CPI-U) as of the October preceding the adjustment.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. WINTER ROAD SAFETY IMPROVEMENT GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,000,000	- \$5,000,000	\$0

Governor: Create a continuing appropriation to be used to provide grants to municipalities for winter road safety equipment. Provide \$5,000,000 in one-time funding in 2025-26.

Require DNR to promulgate rules necessary to administer a winter road safety improvement grant program. Rules must: (a) create criteria for determining eligible recipients; and (b) specify eligible expenditures, which are to include live-edge blades, salt spreader control systems, brine mixers, and structural upgrades to salt storage facilities to prevent groundwater contamination. Authorize DNR to provide financial assistance to eligible recipients for eligible expenditures,

where individual awards would not exceed \$75,000.

The Administration indicates that advances in snow and ice control technologies, including ground speed control systems, improved blade technologies, and the use of salt brine, can reduce annual road salt usage and runoff to state waters while maintaining highway safety. However, these technologies often require high initial capital investment.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. TOWN OF BLOOM WELL REPLACEMENT

Governor: Specify that the Town of Bloom (Richland County) is eligible under the well compensation grant program for a claim not to exceed \$16,000. Under current law, the well compensation grant program provides funding to eligible landowners or renters to replace, reconstruct, or treat contaminated private water supplies; thus a city, village, town, county, or special purpose district is not eligible for such a grant. The Administration indicates the well serving the Town of Bloom is contaminated and needs to be replaced, but the town has limited financial means for such a project given its small size. The project has been determined as ineligible for funding under environmental improvement fund programs, which would typically offer financial assistance for municipal drinking water systems.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. WATER E-PERMITTING

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Positions
SEG	\$864,600	1.00	-\$864,600	- 1.00	\$0	0.00

Governor: Provide \$419,100 in 2025-26 and \$445,500 in 2026-27 from environmental management SEG with 1.0 position for electronic water permitting. The electronic water permitting system allows the public to apply for permits and track permit status. Of the funding provided, \$334,900 each year would fund a contractor to perform permitting system upgrades, with \$84,200 in 2025-26 and \$110,600 in 2026-27 associated with a position allocated to the DNR waterways and wetlands program. The Administration indicates that DNR lacks dedicated program staff to manage the system, and the recommended position would be intended to assist customers with questions and application materials and to satisfy administrative code requirements.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. **WASTEWATER PERMIT DATABASE UPDATE** [LFB Paper 582]

GPR	\$1,135,600

Governor/Legislature: Provide \$442,000 in 2025-26 and \$693,600 in 2026-27 in one-time financing to replace the System for Wastewater Applications, Monitoring, and Permits (SWAMP) database. The Administration indicates that SWAMP was built over 30 years ago and requires extensive updates to align the system with federal and state policy changes, improve functionality for DNR staff and users, and streamline permitting and reporting activities.

Funding will be used to hire five contractors, including a business analyst, project manager, and three developers, to evaluate current functionality of SWAMP and then select, design, and implement a system update to be used for wastewater, stormwater, and animal feeding operations permitting.

8. **WASTEWATER GENERAL PERMIT FEE AND STAFFING**

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$310,800	2.00	- \$310,800	- 2.00	\$0	0.00
GPR-REV	\$888,200		- \$888,200		\$0	

Governor: Create a permit processing fee of \$425 for each wastewater general permit issued. Under current law, a person may not discharge a pollutant into waters of the state without a wastewater permit issued by DNR. Individual permits are issued to municipal and industrial facilities discharging to surface waters and/or groundwater. DNR is also authorized to issue general permits for specific categories or classes of point source discharges in a designated area of the state. General permits in most cases do not incur a fee. The Administration estimates that the new processing fee would generate approximately \$444,100 annually that would be deposited into the general fund.

Further, provide \$134,700 in 2025-26 and \$176,100 in 2026-27 for 2.0 permanent positions. The Administration indicates that demand for wastewater general permits has increased, necessitating additional staff to improve administrative and compliance monitoring efforts.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. WATER QUALITY TRADING AND CLEARINGHOUSE SUPPORT

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$155,400	1.00	- \$155,400	- 1.00	\$0	0.00

Governor: Provide \$67,300 in 2025-26 and \$88,100 in 2026-27 of environmental management SEG and 1.0 permanent water quality trading (WQT) plan reviewer position. 2019 Wisconsin Act 151 created a water pollution credit clearinghouse to facilitate the exchange of water pollution credits between dischargers and credit generators. The Administration indicates creation of the clearinghouse and use of the WQT program has increased workload for the wastewater permit program, slowing approval of WQT plans and wastewater permit modifications.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. CONCENTRATED ANIMAL FEEDING OPERATIONS POSITIONS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$0	0.50	\$0	- 0.50	\$0	0.00
SEG	<u>426,600</u>	<u>3.50</u>	<u>- 426,600</u>	<u>- 3.50</u>	<u>0</u>	<u>0.00</u>
Total	\$426,600	4.00	- \$426,600	- 4.00	\$0	0.00

Governor: Provide \$185,500 nonpoint SEG in 2025-26 and \$241,100 nonpoint SEG in 2026-27 with 3.50 SEG positions and 0.50 PR position to oversee permitting, inspection, and enforcement of concentrated animal feeding operations (CAFOs). PR position funding would be provided from the Department's PR appropriation for receiving CAFO permitting fees, which the Governor proposes to raise from \$345 to \$545 annually under the bill. The PR appropriation may expend all monies received from fee revenues; the bill would not reestimate expenditures for the 0.5 position.

In 2023-24, CAFO permitting and oversight staff at DNR, including both administrative and field staff, totaled 26.0 positions, including 9.5 GPR, 10.5 nonpoint SEG, 2.0 EIF SEG, 2.0 PR, and 2.0 FED positions. Associated funding totaled \$2,860,700, consisting of \$1,170,100 GPR, \$1,103,000 nonpoint SEG, \$202,600 EIF SEG, \$177,900 PR, and \$207,100 FED.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. CONCENTRATED ANIMAL FEEDING OPERATION FEES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR-REV	\$138,800	- \$138,800	\$0

Governor: Increase the fee paid by Wisconsin pollutant discharge elimination system (WPDES) permit holders that operate CAFOs from \$345 annually to \$545 annually. It is estimated the proposal would increase CAFO fee revenue by approximately \$69,400 annually, for a total of \$378,200 in fees over the biennium.

DNR is responsible for regulating CAFOs as point sources of discharges with WPDES permits issued under s. 283.31 of the statutes. Permits are issued with five-year terms, and DNR reports 342 permitted CAFOs in Wisconsin as of February, 2025. Fees are deposited into a program revenue appropriation supporting staff and operation costs associated with CAFO regulation.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. GREAT LAKES AND MISSISSIPPI RIVER EROSION CONTROL LOANS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$7,000,000	- \$7,000,000	\$0

Governor: Create a continuing appropriation and provide one-time funding of \$7,000,000 from the environmental management account of the environmental fund in 2025-26 to support a revolving loan fund for municipalities and homeowners to ensure structural integrity of buildings threatened by erosion of the shoreline of Lake Superior, Lake Michigan, and the Mississippi River. Require DNR to promulgate rules to administer this provision, including establishing eligibility criteria and income limits for loans. Further, allow the Department to promulgate emergency rules while final rules are being drafted, and allow emergency rules to be promulgated without the finding of an emergency. Emergency rules would remain in effect for up to two years, unless repealed or otherwise superseded by permanent rules.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. MUNICIPAL DAM REPAIR BONDING [LFB Paper 583]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$15,000,000	- \$15,000,000	\$0
GPR	\$0	\$4,000,000	\$4,000,000

Governor: Provide \$15,000,000 in GPR-supported general obligation bonding authority for dam safety grants. DNR administers the municipal dam safety grant program under s. 31.385 of the statutes. The program provides matching grants to counties, cities, villages, towns, public inland lake protection and rehabilitation districts, and other dam owners for the repair, reconstruction, or removal of dams. To qualify for a grant, a dam must be inspected and be under a DNR directive to repair or remove the dam. A total of \$46.1 million in bonding revenues for dam safety grants has been authorized by the Legislature for this program, including \$4 million in each biennium since 2009-11 and \$10 million in 2021-23. In the 2023-25 biennium, rather than authorizing additional bond funds, 2023 Act 19 appropriated \$4.0 million GPR for dam safety grants.

No specific estimate of debt service payments is made for the program during the biennium. However, principal and interest on \$15 million in general obligation bonds could be expected to total approximately \$1,100,000 annually, assuming all bonds were issued for 20 years.

Joint Finance/Legislature: Modify provision to delete bonding authority and provide \$4,000,000 GPR in 2025-26 for dam safety grants. Funding is provided in a biennial appropriation created under 2023 Act 19.

14. URBAN NONPOINT SOURCE BONDING [LFB Paper 584]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$11,000,000	- \$11,000,000	\$0
GPR	\$0	\$4,000,000	\$4,000,000

Governor: Provide \$11,000,000 in SEG-supported general obligation bonding for the urban nonpoint source and storm water management (UNPS) and municipal flood control and riparian restoration (MFC) programs. Of this amount, DNR intends for \$8 million to be allocated for MFC grants and \$3 million for UNPS grants.

The UNPS program supports projects that manage storm water runoff in urban settings. The MFC program supports flood-control and flood-proofing projects in urban settings, including property acquisition and structure removal. Grants generally support cost-sharing of up to 50%. Principal and interest payments on these bonds are supported by the nonpoint account of the environmental fund and are budgeted at \$3.0 million SEG in 2025-26 and \$3.6 million SEG in

2026-27. In the 2023-25 biennium, rather than authorizing additional bond funds, 2023 Act 19 appropriated \$4.0 million GPR for UNPS and MFC grants.

Joint Finance/Legislature: Modify provision to delete bonding authority and provide \$4,000,000 GPR for urban nonpoint source and municipal flood control grants in 2025-26. Funding is provided in a biennial appropriation created under 2023 Act 19.

15. RURAL NONPOINT SOURCE BONDING [LFB Paper 585]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR	\$10,000,000	- \$10,000,000	\$0
GPR	\$0	\$6,500,000	\$6,500,000

Governor: Provide \$10,000,000 in SEG-supported general obligation bonding for rural nonpoint source water pollution abatement grants. Bond proceeds support the targeted runoff management (TRM) program and provide the required 70% state cost-share for the installation of structures in rural settings to improve water quality by preventing soil erosion and animal waste runoff. Bonding authority also may be disbursed as grants under a separate program to address runoff only from animal feeding operations that have been issued a notice of discharge or notice of intent to issue a notice of discharge for impermissible runoff to state waters. Principal and interest payments on these bonds are supported by nonpoint SEG and budgeted at \$2.9 million SEG in 2025-26 and \$3.6 million SEG in 2026-27. In the 2023-25 biennium, rather than authorizing additional bond funds, 2023 Act 19 appropriated \$6.5 million GPR for TRM grants.

Joint Finance/Legislature: Modify provision to delete bonding authority and provide \$6,500,000 GPR in 2025-26 in a biennial appropriation created under 2023 Act 19.

16. TARGETED RUNOFF MANAGEMENT [LFB Paper 585]

SEG	\$400,000

Governor: Provide \$200,000 nonpoint SEG each year for additional funding for primarily nonstructural practices or staff costs under targeted runoff management (TRM) grants. TRM grants provide financial assistance to projects addressing water quality concerns or impairments, primarily in rural and agricultural settings, and support the implementation of total maximum daily load (TMDLs) in Wisconsin. Funds come from general obligation bonding, GPR, nonpoint SEG, and federal funding under Section 319 of the Clean Water Act. Since the 2017-19 biennium, the TRM program has been provided \$100,000 nonpoint SEG each year on an ongoing basis. 2023 Act 19 provided an additional \$200,000 nonpoint SEG annually on a one-time basis for nonstructural TRM grants.

Joint Finance/Legislature: Specify that funding is provided on a one-time basis in the 2025-27 biennium.

17. NONPOINT CONTRACTS [LFB Papers 580 and 586]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,724,000	- \$1,724,000	\$0

Governor: Provide an additional \$862,000 nonpoint SEG each year on an ongoing basis for nonpoint source contracts. Contracts support informational, educational, training, or research projects that assist implementation of state nonpoint source water pollution abatement programs. Most contracts have historically funded projects of UW-Extension and other UW System institutions. Recent contracts have supported: (a) the UW-Madison Soils Department development and maintenance of nutrient management planning software; (b) development and maintenance of a best management practices tracking system; and (c) nonpoint source best practice coordination activities performed by the Standards Oversight Council.

DNR receives \$267,600 in ongoing funding for nonpoint contracts, and from 2016 through 2023, DNR had also received additional one-time funding in the biennial budget to support contracts. Combined with base funding of \$267,600, total budgeted funding for nonpoint contracts would total \$1,129,600 each year of the biennium.

Joint Finance/Legislature: Provision not included.

18. TOTAL MAXIMUM DAILY LOAD STAFFING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$440,200	- \$440,200	\$0

Governor: Provide \$199,400 in 2025-26 and \$240,800 in 2026-27 to DNR to hire limited-term employees for development and administration of total maximum daily load (TMDL) plans. TMDL plans are approved by EPA and implemented by requiring all point and nonpoint sources in a watershed, such as agricultural producers, to implement pollution control measures. DNR provides grants for implementation of TMDL plans through the targeted runoff management (TRM) program. TRM grants are currently available to non-TMDL projects, as DNR has yet to develop TMDLs for all waters it has identified as impaired in the state. Additional staff would assist with the development of TMDLs and implementation of TMDL plans.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

19. WATER RESOURCES ACCOUNT LAPSE [LFB Paper 587]

Governor: Lapse \$1,000,000 from various appropriations to the balance of the water resources account of the conservation fund in 2025-26. The lapse would include: (a) \$436,600

from the DNR appropriation for boat access to lakes throughout the state; (b) \$386,500 from the southeast Wisconsin recreational boating facilities projects appropriation; and (c) \$176,900 from the appropriation that supports management activities for habitat and recreational projects and environmental and resource management studies on the Mississippi and Lower St. Croix Rivers. The provision is intended to increase the available balance of the water resources account, which was approximately \$1.8 million on June 30, 2024. The \$1 million lapse is allocated proportionally, with the amounts for each appropriation reflecting approximately 58% of the unencumbered balance as of June 30, 2024.

Joint Finance/Legislature: Provision not included.

20. WINNEBAGO LAKE SYSTEM STAFFING

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$310,800	2.00	-\$310,800	- 2.00	\$0	0.00

Governor: Provide \$134,600 in 2025-26 and \$176,200 in 2026-27 with 2.0 positions to increase staffing for Lake Winnebago local lake protection and restoration efforts, including water quality and habitat improvement projects. Positions would include 1.0 lake management position and 1.0 fisheries biologist position. The lake management position would be supported by environmental management SEG, and the fisheries biologist position would be supported by fish and wildlife SEG. Each position would be budgeted \$67,300 in 2025-26 and \$88,100 in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

21. WATERWAYS SYSTEM MAINTENANCE

SEG	\$218,800

Governor/Legislature: Provide \$109,400 environmental management SEG annually in one-time funding to improve DNR's waterways and wetlands information tracking system and waterways complaint system. The Administration intends to allocate \$89,400 annually for waterway and wetlands information tracking system maintenance, and \$20,000 annually for waterways complaint system maintenance.

22. WAKE BOATING PROJECT POSITION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$145,300	1.00	-\$145,300	- 1.00	\$0	0.00

Governor: Provide \$62,300 conservation fund SEG in 2025-26 and \$83,000 conservation

fund SEG in 2026-27 and 1.0 project position to collect and analyze data on the impact of wake boats in Wisconsin bodies of water. Wake boating, as the practice is known, uses heavy recreational boats with ballast tanks to generate waves for recreational users in tow or otherwise trailing the boat. Wake boats have been identified as potentially detrimental for shallow-water aquatic ecosystems and for the risk of introduction of invasive species to new waters via the boats' ballast tanks.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

23. STORM WATER MANAGEMENT APPROPRIATION

Governor: Convert the program revenue appropriation for administration and enforcement of storm water discharge permits from an annual sum-certain appropriation to an all-moneys-received continuing appropriation. The appropriation receives fees from storm water discharge permits issued under s. 283.33 of the statutes to commercial and industrial users, large urbanized municipalities, and for transportation facilities and construction sites.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

24. STORM WATER POND SAFETY

Governor: Require DNR to promulgate rules for ponds constructed as part of a project for which a WPDES or storm water permit is required, and located in an area with a population density of at least 1,000 persons per square mile. The bill would require qualifying ponds to have one or more safety measures, including: (a) a shallow ledge around the edge of the pond; (b) vegetation that is at least two feet high between the pond and any accessible point surrounding the pond; or (c) any alternative safety feature approved by DNR by rule.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

25. ECHO LAKE DAM

GPR	\$10,000,000

Joint Finance/Legislature: Provide \$10,000,000 in 2025-26 in a new continuing appropriation to the City of Burlington (Racine and Walworth Counties) for the restoration of a dam on Echo Lake.

[Act 15 Section: 29]

26. BROWNS LAKE DREDGING PROJECT

GPR	\$5,000,000

Joint Finance/Legislature: Provide \$5,000,000 in 2025-26 in a new continuing

appropriation to the Browns Lake Sanitary District (Racine County) for a dredging project on Browns Lake.

[Act 15 Section: 32]

27. WATER QUALITY FUNDING

GPR	\$70,000

Joint Finance/Legislature: Provide \$70,000 in 2025-26 to DNR to perform a dredging project on the Manitowoc River in the Town of Brillion in Calumet County.

Veto by Governor [D-16]: Delete the nonstatutory directive under the provision but retain funding in a DNR general operations appropriation for water quality.

[Act 15 Vetoed Section: 9132 (11)]

28. HIGHWAY FLOODING MITIGATION

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
SEG	\$100,000	- \$100,000	\$0

Joint Finance/Legislature: Provide \$100,000 nonpoint SEG in 2025-26 in a new, annual appropriation to the Town of Norway in Racine County to assist with the mitigation of water runoff from Highway 36.

Veto by Governor [D-19]: Delete provision.

[Act 15 Vetoed Sections: 17 (as it relates to 20.370(6)(at)), 36, and 9132(6)]

29. DEERSKIN RIVER DREDGING

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
SEG	\$1,750,000	- \$1,750,000	\$0

Joint Finance/Legislature: Provide \$1,750,000 in 2025-26 in a new biennial appropriation from environmental management SEG for a grant to the Town of Washington (Vilas County) to dredge the Deerskin River.

Veto by Governor [D-14]: Delete provision.

[Act 15 Vetoed Sections: 17 (as it relates to s. 20.370(4)(kr), 34 and 9132(7)]

30. GREEN LAKE ASSOCIATION

SEG	\$250,000

Joint Finance/Legislature: Provide \$250,000 in 2025-26 in a new continuing appropriation from environmental management SEG to the Green Lake Association for the mitigation of phosphorus pollution in Green Lake, in the City of Green Lake.

[Act 15 Sections: 33 and 9132(9)]

PROGRAM SUPPLEMENTS

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$664,200	\$5,029,200	\$42,873,400	\$117,873,400	\$117,873,400	\$117,209,200	N.A.
FED	0	731,400	0	0	0	0	N.A.
PR	0	2,872,400	4,000,000	4,000,000	4,000,000	4,000,000	N.A.
SEG	0	2,547,600	45,100,000	45,100,000	45,100,000	45,100,000	N.A.
TOTAL	\$664,200	\$11,180,600	\$91,973,400	\$166,973,400	\$166,973,400	\$166,309,200	N.A.

Note: Base level funding is provided in four GPR appropriations, including \$5,800 for physically handicapped supplements, \$10,200 for executive residence furnishings replacement, \$182,500 for groundwater survey and analysis, and \$133,600 for unreserved moneys available for release by the Joint Committee on Finance.

FTE Position Summary
There are no authorized positions for program supplements.

Budget Change Items

1. SUPPLEMENTATION FOR ENTERPRISE ASSESSMENTS RELATED TO INCREASED PERSONNEL COSTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,365,000	- \$4,365,000	\$0
FED	731,400	- 731,400	0
PR	2,872,400	- 2,872,400	0
SEG	2,547,600	- 2,547,600	0
Total	\$10,516,400	- \$10,516,400	\$0

Governor: Create four program supplements appropriations (one annual GPR appropriation, one sum sufficient PR appropriation, one sum sufficient FED appropriation, and one sum sufficient SEG appropriation) to supplement state agency appropriations for increased enterprise assessments and billings due to compensation and related adjustments authorized under collective bargaining agreements or the state employee compensation plan. Provide \$3,703,000 in 2025-26 (\$1,537,000 GPR, \$257,500 FED, \$1,011,400 PR, and \$897,100 SEG) and \$6,813,400 in

2026-27 (\$2,828,000 GPR, \$473,900 FED, \$1,861,000 PR, and \$1,650,500 SEG) to the newly-created appropriations for these purposes. The appropriations would be created under Program 1, "Employee Compensation and Support."

The Department of Administration assesses and bills agencies for various services rendered. The amounts that would be provided to the newly-created program supplements appropriations are intended to offset the cost of increases to these assessments and billings as a result of proposed general wage adjustments of 5% in 2025-26 and 4% in 2026-27, which would increase the costs of assessment-funded salaries and fringe benefits for employees of the Division of Personnel Management, the Division of Enterprise Technology, the Bureau of State Risk Management, the Bureau of Financial Management, and the Division of Hearings and Appeals.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. JOINT COMMITTEE ON FINANCE SUPPLEMENTAL APPROPRIATIONS

	Jt. Finance (Chg. to Base)	Senate/Leg. (Chg. to JFC)	Net Change
GPR	\$42,209,200	\$75,000,000	\$117,209,200
PR	4,000,000	0	4,000,000
SEG	<u>45,100,000</u>	<u>0</u>	<u>45,100,000</u>
Total	\$91,309,200	\$75,000,000	\$166,309,200

Joint Finance: Provide the amounts shown in the table below to the Committee's supplemental appropriations.

<u>Agency</u>	<u>Purpose</u>	<u>Funding Amount</u>		<u>Fund Source</u>
		<u>2025-26</u>	<u>2026-27</u>	
Health Services	Crisis urgent care facilities	\$10,000,000	\$0	GPR
	Rogers Behavioral Health - -Chippewa Falls	10,000,000	0	GPR
	Psychiatric residential treatment facilities	1,790,000	0	GPR
	Minor safety plans	477,000	342,200	GPR
Higher Educational Aids Board	EMS training	0	3,500,000	GPR
Justice	Law enforcement data sharing	2,000,000	2,000,000	GPR
Public Instruction	Professional development for science teachers	250,000	250,000	GPR
	General program operations	1,000,000	1,000,000	GPR
Public Service Commission	Nuclear power plant feasibility study	2,000,000	0	GPR
Transportation*	Protective services hearing protection	2,600,000	0	GPR
Veterans Affairs	War memorials in populous counties grant	<u>5,000,000</u>	<u>0</u>	GPR
Totals		\$35,117,000	\$7,092,200	GPR
Administration	County Aid Grants (Tribal gaming revenue)	\$2,000,000	\$2,000,000	PR
Military Affairs	Live 911 pilot (911 fund)	\$100,000	\$0	SEG
Natural Resources	Rothschild Dam (Forestry account)	42,000,000	0	SEG
Shared Revenue	Local grant writing and compliance assistance (local government fund)	<u>3,000,000</u>	<u>0</u>	SEG
Totals		\$45,100,000	\$0	SEG
Grand Total		\$82,217,000	\$9,092,200	All Funds

Senate/Legislature: Transfer \$26,500,000 GPR annually from the UW System's general program operations appropriation to the Committee's GPR supplemental appropriation. Transfer \$5,000,000 GPR in 2025-26 from the Committee's GPR supplemental appropriation to a new continuing appropriation under the Department of Veterans Affairs for purposes of a war memorials grant. Provide \$20,000,000 GPR in 2025-26 to the Committee's GPR supplemental appropriation for dairy cattle innovation. Provide \$3,500,000 GPR annually to the Committee's GPR supplemental appropriation for grants to technical colleges for the provision of emergency medical services courses. Shift \$3,000,000 SEG from 2025-26 to 2026-27 under the Committee's SEG supplemental appropriation for local grant writing and compliance assistance.

The Act 15 funding amounts under the Committee's supplemental appropriations are shown in the following table.

<u>Agency</u>	<u>Purpose</u>	<u>Funding Amount</u>		<u>Fund Source</u>
		<u>2025-26</u>	<u>2026-27</u>	
Agriculture, Trade and Consumer Protection/WEDC	Dairy cattle innovation	\$20,000,000	\$0	GPR
Health Services	Crisis urgent care facilities	10,000,000	0	GPR
	Rogers Behavioral Health - -Chippewa Falls	10,000,000	0	GPR
	Psychiatric residential treatment facilities	1,790,000	0	GPR
	Minor safety plans	477,000	342,200	GPR
Higher Educational Aids Board	Emergency medical services training	0	3,500,000	GPR
Justice	Law enforcement data sharing	2,000,000	2,000,000	GPR
Public Instruction	Professional development for science teachers	250,000	250,000	GPR
	General program operations	1,000,000	1,000,000	GPR
Public Service Commission	Nuclear power plant feasibility study	2,000,000	0	GPR
Transportation*	Protective services hearing protection	2,600,000	0	GPR
UW System	Grants to institutions	26,500,000	26,500,000	GPR
Wisconsin Technical College System	Emergency medical services training	<u>3,500,000</u>	<u>3,500,000</u>	GPR
Totals		\$80,117,000	\$37,092,200	GPR
Administration	County aid grants (Tribal gaming revenue)	\$2,000,000	\$2,000,000	PR
Military Affairs	Live 911 pilot (911 fund)	\$100,000	\$0	SEG
Natural Resources	Rothschild dam (forestry account)	42,000,000	0	SEG
Shared Revenue	Local grant writing and compliance assistance (local government fund)	<u>0</u>	<u>3,000,000</u>	SEG
Totals		\$42,100,000	\$3,000,000	SEG
Grand Total		\$124,217,000	\$42,092,200	All Funds

* Note that the \$2.6 million for this item was inadvertently not included in the Chapter 20 schedule of appropriations, but will be corrected in technical legislation being prepared by the Legislative Reference Bureau.

In addition to the reserved funding, unreserved amounts of \$133,600 GPR are provided annually.

PUBLIC DEFENDER

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$265,555,600	\$280,779,700	\$277,772,600	\$277,772,600	\$277,772,600	\$12,217,000	4.6%
FED	3,200	0	0	0	0	- 3,200	- 100.0
PR	<u>2,997,400</u>	<u>3,021,500</u>	<u>3,021,500</u>	<u>3,021,500</u>	<u>3,021,500</u>	<u>24,100</u>	0.8
TOTAL	\$268,556,200	\$283,801,200	\$280,794,100	\$280,794,100	\$280,794,100	\$12,237,900	4.6%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	614.85	667.35	627.35	627.35	627.35	12.50
PR	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>
TOTAL	619.85	672.35	632.35	632.35	632.35	12.50

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Legislature: Adjust funding for standard budget adjustments as shown in the following table.

GPR	\$7,854,600
FED	- 3,200
PR	<u>24,100</u>
Total	\$7,875,500

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
2025-26				
Full Funding of Cont. Pos. Salary/Fringe	\$3,710,500	\$0	\$23,900	\$3,734,400
Overtime	220,300	0	2,900	223,200
Full Funding of Lease/Directed Moves	<u>-20,100</u>	<u>-1,600</u>	<u>-15,100</u>	<u>-36,800</u>
Total	\$3,910,700	-\$1,600	\$11,700	\$3,920,800
2026-27				
Full Funding of Cont. Pos. Salary/Fringe	\$3,710,500	\$0	\$23,900	\$3,734,400
Overtime	220,300	0	2,900	223,200
Full Funding of Lease/Directed Moves	<u>13,100</u>	<u>-1,600</u>	<u>-14,400</u>	<u>-2,900</u>
Total	\$3,943,900	-\$1,600	\$12,400	\$3,954,700
Biennial Totals	\$7,854,600	-\$3,200	\$24,100	\$7,875,500

Note that the bill includes turnover reduction (-\$1,603,500 GPR annually) and restoration of funding (\$1,603,500 GPR annually) for a net change of \$0 GPR annually. Under the Constitution and U.S. Supreme Court case law, the SPD is required to provide representation for all financially eligible individuals accused of a crime. The agency provides that representation through both staff and private bar attorneys. Restoration of the turnover reduction is included because, if staff attorneys are unavailable due to position vacancies, representation must nevertheless be provided and such cases would be handled by private bar attorneys. Since staff handle a higher caseload than private attorneys and generally cost less than private bar attorneys, not filling staff attorney positions could result in higher costs to provide representation.

2. CHARGING AND SENTENCING ALTERNATIVES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$8,597,900	\$8,597,900	\$0

Governor: Provide a reduction to funding for private bar appointments of \$2,563,800 in 2025-26 and \$6,034,100 in 2026-27, associated with adoption of the following law changes intended to reduce the number of appointments. [Note that estimated annual savings from all proposed law changes are approximately halved in 2025-26 since private bar attorneys generally bill the SPD six months after being assigned a case.]

a. Provide that for a first disorderly conduct violation under s. 947.01 of the statutes, if the alleged offender has not previously been convicted of a felony offense and has not been convicted of any similar offense in the previous three years, the prosecutor would be required to offer the alleged offender the opportunity to either complete a diversion program or pay a forfeiture under a stipulated finding of guilt of a non-criminal ordinance violation. The SPD estimated that this law change would affect 2,448 cases and reduce SPD costs by \$635,700 in 2025-26 and \$1,271,300 in 2026-27.

b. Provide that possession of marijuana be lawful for persons 21 years of age and older, with certain specified limitations. Specify that ordinances may be enacted consistent with prohibiting sale to those under 21 or a person other than a permittee possessing more than one ounce; except that a person may be charged with a Class I felony if a complaint is issued alleging that: (a) the person has taken action to hide how much marijuana the person possesses and has in place an extreme measure to avoid detection; or (b) the number of marijuana plants in an individual's possession that have reached the flowering stage is more than 12, if the individual has taken action to hide the number of marijuana plants that have reached the flowering stage and if the person has in place an extreme measure to avoid detection. The SPD estimates that this law change would affect 4,717 cases and reduce SPD costs by \$1,928,100 in 2025-26 and \$4,762,800 in 2026-27. [See "Marijuana-Related Provisions."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. WORKLOAD STAFFING [LFB Paper 605]

	Governor (Chg. to Base) Funding Positions	Jt. Finance/Leg. (Chg. to Gov) Funding Positions	Net Change Funding Positions
GPR	\$7,586,500 52.50	-\$5,805,700 - 40.00	\$1,780,800 12.50

Governor: Provide \$3,656,800 in 2025-26 and \$3,929,700 in 2026-27 and 52.5 positions annually to address workload issues that contribute to delays in the provision of representation. Positions would include 6.5 appellate attorneys and 46.0 support staff, as follows, to reduce the amount of time staff attorneys spend on non-attorney matters: 24.0 paralegals; 9.0 investigators, 4.0 client services specialists, 7.0 legal secretaries, 1.0 human resources specialist, and 1.0 information technology specialist position. These positions would replace 65.0 FED project positions expiring July 31, 2026 that were funded with American Rescue Plan Act funding.

Specify that assistant Public Defenders in project positions on the day before the effective date of this subsection that were funded by the American Rescue Plan Act may be appointed to the permanent equivalent of those positions. Specify that the transferred employees would maintain the same state employment rights and status that they currently enjoy. In addition, specify that none of the transferred employees who have attained permanent status in class are required to serve a probationary period.

Joint Finance/Legislature: Modify funding by -\$2,798,400 in 2025-26 and -\$3,007,300 in 2026-27 and -40.0 positions annually to provide \$858,400 in 2025-26 and \$922,400 in 2026-27 and 12.5 positions annually to address workload issues. Positions include: (a) 1.5 appellate attorneys; (b) 6.0 paralegals; (c) 2.0 investigators; (d) 1.0 client services specialist; and (e) 2.0 legal secretaries.

4. PAY PROGRESSION [LFB Paper 276]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$6,518,800	-\$829,900	\$5,688,900

Governor: Provide \$2,179,700 in 2025-26 and \$4,339,100 in 2026-27 to support pay progression. The pay progression plan is merit-based and consists of 17 hourly salary steps, with each step equal to one-seventeenth of the difference between the lowest annual salary (\$76,378 as of June 30, 2024) and the highest annual salary (\$158,122 as of June 30, 2024). The value of one hourly salary step equals \$4,805 annually. Funding provided is approximately equal to one step at the beginning of each year of the biennium.

Joint Finance/Legislature: Modify funding by -\$311,600 in 2025-26 and -\$518,300 in 2026-27 to provide \$1,868,100 in 2025-26 and \$3,820,800 in 2026-27 for pay progression. Funding is intended to fund one step on July 1, 2025, and on July 1, 2026. Funding for pay

progression is provided on a one-time basis. Ongoing funding would be provided in the 2027-29 biennium as a standard budget adjustment.

5. PRIVATE BAR COST-TO-CONTINUE [LFB Paper 606]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$2,353,700	\$725,600	-\$1,628,100

Governor: Provide a reduction to funding for private bar appointments of -\$2,353,700 in 2025-26 to reflect actual costs to provide reimbursement to private bar attorneys. The reduction in 2025-26 is based on the expectation that expenditures for this purpose will be less than budgeted funding due to the number of bills still being paid out at the \$70 per hour rate for cases appointed before July 1, 2023, rather than the current rate of \$100. Base funding for private bar reimbursements is \$49,822,800.

Joint Finance/Legislature: Modify the reduction by \$725,600 in 2025-26 for a net adjustment of -\$1,628,100 in 2025-26 to reflect actual costs to provide reimbursement to private bar attorneys.

6. EXPERT WITNESS SERVICES COST-TO-CONTINUE [LFB Paper 607]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,088,000	-\$2,088,000	\$0

Governor: Provide \$1,044,000 annually to support payments for expert witnesses. Within funding for trial representation, the base allocation for expert witnesses in Chapter 980 commitment cases specifically is \$337,600. In recent years, the SPD has reallocated funding from trial representation and appellate representation to support the costs of expert witnesses. In 2023-24, the SPD incurred \$1,381,600 in expert witness costs.

Joint Finance/Legislature: Provision not included.

7. PRIVATE BAR REIMBURSEMENT RATES [LFB Paper 606]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,432,600	-\$1,432,600	\$0

Governor: Provide \$1,432,600 in 2026-27 to increase the private bar rate paid for violent felony cases from \$100 to \$125 per hour effective July 1, 2025. Under current law, private bar

attorneys are compensated at a rate of \$100 per hour for time spent related to a case, regardless of the case type. The increase in hourly compensation would apply to cases assigned on or after July 1, 2025. The SPD estimates that approximately 3,396 cases annually would qualify as violent felony cases.

Joint Finance/Legislature: Provision not included.

8. TRANSCRIPTS, INTERPRETERS AND DISCOVERY COST-TO-CONTINUE [LFB Paper 607]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$695,200	- \$695,200	\$0

Governor: Provide \$347,600 annually to support payments for: (a) transcripts of court proceedings; (b) discovery materials; and (c) interpreters for attorney-client communications and other case preparation. Base funding for transcripts, discovery, and interpreters is \$2,129,700. In recent years, the SPD has reallocated funding from trial representation and appellate representation to support the costs of transcripts, discovery, and interpreters. In 2023-24, the SPD incurred \$2,477,300 in transcript, discovery, and interpreter costs.

Joint Finance/Legislature: Provision not included.

9. PILOT CHIPS EXTENSION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$0	- \$1,479,200	- \$1,479,200

Governor: Provide an extension of the sunset date on the pilot program to provide counsel for parents of a child subject to a Child in Need of Protection or Services (CHIPS) proceeding in five counties from June, 2025, to January 1, 2027. The pilot program began July 1, 2018, and funding for the five-county program is included in the agency's base budget. The SPD indicates that although the program has been successful, it is not seeking an expansion beyond the current five counties due to the "ongoing status of workload issues and attorney availability." Specify that, by January 1, 2027, the SPD must submit a report regarding costs and data from implementing the pilot program.

Joint Finance/Legislature: Provision not included. Reduce funding by \$739,600 annually to remove base funding associated with the pilot program.

PUBLIC INSTRUCTION

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled Amount	Percent
GPR	\$15,737,816,000	\$19,140,553,900	\$16,621,610,200	\$16,621,610,200	\$16,620,860,200	\$883,044,200	5.6%
FED	1,772,293,600	1,776,858,400	1,776,044,800	1,776,044,800	1,776,044,800	3,751,200	0.2
PR	110,792,000	115,213,600	112,892,400	112,892,400	112,892,400	2,100,400	1.9
SEG	<u>164,393,800</u>	<u>207,987,200</u>	<u>204,776,200</u>	<u>204,776,200</u>	<u>204,776,200</u>	<u>40,382,400</u>	24.6
TOTAL	\$17,785,295,400	\$21,240,613,100	\$18,715,323,600	\$18,715,323,600	\$18,714,573,600	\$929,278,200	5.2%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	247.29	250.29	247.29	247.29	247.29	0.00
FED	332.99	316.99	315.39	315.39	315.39	- 17.60
PR	<u>75.99</u>	<u>77.99</u>	<u>75.99</u>	<u>75.99</u>	<u>75.99</u>	<u>0.00</u>
TOTAL	656.27	645.27	638.67	638.67	638.67	- 17.60

Budget Change Items

General School Aids and Revenue Limits

1. STATE SUPPORT FOR K-12 EDUCATION [LFB Paper 610]

Governor: Provide \$8,457,858,700 in 2025-26 and \$8,882,215,400 in 2026-27 for general and categorical school aids. Compared to the 2024-25 base level funding of \$7,101,005,600, school aids would increase by \$1,356,853,100 (19.1%) in 2025-26 and \$1,781,209,800 (25.1%) in 2026-27. These proposed funding levels would represent annual changes to the prior year of 19.1% in 2025-26 and 5.0% in 2026-27.

Under the historic definition of state funding for support of K-12 education (the sum of state general and categorical school aids, the school levy and first dollar credits, and the general program operations appropriation for the program for the deaf and hard of hearing and the center for the

blind and visually impaired), the bill would increase state support from the base amount of \$8,539,338,000 in 2024-25 to \$10,023,046,200 in 2025-26 and \$10,571,802,900 in 2026-27. These proposed funding levels would represent annual changes to the prior year of 17.4% in 2025-26 and 5.5% in 2026-27.

Using the historic definition of partial school revenues (the sum of state school aids and property taxes levied for school districts, less community service levies and a portion of the referenda-approved debt levy), the Administration estimates that state support of partial school revenues would increase from 68.0% in 2024-25 to 71.4% in 2025-26 and 72.7% in 2026-27.

Joint Finance/Legislature: Provide \$7,386,510,900 in 2025-26 and \$7,429,856,800 in 2026-27 for general and categorical school aids. Compared to the 2024-25 base year, school aids would increase by \$285,505,300 (4.0%) in 2025-26 and \$328,851,200 (4.6%) in 2026-27. These proposed funding levels would represent annual changes to the prior year of 4.0% in 2025-26 and 0.6% in 2026-27. Compared to the Governor's recommendations, school aids would be reduced by \$1,071,347,800 in 2025-26 and \$1,452,358,600 in 2026-27.

Using the traditional definition of state support of K-12 education, total funding would increase from \$8,539,338,000 in 2024-25 to \$8,826,040,300 in 2025-26 and \$8,869,386,200 in 2026-27. These funding levels would represent annual changes to the prior year of 3.4% in 2025-26 and 0.5% in 2026-27. With the changes to K-12 school finance adopted by Joint Finance, it is estimated that state support of partial school revenues would be 66.3% in 2025-26 and 64.5% in 2026-27.

Veto by Governor [A-1]: By vetoing the appropriation for grants to the Lakeland STAR Academy, the Governor's veto reduces the amount of funding for categorical aids by \$250,000 in 2025-26 and \$500,000 in 2026-27. Estimated state support under Act 15 would remain at 66.3% in 2025-26 and 64.5% in 2026-27.

A summary of the funding amounts for state support under the Governor, Joint Finance and the Legislature, and Act 15 is presented in Table 1. Table 2 provides an outline of state support for K-12 education by individual fund source. Table 3 presents the Act 15 funding levels for each general and categorical school aid program as compared to the 2024-25 base funding level. The provisions relating to individual school aid programs are summarized in the items that follow.

[Act 19 Vetoed Sections: 17 (as relates to s. 20.255(2)(ag)), 23, 24, 9134, and 9434]

TABLE 1**State Support for K-12 Education**

<u>State Funding</u>	2024-25 <u>Base Year</u>	<u>Governor</u>		<u>Joint Finance/Legislature</u>		<u>Act 15</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
General School Aids	\$5,581,190,000	\$6,074,990,000	\$6,281,090,000	\$5,581,190,000	\$5,581,190,000	\$5,581,190,000	\$5,581,190,000
Categorical Aids	1,519,815,600	2,382,868,700	2,601,125,400	1,805,320,900	1,848,666,800	1,805,070,900	1,848,166,800
School Levy Tax Credit	1,275,000,000	1,400,300,000	1,524,700,000	1,275,000,000	1,275,000,000	1,275,000,000	1,275,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
State Residential Schools	<u>13,332,400</u>	<u>14,887,500</u>	<u>14,887,500</u>	<u>14,529,400</u>	<u>14,529,400</u>	<u>14,529,400</u>	<u>14,529,400</u>
Total	\$8,539,338,000	\$10,023,046,200	\$10,571,802,900	\$8,826,040,300	\$8,869,386,200	\$8,825,790,300	\$8,868,886,200
Change to Prior Year:							
Amount		\$1,483,708,200	\$548,756,700	\$286,702,300	\$43,345,900	\$286,452,300	\$43,095,900
Percent		17.4%	5.5%	3.4%	0.5%	3.4%	0.5%
Change to Base:							
Amount		\$1,483,708,200	\$2,032,464,900	\$286,702,300	\$330,048,200	\$286,452,300	\$329,548,200
Percent		17.4%	23.8%	3.4%	3.9%	3.4%	3.9%

TABLE 2**State Support for K-12 Education by Fund Source**

	2024-25 <u>Base Year</u>	<u>Governor</u>		<u>Joint Finance/Legislature</u>		<u>Act 15</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
GPR							
General School Aids	\$5,581,190,000	\$6,074,990,000	\$6,281,090,000	\$5,581,190,000	\$5,581,190,000	\$5,581,190,000	\$5,581,190,000
Categorical Aids	1,454,024,800	2,301,378,100	2,521,778,800	1,721,530,100	1,764,876,000	1,721,280,100	1,764,376,000
School Levy Tax Credit	1,275,000,000	1,400,300,000	1,524,700,000	1,275,000,000	1,275,000,000	1,275,000,000	1,275,000,000
First Dollar Credit	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000	150,000,000
State Residential Schools	<u>13,332,400</u>	<u>14,887,500</u>	<u>14,887,500</u>	<u>14,529,400</u>	<u>14,529,400</u>	<u>14,529,400</u>	<u>14,529,400</u>
GPR Subtotal	\$8,473,547,200	\$9,941,555,600	\$10,492,456,300	\$8,742,249,500	\$8,785,595,400	\$8,741,999,500	\$8,785,095,400
PR							
Categorical Aids	\$1,507,500	\$1,984,700	\$1,984,700	\$1,507,500	\$1,507,500	\$1,507,500	\$1,507,500
SEG							
Categorical Aids	<u>\$64,283,300</u>	<u>\$79,505,900</u>	<u>\$77,361,900</u>	<u>\$82,283,300</u>	<u>\$82,283,300</u>	<u>\$82,283,300</u>	<u>\$82,283,300</u>
Total State Support - All Funds	\$8,539,338,000	\$10,023,046,200	\$10,571,802,900	\$8,826,040,300	\$8,869,386,200	\$8,825,790,300	\$8,868,886,200

TABLE 3

**General and Categorical School Aid by Funding Source
2024-25 Base Year Compared to Act 15**

		2024-25	Act 15		2025-27 Change to Base Year Doubled	
Agency	Type and Purpose of Aid	Base Year	2025-26	2026-27	Amount	Percent
	General Aid--GPR Funded					
DPI	General School Aids	\$5,581,190,000	\$5,581,190,000	\$5,581,190,000	\$0	0.0%
	Categorical Aid--GPR Funded					
DPI	Per Pupil Aid	\$587,812,400	\$579,526,500	\$574,720,600	-\$21,377,700	-1.8%
	Special Education	574,777,700	782,408,800	871,826,900	504,680,300	43.9
	High-Cost Special Education Aid	14,480,000	29,086,700	54,450,300	54,577,000	188.5
	Spec. Ed. Transition Incentive Grants	3,600,000	3,600,000	3,600,000	0	0.0
	Transition Readiness Investment Grant	1,500,000	1,500,000	1,500,000	0	0.0
	Achievement Gap Reduction	109,184,500	109,184,500	109,184,500	0	0.0
	SAGE--Debt Service	133,700	133,700	133,700	0	0.0
	Sparsity Aid	28,614,000	29,510,000	29,730,000	2,012,000	3.5
	Pupil Transportation	24,000,000	24,000,000	24,000,000	0	0.0
	High-Cost Transportation Aid	22,800,000	22,800,000	22,800,000	0	0.0
	School-Based Mental Health Services Grants	25,000,000*	40,000,000	10,000,000	0	0.0
	Aid for School Mental Health Programs	12,000,000	12,000,000	12,000,000	0	0.0
	Peer-to-Peer Suicide Prevention Grants	250,000	250,000	250,000	0	0.0
	Bilingual-Bicultural Aid	10,089,800	10,089,800	10,089,800	0	0.0
	Tuition Payments	8,242,900	8,242,900	8,242,900	0	0.0
	Head Start Supplement	6,264,100	6,264,100	6,264,100	0	0.0
	Educator Effectiveness Grants	5,746,000	5,746,000	5,746,000	0	0.0
	School Lunch	4,218,100	4,218,100	4,218,100	0	0.0
	County Children with Disabilities Educ. Boards	4,067,300	4,067,300	4,067,300	0	0.0
	School Breakfast	2,510,500	2,510,500	2,510,500	0	0.0
	Peer Review and Mentoring	1,606,700	1,606,700	1,606,700	0	0.0
	Rural School Teacher Talent Pilot Program	1,500,000	1,500,000	1,500,000	0	0.0
	MPS Summer School Grant Program	1,400,000	1,400,000	1,400,000	0	0.0
	Four-Year-Old Kindergarten Grants	1,350,000	1,350,000	1,350,000	0	0.0
	School Day Milk	1,000,000	1,000,000	1,000,000	0	0.0
	Robotics League Participation Grants	750,000	1,000,000	1,000,000	500,000	33.3
	Gifted and Talented	474,400	474,400	474,400	0	0.0
	Aid for Transportation--Open Enr./Early College	454,200	454,200	454,200	0	0.0
	Supplemental Aid	100,000	100,000	100,000	0	0.0
	Early Literacy Initiatives	0	37,100,000	0	37,100,000	N.A.
DOA	Debt Service--Tech. Infrastructure Bonding	98,500	155,900	156,000	114,900	58.3
	Total Categorical Aid--GPR Funded	\$1,454,024,800	\$1,721,280,100	\$1,764,376,000	\$577,606,500	19.9%
	Categorical Aid--PR Funded					
DPI	AODA	\$1,284,700	\$1,284,700	\$1,284,700	\$0	0.0%
	Tribal Language Revitalization Grants	222,800	222,800	222,800	0	0.0
	Total Categorical Aid--PR Funded	\$1,507,500	\$1,507,500	\$1,507,500	\$0	0.0%
	Categorical Aid--SEG Funded					
DPI	School Library Aids	\$52,000,000	\$70,000,000	\$70,000,000	\$36,000,000	34.6%
DOA	Telecommunications Access for Educ. Agencies	12,283,300	12,283,300	12,283,300	0	0.0
	Total Categorical Aid--SEG Funded	\$64,283,300	\$82,283,300	\$82,283,300	\$36,000,000	28.0%
	Total Categorical Aid--All Funds	\$1,519,815,600	\$1,805,070,900	\$1,848,166,800	\$613,606,500	20.2%
	Total School Aid--All Funds	\$7,101,005,600	\$7,386,260,900	\$7,429,356,800	\$613,606,500	4.3%

* Includes \$15 million in one-time funding.

2. GENERAL SCHOOL AIDS [LFB Paper 610]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,193,700,000	- \$1,193,700,000	\$0

Governor: Provide \$493,800,000 in 2025-26 and \$699,900,000 in 2026-27 above base level funding of \$5,581,190,000 for general school aids. The general school aids appropriation funds equalization, integration, and special adjustment aid. The bill funding would represent increases of 8.8% in 2025-26 and 3.4% in 2026-27 compared to the prior year.

Joint Finance/Legislature: Provision not included.

3. SPECIAL ADJUSTMENT AID

Governor: Specify that special adjustment aid would be calculated based on 90% of a district's prior year general aid payment, beginning with the distribution of general school aids in the 2025-26 school year.

Under current law, special adjustment aid is equal to the amount needed to make an eligible district's total general aid eligibility equal to 85% of the district's prior year general aid payment. This item would raise the percentage to 90%, further limiting year-to-year declines in a district's general aid payment.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. REVENUE LIMIT PER PUPIL ADJUSTMENT

Governor: Specify that, in 2025-26 and each year thereafter, the per pupil adjustment under revenue limits would equal the amount from the previous year adjusted for inflation, using the percentage change, if positive, in the consumer price index for all urban consumers between the preceding March and second-preceding March. (A technical correction would be needed to accomplish the Administration's intent.)

Under revenue limits, the amount of revenue a school district can raise from general school aids, property taxes, and exempt property aids is restricted. A district's base revenue in a given year is equal to the restricted revenues received in the prior school year. Base revenue is divided by the average of the district's enrollments in the prior three years to determine its base revenue per pupil. Under current law, in 2024-25 and each year thereafter until 2425 (due to a gubernatorial veto), a \$325 per pupil adjustment is made to base revenue per pupil to determine a district's current year revenue per pupil. Current year revenue per pupil is then multiplied by the average of the district's enrollments in the current and prior two years to determine the district's initial revenue limit.

The inflationary adjustment that would begin in 2025-26 under the bill is the same measure used to index per pupil adjustment amount prior to 2009-10.

The following table shows the per pupil adjustment under the bill (using the Administration's estimates) compared to current law.

	Per Pupil Adjustment		
	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Current Law	\$325	\$325	\$325
Bill	325	334	345

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. LOW REVENUE ADJUSTMENT [LFB Paper 610]

Governor: Set the low revenue adjustment amount under revenue limits at \$12,000 per pupil in 2025-26 and \$12,400 per pupil in 2026-27 and in any subsequent school year. Also, beginning in 2025-26, delete the statutory provisions restricting otherwise-eligible districts from any low revenue adjustment increases for three years after a failed operating referendum.

Under the low revenue adjustment, if the sum of the base revenue per pupil and the revenue limit per pupil adjustment for a district is below the statutorily-specified amount, a district may increase its revenue to that amount. Under current law, the low revenue adjustment amount in 2024-25 and each year thereafter is \$11,000 per pupil.

Under current law, if the voters in a district reject an operating referendum, the low revenue adjustment amount for that district remains at the amount for the school year during which the referendum was held for the following three school years. If the voters in such a district subsequently approve an operating referendum during the three-year period, however, the district's low revenue adjustment in the school year after the referendum equals the amount for that year.

The following table shows the low revenue adjustment amount under the bill compared to current law.

	Low Revenue Adjustment - Per Pupil Amount		
	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Current Law	\$11,000	\$11,000	\$11,000
Bill	11,000	12,000	12,400

Joint Finance/Legislature: Provision not included.

6. TREATMENT OF PERSONAL PROPERTY TAX REPEAL AID UNDER REVENUE LIMITS [LFB Paper 705]

Governor: Modify the definition of revenue under revenue limits to include the personal property tax repeal aid provided under current law and the locally-assessed pipeline aid created under the bill. Specify that this provision would first apply to the calculation of school district revenue limits for the 2025-26 school year.

Legislature: Modify the definition of revenue under revenue limits to include the personal property tax repeal aid provided under current law. Specify that this provision would first apply to the calculation of school district revenue limits for the 2025-26 school year.

[Act 15 Sections: 310 and 9334(2)]

7. FOUR-YEAR-OLD KINDERGARTEN MEMBERSHIP

Governor: Specify that a four-year-old kindergarten (K4) pupil enrolled in a program that requires full-day attendance by the pupil for five days a week would be counted as 1.0 pupil for membership purposes, beginning with the distribution of school aid in, and the calculation of, revenue limits for 2026-27. This membership change would apply to school district revenue limits and general aid and to payments to schools in private school choice programs and the independent charter school program.

Under current law, a K4 pupil is counted as 0.5 member if the pupil attends for at least 437 hours, unless the program provides at least 87.5 additional hours of outreach activities, in which case the pupil is counted as 0.6 member. Under the bill, a K4 pupil enrolled in a program requiring less than full-day attendance by the pupil for five days a week would be counted as 0.5 or 0.6 member, depending on whether the additional outreach is provided.

Joint Finance: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Senate/Legislature: Specify that all pupils enrolled in a four-year-old kindergarten program be counted as 0.6 pupil for membership purposes. Delete the current law provision allowing districts to use up to 87.5 hours of the required 437 hours of instruction for outreach activities. Delete obsolete statutory language related to making K4 programs available to all eligible pupils by the 2013-14 school year. This membership change would apply to school district revenue limits and general aid and to payments to schools in private school choice programs and the independent charter school program.

[Act 15 Sections: 307n thru 307r]

Categorical Aids

1. PER PUPIL AID [LFB Papers 106 and 610]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$212,013,800	- \$233,391,500	- \$21,377,700

Governor: Provide \$88,581,900 in 2025-26 and \$123,431,900 in 2026-27 above base level funding of \$587,812,400 for per pupil aid.

Each school district receives a statutorily-specified, flat per pupil aid payment, outside of revenue limits, from the sum sufficient appropriation for per pupil aid. Under current law, this payment is \$742 per pupil in 2024-25 and each year thereafter. A district's current three-year rolling average pupil count under revenue limits, less the independent charter pupils included in those counts, is used to calculate the aid payment.

There are three components in the bill relating to per pupil aid. The funding levels for each, and in total, are based on the administration's enrollment estimates of 779,975 pupils in 2025-26 and 771,917 pupils in 2026-27.

a. *Current payment reestimate.* Delete \$9,070,900 in 2025-26 and \$15,050,000 in 2026-27 as a reestimate of payments using the current payment amount.

b. *Per pupil payment increase.* Provide \$45,238,600 in 2025-26 and \$83,367,000 in 2026-27 to increase the per pupil payment from \$742 in 2024-25 to \$800 in 2025-26 and \$850 in 2026-27 and each year thereafter.

c. *Additional payment for economically disadvantaged pupils.* Provide \$52,414,200 in 2025-26 and \$55,114,900 in 2026-27 for an additional payment for each economically disadvantaged pupil equal to 20% of the standard per pupil aid amount, beginning in the 2025-26 school year. These funding levels would provide an additional \$160 per pupil for an estimated 327,590 economically disadvantaged pupils in 2025-26 and an additional \$170 per pupil for an estimated 324,205 economically disadvantaged pupils in 2026-27.

Define "economically disadvantaged pupil" as a pupil who satisfies either the income eligibility criteria for a free or reduced-price lunch under federal law or other measures of poverty, as determined by the Department. (In 2024-25, a family of four qualifies for a free or reduced-price lunch with an income of less than \$57,720.) Specify that, in the 2025-26 school year and each year thereafter, the additional payment would equal to the district's enrollment multiplied by the district's rate of economically disadvantaged pupils in the previous school year multiplied by 20% of the regular payment amount. Define "rate of economically disadvantaged pupils" as the number of economically disadvantaged pupils enrolled in a district divided by the number of pupils enrolled in the district.

Joint Finance/Legislature: Reduce funding by \$8,285,900 in 2025-26 and \$13,091,800 in 2026-27 as the result of a sum sufficient reestimate of estimated per pupil aid payments using the current law \$742 per pupil aid payment amount, which would represent reductions of \$96,867,800 in 2025-26 and \$136,523,700 in 2026-27 compared to the bill.

2. PER PUPIL AID -- CLARIFY CURRENT LAW

Governor: Delete obsolete statutory language relating to the delayed payment of per pupil aid for the 2015-16 school year.

Also, change the cross-reference for the exclusions from per pupil aid enrollment to a current reference, rather than an outdated one. Under current law, pupils who attend certain independent charter schools are included in their resident districts' enrollments for revenue limit purposes. The revenue limit count is used for per pupil aid, but the provision excluding these pupils for per pupil aid refers to an outdated statutory paragraph.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. SPECIAL EDUCATION [LFB Paper 615]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,130,607,300	- \$625,927,000	\$504,680,300

Governor: Provide \$542,949,100 in 2025-26 and \$587,658,200 in 2026-27 for special education categorical aid and modify the appropriation from sum certain to be a sum sufficient appropriation paying 60% of eligible costs beginning in 2025-26 and annually thereafter. Base level funding is \$574,777,700, which DPI estimates will reimburse approximately 32.1% of eligible costs in 2024-25.

Joint Finance/Legislature: Provide \$207,631,100 in 2025-26 and \$297,049,200 in 2026-27, a change of -\$335,318,000 in 2025-26 and -\$290,609,000 in 2026-27 relative to the amounts in the bill. It is estimated that this funding would increase the proration rate to 42% in 2025-26 and 45% in 2026-27.

4. HIGH COST SPECIAL EDUCATION AID [LFB Paper 615]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$18,509,000	\$36,068,000	\$54,577,000

Governor: Provide \$8,789,000 in 2025-26 and \$9,720,000 in 2026-27 for high cost special education categorical aid and modify the appropriation from sum certain to be a sum sufficient

appropriation paying 40% of eligible costs beginning in 2025-26 and annually thereafter. Base level funding is \$14,480,000, which DPI estimates will reimburse approximately 25.9% of eligible costs in 2024-25.

Under the program, school districts, independent charter schools, cooperative educational service agencies, and county children with disabilities education boards are eligible for high cost aid for 90% of non-administrative costs above \$30,000 for an individual pupil in the previous school year, if the costs were not reimbursed by the state special education categorical aid, the federal Individuals with Disabilities Education Act (IDEA), or the federal Medicaid program. If funding is insufficient, payments are prorated.

Joint Finance/Legislature: Provide \$14,606,700 GPR in 2025-26 and \$39,970,300 GPR in 2026-27, a change of \$5,817,700 in 2025-26 and \$30,250,300 in 2026-27 relative to the amounts in the bill. It is estimated that this funding would increase the proration rate to 50% in 2025-26 and 90% in 2026-27.

5. SPECIAL EDUCATION TRANSITION READINESS GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$500,000 annually above base level funding of \$1,500,000 to expand access to the special education transition readiness grant program.

Under the program, grants of not less than \$25,000 nor more than \$100,000 are awarded to school districts and independent charter schools to fund special education workforce transition support services, including pupil transportation, professional development for school personnel, and employing adequate school personnel.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. AID FOR COMPREHENSIVE SCHOOL MENTAL HEALTH SYSTEMS [LFB Paper 616]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$167,776,000	- \$137,776,000	\$30,000,000

Governor: Provide \$83,888,000 annually above base level funding of \$10,000,000 for school-based mental health services to expand the capacity of school districts and independent charter schools to offer mental health services and support to pupils, and rename the appropriation to "aid for comprehensive school mental health services."

Specify that under this aid program, school districts and independent charter schools would each be eligible to receive reimbursements for eligible expenditures, not to exceed \$100,000 plus \$100 per pupil enrolled in the school district or charter school in the prior year. Specify that funds could be used to provide allowable services during the school day and during after-school or other out-of-school time programs. Define the following as expenses eligible for reimbursement under the program: (a) mental health evidence-based improvement strategies; (b) mental health literacy and stigma reduction programs for pupils and adults; (c) collaborating or contracting with community mental health providers, consultants, organizations, cooperative educational service agencies, and other experts to provide consultation, training, mentoring, and coaching; (d) parent training and informational events; (e) assistance programs for pupils and families; (f) mental health navigators; (g) mental health system planning; (h) translator and interpreter services; (i) offsetting the costs associated with school-employed mental health professionals accessible to all pupils; (j) the costs of setting up spaces and purchasing equipment suitable for mental health telehealth service delivery; (k) the costs of projects designed to assist minors experiencing problems resulting from the use of alcohol or other drugs or to prevent alcohol or other drug use by minors; and (l) telehealth services. Specify that the following costs would be ineligible for reimbursement: (a) payments for direct treatment services or insurance deductibles; (b) non-mental health–related training; (c) staff salaries for non-mental health–related positions; and (d) indirect costs of regular school operations such as existing overhead expenses. Specify that if funding in the appropriation is insufficient to pay the full amount of aid, payments would be prorated among the school districts and independent charter schools that are eligible for aid.

Under current law, aid is distributed on a per pupil basis using the current year revenue limit membership for school districts and the third Friday in September enrollment count for independent charter schools. In 2024-25, it is estimated that payments will equal approximately \$31 per pupil. Funds may be used for the purpose of collaborating with mental health providers to provide mental health services to pupils.

Under 2023 Act 19, one-time funding of \$15 million annually increased total funding for the program to \$25 million annually. Under current law, base level funding is \$10 million annually, and it is estimated that the per pupil payment in 2025-26 and 2026-27 will equal approximately \$12.50.

Joint Finance/Legislature: Provide a one-time increase of \$30,000,000 GPR in 2025-26 above base level funding of \$10,000,000 for grants for school-based mental health services, a change of -\$53,888,000 in 2025-26 and -\$83,888,000 in 2026-27 relative to the amounts in the bill.

7. AID FOR SCHOOL BASED MENTAL HEALTH PROFESSIONAL STAFF [LFB Paper 616]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$129,989,000	- \$129,989,000	\$0

Governor: Provide \$62,752,000 in 2025-26 and \$67,237,000 in 2026-27 above base level

funding of \$12,000,000 to expand aid for school mental health programs, and rename the appropriation to "aid for school mental health programs; pupil services professionals."

Modify current law to include expenditures for any pupil services professional, rather than only social workers as under current law. Define pupil services professional as a school counselor, school social worker, school psychologist, or school nurse. Modify the program to specify that beginning in the 2025-26 school year, school districts, independent charter schools, and private schools participating in one of the private school choice programs would be eligible for reimbursement of any expenditures made in the preceding school year to employ, hire, or retain pupil services professionals, rather than only 50% of the increase in expenditures to employ, hire, or retain school social workers. Specify that if funding in the appropriation is insufficient to pay the full amount of aid, payments would be prorated among the school districts, independent charter schools, and private schools that are eligible for aid.

Under current law, the program reimburses eligible districts and schools for expenditures on school social workers as follows: (a) 50% reimbursement of the increase in expenditures for school social worker services from one year to the next; and (b) a proportion of unreimbursed expenditures for social workers, based on the amount remaining in the appropriation after payments are made under (a). Eligible districts and schools are defined as school districts, independent charter schools, and private choice schools that increased their expenditures on social workers from one year to the next.

Joint Finance/Legislature: Provision not included.

8. PEER TO PEER SUICIDE PREVENTION GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$500,000	- \$500,000	\$0

Governor: Provide \$250,000 annually above base level funding of \$250,000 to expand the peer-to-peer suicide prevention grant program and modify the program to increase the maximum grant award for the peer-to-peer suicide prevention grants from \$1,000 to \$6,000.

In 2023-24, 90 grants were awarded totaling \$89,500. In its agency budget request, DPI indicated that suicide prevention programming from Hope Squad or Sources of Strength totals \$4,000-\$5,000, and other costs (such as transportation to regional trainings and materials) brings the total cost of a program to approximately \$6,000.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. SUPPLEMENTAL NUTRITION AID

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$147,720,000	- \$147,720,000	\$0

Governor: Provide \$147,720,000 in 2026-27 in a new, sum-sufficient appropriation to reimburse educational agencies for the cost of meals served in schools, so that those meals would be provided at no cost to pupils, regardless of family income.

Under the program, an educational agency would be eligible to receive an annual payment equal to the sum of the following: (a) the number of school lunches provided to pupils eligible for a reduced-price lunch multiplied by the difference between the reimbursement amount for a reduced-price lunch and a free lunch in the previous school year; (b) the number of school lunches provided to pupils ineligible for a free or reduced-price lunch multiplied by the difference between the reimbursement amount for a paid lunch and a free lunch in the previous school year; (c) the number of school breakfasts provided to pupils eligible for a reduced-price breakfast multiplied by the difference between the reimbursement amount for a reduced-price breakfast and a free breakfast in the previous school year; (d) the number of school breakfasts provided to pupils ineligible for a free or reduced-price breakfast multiplied by the difference between the reimbursement amount for a paid breakfast and a free breakfast in the previous school year; (e) the number of meal supplements provided to pupils eligible for a reduced-price meal supplement multiplied by the difference between the reimbursement amount for a reduced-price meal supplement and a free meal supplement in the previous school year; and (f) the number of meal supplements provided to pupils ineligible for a free or reduced-price meal supplement multiplied by the difference between the reimbursement amount for a paid meal supplement and a free meal supplement in the previous school year. An educational agency would be defined as a school board, an operator of an independent charter school, a private school, a tribal school, an operator of a residential care center for children and youth, and the state's Educational Services Program for the Deaf and Hard of Hearing and Center for the Blind and Visually Impaired. To be eligible for reimbursement, the educational agency could not charge pupils for school meals for which the educational agency receives reimbursement under the federal school lunch program or federal school breakfast program.

The basic cash reimbursement rates for all schools or institutions participating in the federal school lunch and breakfast programs in 2024-25 are \$4.52 for a free lunch, \$4.12 for a reduced-price lunch, and \$0.51 for a paid lunch; \$2.37 for a free breakfast, \$2.07 for a reduced-price breakfast, and \$0.39 for a paid breakfast; and \$1.21 for a free snack, \$0.60 for a reduced-price snack, and \$0.11 for a paid snack. In the same year, a family of four qualifies for a free lunch with an annual income of less than \$40,560, and a reduced-price lunch with an income of between \$40,560 and \$57,720. In the 2023-24 school year, approximately 345,000 public school pupils in Wisconsin qualified for free meals, or approximately 45% of pupils statewide, and 35,000 pupils qualified for reduced-price meals, or approximately 4.5% of pupils statewide.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. SCHOOL BREAKFAST REIMBURSEMENT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$6,109,500	- \$6,109,500	\$0

Governor: Provide \$3,027,400 in 2025-26 and \$3,082,100 in 2026-27 above base level funding of \$2,510,500 for the school breakfast program. Under the program, participating agencies are eligible for reimbursements of 15.0 cents per meal served if funding is available. DPI estimates that payments will be prorated at approximately 7 cents per meal served in 2024-25. It is estimated that the additional funding would increase the state reimbursement rate to 15.0 cents per meal served.

Additionally, modify statutory language to allow independent charter schools, the state's Educational Services Program for the Deaf and Hard of Hearing and Center for the Blind and Visually Impaired, and residential care centers for children and youth to be eligible for reimbursement. Specify that schools that ceased operations during the prior school year would not be eligible for reimbursement for any breakfasts served during that year.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. SCHOOL DAY MILK PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$458,900	- \$458,900	\$0

Governor: Provide \$211,100 in 2025-26 and \$247,800 in 2026-27 above base level funding of \$1,000,000 to fully fund projected claims for the school day milk program. Under the program, DPI is required to reimburse the cost of milk provided to low-income children in preschool through fifth grade in public, private, and tribal schools that do not participate in the federal special milk program. If funding is insufficient, payments are prorated. In 2024-25, it is estimated that payments will be prorated at approximately 85%.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. AID FOR ENGLISH LANGUAGE ACQUISITION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$53,500,000	- \$53,500,000	\$0

Governor: Provide \$26,750,000 annually in a new sum sufficient appropriation for a new categorical aid program to support limited-English proficient (LEP) pupils in school districts and independent charter schools. Specify that under the program, \$500 would be provided for each LEP pupil enrolled in the district or attending the school in the previous school year.

Require school boards and operators of independent charter schools to annually, on or before August 15, report to DPI the number of LEP pupils enrolled in the school district or attending the charter school in the previous school year and the classification of those pupils by language group. Require DPI to pay each school district and independent charter school \$500 per LEP pupil beginning in the 2025-26 school year based on the reported number of LEP pupils. The amount of funding provided is based on an estimate of 53,500 LEP pupils in each year of the biennium.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. SPARSITY AID [LFB Paper 617]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$20,253,600	- \$18,241,600	\$2,012,000

Governor: Provide \$10,016,800 in 2025-26 and \$10,236,800 in 2026-27 above base level funding of \$28,614,000 for sparsity aid. Modify the program beginning in the 2025-26 school year to increase per pupil payment amounts from \$400 to \$500 if the school district's membership in the previous school year did not exceed 745 pupils, and from \$100 to \$200 if the school district's membership in the previous school year was between 745 and 1,000 pupils.

Under current law, districts qualify for \$400 per pupil if, in the prior school year, they had an enrollment of less than 745 pupils and had a population density of fewer than 10 pupils per square mile of district attendance area. Districts qualify for \$100 per pupil if, in the prior school year, they had an enrollment between 745 and 1,000 pupils and a population density of fewer than 10 pupils per square mile of district attendance area. If funding is insufficient, payments are prorated. In 2024-25, 156 districts qualified for \$400 per pupil aid and 27 districts qualified for \$100 per pupil aid. Payments were prorated at 96.9%.

Additionally, modify the provision that exists under current law under which any district that qualified for sparsity aid in one year but did not qualify the following year due to an increase in its enrollment is eligible to receive 50% of its prior year award. Instead, allow a district that

loses its eligibility as a result of an increase in its enrollment or its pupil population density to receive up to 50% of its prior year award. One district (Durand-Arkansaw) qualified for aid under this provision in 2024-25. This modification would first apply to sparsity aid in the 2025-26 school year.

Joint Finance/Legislature: Provide \$896,000 GPR in 2025-26 and \$1,116,000 GPR in 2026-27, a change of -\$9,120,800 annually relative to the amounts in the bill. It is estimated that this funding would fully fund eligibility under current law.

14. COMPUTER SCIENCE EDUCATION GRANTS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$10,189,100	1.00	-\$10,189,100	- 1.00	\$0	0.00

Governor: Provide \$5,092,500 and 1.0 FTE positions in 2025-26 and \$5,096,600 in 2026-27 to create a grant program to provide funds to school districts to expand computer science educational opportunities in all grade levels operated by the district. Specify that funds could be used to provide professional development, purchase curricula and related materials, and apply programming or coding concepts or integrate computer science fundamentals into other subjects. Specify that funds could not be used to purchase personal electronic computing devices, computers, or computer hardware.

Of the total funding amount, \$5,000,000 annually would be used to award grants to school districts. An additional \$72,500 in 2025-26 and \$96,600 in 2026-27 would be provided in DPI's general program operations appropriation for a statewide computer science education coordinator (\$42,200 salary, \$17,700 fringe, and \$12,600 supplies and services in 2025-26 and \$56,200 salary, \$23,600 fringe, and \$16,800 supplies and services in 2026-27). The remaining \$20,000 in 2025-26 would be for costs associated with a computer science education task force, to be chaired by the computer science education coordinator.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. CAREER AND TECHNICAL EDUCATION AID

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$10,000,000	-\$10,000,000	\$0

Governor: Provide \$10,000,000 in 2025-26 in a new biennial appropriation to create a categorical aid program to increase high school career and technical education pathways in school districts and independent charter schools. Define "high school career and technical education pathway" as a series of career and technical education opportunities that prepare a pupil for a

postsecondary option in a specific career area. Specify that funding could be used for expenses related to creating career and technical education courses and high school career and technical education pathways and for expanding access to existing career and technical education courses and high school career and technical education pathways.

Require DPI to pay each school district and independent charter school a proportional amount of the applicable amount based on the number of pupils in high school grades enrolled in the school district or independent charter school divided by the total number of pupils in high school grades in all school districts and independent charter schools in the previous school year. Specify that the applicable amount equals \$5,000,000 in the 2025-26 school year, the unencumbered balance of the appropriation in the 2026-27 school year, and one-half of the amount appropriated for the applicable fiscal biennium in the 2027-28 school year and each school year thereafter. Permit DPI to promulgate administrative rules to implement administer the program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. HEALTH EMERGENCIES IN LEARNING PLACES GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$10,000,000	- \$10,000,000	\$0

Governor: Provide \$10,000,000 in 2025-26 in a new biennial appropriation to fund grants to help school districts, independent charter schools and private schools participating in a private school choice program or the special needs scholarship program prepare for and respond to health emergencies in school buildings. Specify that funds may be used for any of the following: (a) automated external defibrillators; (b) automated external defibrillator maintenance; (c) cardiopulmonary resuscitation training supplies and materials; (d) cardiopulmonary resuscitation training for school personnel, including coaches, school nurses, and athletic trainers; (e) first aid training and education materials; (f) other activities that promote preparedness for using cardiac emergency response plans in a school or athletic activity; (g) carbon monoxide detectors; and (h) opioid antagonists.

Require operators of independent charter schools to provide a standard first aid kit for use in cases of emergency. Under current law, school boards and governing bodies of private schools are required to provide standard first aid kits for use in cases of emergency, but the requirement does not apply to independent charter schools.

Require school boards, independent charter schools, and private schools participating in a private school choice program or the special needs scholarship program, beginning in the 2025-26 school year, to have an adequate, usable supply of opioid antagonists on site in a location that is easily accessible at all times.

Require school boards, independent charter schools, and private schools participating in a private school choice program or the special needs scholarship program, beginning in the 2025-26

school year, to have in effect a cardiac emergency response plan that establishes specific steps to reduce death from cardiac arrest in cardiac emergencies that occur on school property and at school-sponsored athletic practices or events. Require cardiac emergency response plans to include all of the following: (a) a cardiac emergency response team; (b) information on how the team is activated in response to a sudden cardiac arrest; (c) requirements for automated external defibrillator placement, including that each device is retrievable within three minutes and that placement complies with American Heart Association guidelines, and routine maintenance; (d) information on how the cardiac emergency response plan is shared; (e) requirements for ongoing training in first aid, cardiopulmonary resuscitation, and automated external defibrillator use for certain school personnel, including coaches, school nurses, and athletic trainers, and a requirement that at least three individuals participate in the training; (f) a requirement to practice the cardiac emergency response plan using drills; (g) information on cooperating with local emergency medical service; and (h) a requirement to review and evaluate the cardiac emergency response plan at least annually and after each time the plan is activated.

Require DPI, by July 1, 2026, to include in its model management plan and practices for maintaining indoor environmental quality in schools a requirement that public and private schools install and maintain a carbon monoxide detector in each room of a school that contains a fuel-burning, forced-air furnace or a boiler, or as otherwise required by the Department of Safety and Professional Services (DSPS).

Require operators of independent charter schools, by October 1, 2026, to develop a plan for maintaining indoor environmental quality in schools. Under current law, school boards and governing bodies of private schools participating in a private school choice program are required to implement plans for maintaining indoor environmental quality in schools, but the requirement does not apply to independent charter schools.

Require school boards, operators of independent charter schools, and governing bodies of private schools participating in a private school choice program to do the following: (a) by October 1, 2026, include in their plans for maintaining indoor environmental quality in schools a requirement to provide and maintain a carbon monoxide detector in each room of a school that contains a fuel-burning, forced-air furnace or a boiler, or as otherwise required by DSPS; and (b) by July 1, 2027, provide a carbon monoxide detector in each applicable room of its schools and reasonably maintain every carbon monoxide detector in its schools. (For private choice schools, carbon monoxide detectors must be provided by July 1, 2027, or the beginning of the school's second year of participation in the program, whichever is later.)

Require each operator of an independent charter school to provide a copy of its plan for maintaining indoor environmental quality in schools to any person upon request. Under current law, school boards are required to provide a copy of their plans to any person upon request.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. PERSONAL FINANCIAL LITERACY GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,000,000	- \$5,000,000	\$0

Governor: Provide \$2,500,000 annually in a biennial appropriation for a new personal financial literacy grant program for school districts and independent charter schools to develop, implement, or improve financial literacy curricula. Require the State Superintendent to prioritize grant applications related to innovative financial literacy curricula, as determined by the State Superintendent.

Under current law, school districts are required to adopt academic standards for financial literacy and incorporate financial literacy instruction into the curriculum in grades kindergarten through 12.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. GROW YOUR OWN EDUCATOR PROGRAMS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,000,000	- \$5,000,000	\$0

Governor: Provide \$5,000,000 beginning in 2026-27 for a new grant program to reimburse school districts and independent charter schools for programs and initiatives to build the educator workforce in Wisconsin schools. Define a "grow your own program" as a program to encourage individuals to pursue a career in teaching or to facilitate teacher licensure. Funds could be used on activities such as paying the costs associated with current staff completing education necessary to obtain licensure, partnering with community organizations to attract and develop new teachers, support for career pathways using dual enrollment, incentives for paraprofessionals to gain licensure, and supporting student organizations that encourage high school students to pursue careers in teaching. Require DPI to promulgate rules to implement and administer the program, including criteria for awarding grants.

Specify that the program does not apply to any school in Milwaukee Public Schools (MPS) that was transferred to the opportunity schools partnership program, which transfers the operation and management of a school that either received the lowest rating on the most recent school accountability report or was identified as a vacant or underutilized building. No schools have been transferred into the opportunity schools partnership program to date.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

19. PEER REVIEW AND MENTORING GRANT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,606,600	- \$1,606,600	\$0

Governor: Provide \$803,300 annually above base level funding of \$1,606,700 for the peer review and mentoring grant program. Under current law, the program provides grants of up to \$25,000 to cooperative educational service agencies (CESAs) or consortia consisting of two or more school districts or CESAs, or a combination thereof, to provide technical assistance and training for teachers to implement peer review and mentoring programs. Grantees are required to provide at least 20% matching funds, which may be in the form of money, in-kind services, or both.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

20. ACCESS TO PERIOD PRODUCTS IN SCHOOLS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$500,000 annually in a new appropriation for aid for school districts and independent charter schools to offset the costs of purchasing feminine hygiene products. Require school districts to provide access to feminine hygiene products to pupils who need them while at school, at no cost to the pupil, beginning in the 2025-26 school year. Require independent charter schools with a contract that is entered into, renewed, or modified beginning on the effective date of the bill to provide access to feminine hygiene products to pupils who need them while at school, at no cost to the pupil.

Define eligible local educational agencies as school districts or independent charter schools for which the percentage of economically disadvantaged pupils, defined as those who satisfy the federal income eligibility criteria for a free or reduced price lunch, who were enrolled in the school district or attended the independent charter school in the previous year is greater than the percentage of economically disadvantaged pupils who were enrolled in school districts or attended independent charter schools statewide in the previous year.

Require DPI to distribute funding to eligible local educational agencies in an amount equal to the greater of the following: (a) \$100; or (b) an amount calculated by dividing the total available funding by the number of economically disadvantaged pupils enrolled in or attending eligible local educational agencies statewide in the previous school year to determine a per pupil amount, multiplied by the number of economically disadvantaged pupils enrolled in or attending the eligible local educational agency in the previous school year. Specify that if funding in the

appropriation is insufficient, payments would be prorated.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

21. ROBOTICS LEAGUE PARTICIPTION GRANTS

GPR	\$500,000

Governor/Legislature: Provide \$250,000 annually above base level funding of \$750,000 for the robotics league participation grants.

Under the robotics league participation program, grants of up to \$6,000 are available to eligible teams from public schools, private schools, independent charter schools, or home-based educational programs. Eligible teams must include pupils in grades 9-12 and at least one mentor, and may include one or more pupils in grades 6-8. Funds must be used to participate in a competition sponsored by a non-profit organization that requires teams to design and operate robots. Eligible expenses include fees, kits, supplies, travel expenses, and a stipend for the team's mentor. Teams must provide matching funds equal to the amount of the grant. In 2023-24, 248 grants were awarded, and payments were prorated at 75.7%.

22. WATER FILTRATION GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$250,000	- \$250,000	\$0

Governor: Provide \$250,000 in 2026-27 in a new, annual appropriation to provide grants to school districts and independent charter schools to modify water fountains to include water bottle filling equipment that include a water filtration component. Provide that DPI may promulgate rules to implement and administer the program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

23. TRANSFER HEAD START STATE SUPPLEMENT PROGRAM TO DEPARTMENT OF CHILDREN AND FAMILIES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$12,528,200	\$12,528,200	\$0

Governor: Modify statutes to transfer authority for administering the Head Start state supplement program and related funding of \$6,264,100 annually from DPI to the Department of Children and Families (DCF) beginning in 2025-26. Head Start is a federal program that supports

the growth and development of children under the age of five from low-income families. Participating children and families engage in a variety of educational and health activities.

The Head Start state supplement supports quality improvement efforts and expands Head Start enrollment for children who may be on waiting lists to access federally-funded programming. For additional information see "Department of Children and Families -- TANF and Economic Support."

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

24. GRANTS FOR INFORMATION TECHNOLOGY EDUCATION

Governor: Modify the grant for information technology education program to allow DPI to award grants to multiple entities and rename the appropriation grants for information technology education.

Eliminate the request for proposal process and specify that grants are for the provision of certification opportunities in addition to information technology education. Modify eligibility criteria to require grant recipients to develop an instructional program that includes at least one of the eight components specified under current law and to maximize the number of sites at which the instructional program will be operated. Require DPI to give preference in awarding grants to entities that will develop an instructional program that includes more than one of the eight components specified under current law. Specify that these requirements would first apply to grants awarded on the effective date of the bill.

Under current law, the program awards a grant to an entity to develop an instructional program to be operated in 225 sites, including 16 public libraries, and to provide information technology opportunities to public school pupils in grades 6 to 12, technical college district students, and patrons of public libraries. The program is required to include the following eight components: (a) a research-based curriculum; (b) online access; (c) instructional software for use in the classroom and at home; (d) alignment with coding and other techniques on the computer science Advanced Placement examination; (e) certifications of skills and competencies in a broad range of IT related skills areas; (f) professional development for teachers; (g) deployment and program support; and (h) opportunities for pupils completing the program to earn college credit.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

25. PUPIL TRANSPORTATION AID

Governor/Legislature: Modify statutory language to increase the reimbursement rate for pupils transported over 12 miles to and from school in the regular school year from \$400 to \$450 beginning in the 2025-26 school year. It is estimated that the current funding level (\$24.0 million GPR annually) would fully fund payments at the increased rate.

<u>Mileage</u>	<u>Current Law</u>		<u>Act 15</u>	
	<u>School Year</u>	<u>Summer School</u>	<u>School Year</u>	<u>Summer School</u>
0-2 miles (hazardous area)	\$15	--	\$15	--
2-5 miles	35	\$10	35	\$10
5-8 miles	55	20	55	20
8-12 miles	110	20	110	20
Over 12 miles	400	20	450	20

[Act 15 Section: 308]

26. HIGH COST TRANSPORTATION AID

Governor/Legislature: Modify the eligibility threshold for the high cost transportation aid program from 140% of the statewide average transportation costs to 135% of the statewide average beginning in the 2025-26 school year.

Under current law, districts qualify for aid if they meet the following eligibility requirements: (a) a transportation cost per member greater than 140% of the state average in the prior year; and (b) a pupil population density of 50 pupils per square mile or less, calculated by dividing the school district's membership in the previous school year by the district's area in square miles. Any district that qualified for aid in the preceding school year but is ineligible for aid in the current school year is eligible to receive an amount equal to 50% of its prior year award. In 2023-24, 136 districts were eligible for aid under the program. Twenty-nine districts had been eligible in the previous year but did not meet the eligibility requirements in the current year, and received payments equal to 50% of their prior year payment. In 2023-24, funding was sufficient to pay 100% of eligible costs.

[Act 15 Sections: 309 and 9334(1)]

27. TRIBAL LANGUAGE REVITALIZATION GRANT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$554,400	- \$554,400	\$0

Governor: Provide \$277,200 annually above base level funding of \$222,800 for the tribal language revitalization grant program and modify the program to include independent charter schools as eligible grant applicants.

Under current law, a school district, cooperative educational service agency (CESA), or federal head start agency, in conjunction with a tribal authority, may apply for a grant for the purpose of supporting innovative, effective instruction in one or more American Indian languages.

Funding is provided from tribal gaming program revenue transferred from the Department of Administration.

Joint Finance/Legislature: Provision not included.

28. GRANTS TO REPLACE CERTAIN RACE-BASED NICKNAMES, LOGOS, MASCOTS, AND TEAM NAMES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$400,000	- \$400,000	\$0

Governor: Provide \$200,000 annually in a new appropriation for grants to school boards for the costs associated with adopting and implementing a nickname, logo, mascot, or team name that is not race-based. The State Superintendent could award a grant to a school board that adopts a resolution to terminate the use of a race-based nickname, logo, mascot, or team name that is associated with a federally-recognized American Indian tribe or American Indians in general, regardless of whether the board has received an objection from a school district resident or an order to terminate the use of the nickname, logo, mascot, or team name from the Division of Hearings and Appeals in the Department of Administration (DOA). Specify that the amount of the grant could not exceed the greater of \$50,000 or the school board's actual costs to adopt and implement the new team name.

The program revenue would be from tribal gaming revenue transferred from DOA. The unencumbered balance on June 30 of each year would revert to the appropriation for tribal gaming receipts.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

29. SCHOOL LIBRARY AIDS REESTIMATE

SEG	\$36,000,000

Governor/Legislature: Reestimate school library aids by \$18,000,000 annually. Base level funding is \$52,000,000 annually. Revenues are from interest earned on the segregated common school fund, administered by the Board of Commissioners of Public Lands.

30. LAKELAND STAR ACADEMY

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
GPR	\$750,000	- \$750,000	\$0

Joint Finance/Legislature: Provide \$250,000 GPR in 2025-26 and \$500,000 GPR in 2026-

27 in one-time funding in a new appropriation for grants to the Lakeland STAR Academy. Require DPI to distribute the amount in the appropriation in each fiscal year of the biennium to Lakeland Union High School District for distribution to Lakeland STAR Academy. Specify that the appropriation would be repealed on July 1, 2027.

Veto by Governor [A-1]: Delete provision.

[Act 15 Vetoed Sections: 17 (as it relates to s. 20.255(2)(ag)), 23, 24, 9134, and 9434]

31. LITERACY GRANTS [LFB Paper 630]

GPR	\$37,100,000

Joint Finance/Legislature: Provide \$37,100,000 GPR in 2025-26 in the biennial appropriation for early literacy initiatives for grants to reimburse school districts, independent charter schools, and private choice schools that adopt a literacy curriculum from the recommendations made by the Early Literacy Curriculum Council, and to reimburse school boards and independent charter schools for the cost of professional development training in literacy. Exclude the appropriation for early literacy initiatives from the indexing formula for payments made to private schools participating in the choice and special needs scholarship programs, to independent charter schools, or the open enrollment transfer amount.

[Act 15 Section: 306]

Choice, Charter, and Open Enrollment

1. MILWAUKEE PRIVATE SCHOOL CHOICE PROGRAM FUNDING [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$54,971,400	\$29,706,800	\$84,678,200

Governor: Provide \$20,723,100 in 2025-26 and \$34,248,300 in 2026-27 over base year funding of \$313,658,100 for the Milwaukee private school choice program to reflect changes in pupil participation and per pupil payments under the bill. This would reflect an increase in pupil participation from 28,900 pupils in 2024-25 to an estimated 29,440 pupils in 2025-26 and 2026-27. The table below shows the per pupil payments under the bill based on the increases in the per pupil aid and adjustment under revenue limits provided under the bill.

Per Pupil Payments Under the Bill, 2025-26 and 2026-27

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
K-8	\$10,237	\$10,629	\$11,024
9-12	12,731	13,123	13,518
Change to prior year		392	395

The total change in funding provided for the Milwaukee choice program under this item includes the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items: (a) capping program participation; (b) counting certain pupils enrolled in four-year-old kindergarten as 1.0 pupil for membership purposes; and (c) modifying the payment indexing mechanism.

Joint Finance/Legislature: Provide \$28,024,300 in 2025-26 and \$56,653,900 in 2026-27 relative to base level funding for the Milwaukee private school choice program. This would represent an increase of \$7,301,200 in 2025-26 and \$22,405,600 in 2026-27 compared to the bill.

As a result of these changes, the total cost of the program would equal an estimated \$341,682,400 in 2025-26 and \$370,312,000 in 2026-27.

Under the Act, the per pupil payment for K-8 pupils is estimated to increase from \$10,237 in 2024-25 to \$10,877 in 2025-26 and \$11,305 in 2026-27, and the per pupil payment for 9-12 pupils is estimated to increase from \$12,731 in 2024-25 to \$13,371 in 2025-26 and \$13,799 in 2026-27.

2. RACINE AND STATEWIDE PRIVATE SCHOOL CHOICE PROGRAM FUNDING [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$81,020,900	\$53,890,500	\$134,911,400
GPR Effect of			
Aid Reductions	<u>- 92,337,400</u>	<u>- 53,760,300</u>	<u>- 146,097,700</u>
Net GPR	- \$11,316,500	\$130,200	- \$11,186,300

Governor: Provide \$33,915,500 in 2025-26 and \$47,105,400 in 2026-27 over base year funding of \$275,299,900 for the Racine and statewide private school choice programs to reflect changes in pupil participation and per pupil payments under the bill.

The table below shows the per pupil payments under the bill based on the increases in the per pupil aid and adjustment under revenue limits provided in the bill.

Per Pupil Payments Under the Bill, 2025-26 and 2026-27

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
K-8	\$10,237	\$10,629	\$11,024
9-12	12,731	13,123	13,518
Change to prior year		392	395

Estimated per pupil participation in each year of the biennium is shown in the table below.

Estimated Racine and Statewide Private School Choice Program Participation

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Racine	4,100	4,200	4,200
Statewide	<u>21,100</u>	<u>23,400</u>	<u>23,400</u>
Total	25,200	27,600	27,600

Under current law, the cost of payments for legacy pupils (pupils who first participated in the programs in the 2014-15 school year or earlier) is fully funded through GPR. Payments for all other pupils are fully funded through an aid reduction in the general school aids that would otherwise be paid to those pupils school districts of residence. School districts receive a revenue limit adjustment equal to the amount of the aid reduction in the current year.

Under the bill, the aid reduction for the programs would total \$305,147,200 in 2025-26 and \$319,836,800 in 2026-27 from the base choice aid reduction of \$266,323,300. The net general fund fiscal effect for the Racine and statewide programs would be decreased expenditures of \$4,908,400 in 2025-26 and decreased expenditures of \$6,408,100 in 2026-27 compared to the base.

The total change in funding provided for the Racine and statewide choice programs under this item includes the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items: (a) capping program participation; (b) counting certain pupils enrolled in four-year-old kindergarten as 1.0 pupil for membership purposes; and (c) modifying the payment indexing mechanism.

Joint Finance/Legislature: Provide \$40,762,700 in 2025-26 and \$94,148,700 in 2026-27 relative to base level funding for the statewide and Racine private school choice programs. This would represent an increase of \$6,847,200 in 2025-26 and \$47,043,300 in 2026-27 compared to the bill.

As a result of these changes, the total cost of the program would equal an estimated \$316,062,600 in 2025-26 and \$369,448,600 in 2026-27. The aid reduction would be equal to \$311,917,600 in 2025-26 and \$366,826,700 in 2026-27, for a net GPR cost of \$4,145,000 in 2025-26 and \$2,621,900 in 2026-27.

Under the Act, the per pupil payment for K-8 pupils is estimated to increase from \$10,237

in 2024-25 to \$10,877 in 2025-26 and \$11,305 in 2026-27, and the per pupil payment for 9-12 pupils is estimated to increase from \$12,731 in 2024-25 to \$13,371 in 2025-26 and \$13,799 in 2026-27.

3. PRIVATE SCHOOL CHOICE AND SPECIAL NEEDS SCHOLARSHIP PROGRAMS -- CAP PARTICIPATION AT 2025-26 LEVELS

Governor: Beginning in the 2026-27 school year, specify that the total number of pupils who can participate in each of the three choice programs and the special needs scholarship program could not exceed a program cap. For the Milwaukee, Racine, and special needs scholarship programs, "program cap" would be defined as the total number of pupils who attended private schools under that program in the 2025-26 school year. For the statewide program, the program cap for each school district would be defined as the total number of pupils residing in that district who attended a private school under the statewide choice program in 2025-26. Additionally, specify that the current law participation limits for the statewide choice program, which limits enrollment to a percentage of total district enrollment, would continue to equal 10% of the district's prior year membership beginning with the 2026-27 school year.

Current law limits the total number of pupils residing in a school district who can participate in the statewide choice program to no more than 9% of the district's prior year membership in 2024-25. The limit will increase to 10% in 2025-26. Beginning in 2026-27, no limit will apply. Current law does not limit the number of pupils who can participate in the Milwaukee or Racine choice programs or the special needs scholarship program.

Specify that a private school participating in the program could accept applications from eligible pupils during application periods determined by DPI. For the Racine and Milwaukee choice programs, require DPI to establish one or more application periods, the first of which may begin no earlier than the first weekday in February of the previous school year and the last of which may end no later than September 14 of the applicable school year. For the statewide choice program, maintain the application period under current law (the first weekday in February to the third Thursday in April of the previous school year). For the special needs scholarship program, require a participating private school to notify DPI of its intent to participate in the program by January 10 of the previous school year, and specify that the school could accept applications for the following school year between the first weekday in February and the third Thursday in April. Delete current law allowing a pupil to apply to the special needs scholarship program at any time during the school year.

Require each private school to report to DPI the number of pupils who applied to attend the school under each program, and the names of those applicants who have siblings who also applied to attend the school under the program. For the choice programs, require that this information is reported no later than 10 days after each application period ends, and for the special needs scholarship program, require that this information is reported no later than the first weekday in May immediately following the application period.

At the end of each application period, require DPI to determine the sum of all applicants, counting a pupil who has applied to attend more than one private school under a choice program

or under the special needs scholarship program only once. If the sum exceeds the program cap (or, for the statewide program, the district participation limits under current law), require DPI to determine which applications to accept on a random basis, with the following exceptions: (a) for the choice programs, the pupil preferences established under current law; and (b) for the special needs scholarship program, children who attended a different eligible school under the special needs scholarship program in the previous school year, and siblings of pupils who already attend the private school.

Require DPI to establish a waiting list for those pupils whose applications are not accepted in accordance with the current law preferences. Require a private school to notify DPI if an accepted pupil will not attend the school, and require DPI to fill any available slot with a pupil from the waiting list. Allow a pupil on the waiting list under the choice programs to be admitted for the following school year without submitting additional financial information, provided that the applicant continues to meet the residency requirements for the program for which the pupil is applying.

No later than 60 days after the end of the application period for the special needs scholarship program, require DPI to notify each applicant and each eligible school, in writing, whether the applicant has been approved to receive a scholarship. For the Milwaukee, Racine, and statewide choice programs, require a private school to notify each applicant who is not eligible to participate in the programs for any reason, including the program caps, that their application has been rejected. Require that the notification be made in writing, and that it includes the reason the application was rejected.

Specify that current law that creates an exception under which pupils who accept a space at a private school under the statewide choice program but move to Milwaukee or Racine before the third Friday in September and continue to attend the same private school under the Milwaukee or Racine choice programs are not counted for the school district participation limits would also apply to the program caps for that school year.

Additionally, specify that if a pupil who accepts a space at a private school participating in the Milwaukee, Racine, or statewide choice program changes their residence before the third Friday in September and continues to attend the same private school under a separate program, other than pupils who move from Racine to Milwaukee, the pupil would not be counted under the program caps for that school year.

Specify that these provisions would first apply to program caps and applications or transfer of applications for the 2026-27 school year.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. PRIVATE SCHOOL CHOICE AND SPECIAL NEEDS SCHOLARSHIP PROGRAMS -- TEACHER LICENSURE REQUIREMENT

Governor: Require that beginning on July 1, 2028, all of a participating private school's

teachers have a teaching license or permit issued by DPI, except teachers who teach only rabbinical studies. This requirement would apply to the Milwaukee, Racine, and statewide choice programs, and the special needs scholarship program.

Specify that any teacher employed by the school on July 1, 2028, who has been teaching for at least the five consecutive years immediately preceding that date and who does not have a teaching license or permit issued by DPI could apply for a temporary, nonrenewable waiver on a form prepared by DPI. Require DPI to promulgate rules to implement this provision, including the form of the application and the process by which the waiver application would be reviewed. Require that the waiver application require the applicant to submit a plan for satisfying the licensure requirement. Specify that no waiver would be valid after July 1, 2033.

Modify current law teacher licensure requirements to include private schools participating in these programs, including the following: (a) specify that an individual located in another state may teach an online course without a Wisconsin license if he or she is properly licensed in the state from which the course is provided; (b) allow a faculty member of an institution of higher education to teach without a license or permit if the faculty member satisfies certain requirements, including a background investigation; (c) prohibit a teaching license from being issued to any individual without a bachelor's degree, except for an individual certified to teach native American languages and cultures or an individual with an experience-based license for technical and vocational education subjects, or anyone who completed a professional training program outside of Wisconsin that did not include a student teaching component; (d) specify that an individual certified to teach native American languages and culture cannot teach other courses unless otherwise qualified; (e) allow a private school participating in these programs to employ an individual who teaches a technical or vocational education subject with an experience-based license if the school and individual fulfill certain requirements; and (f) require that a private school participating in the private school choice programs employing a person who holds a professional teaching permit does not fill the position following the removal of a regularly licensed teacher. Specify that these provisions would first take effect on July 1, 2028.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. PRIVATE SCHOOL CHOICE AND SPECIAL NEEDS SCHOLARSHIP PROGRAMS -- INFORMATION REQUIRED ON PROPERTY TAX BILL

Governor: Require property tax bills to include information from the school district where the property is located regarding the amount of any gross reduction in state aid to the district under the private school choice and special needs scholarship programs in the previous year and the current year and the percentage change between those years, if such a reduction occurs in that year.

Require the following insert to also be included in substantially similar form: "The gross reduction in state aid to your school district in the (current year) is \$... as a result of pupils enrolled in the ... (statewide choice program) (Racine choice program) or as a result of payments to ... (a private school) under the special needs scholarship program. Your school district had the option to increase property taxes to replace this aid reduction."

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. SPECIAL NEEDS SCHOLARSHIP PROGRAM FUNDING [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$15,940,000	\$8,905,100	\$24,845,100
GPR Effect of Aid Reduction	<u>- 15,561,000</u>	<u>- 8,905,000</u>	<u>- 24,466,000</u>
Net GPR	\$379,000	\$100	\$379,100

Governor: Provide \$7,446,700 in 2025-26 and \$8,493,300 in 2026-27 above base level funding of \$45,143,200 for the special needs scholarship program to reflect changes in pupil participation and per pupil payments under the bill. This would reflect changes in pupil participation from 3,000 pupils in 2024-25 to 3,440 pupils in 2025-26 and 2026-27. Based on the increases in the per pupil aid and revenue limit adjustment provided in the bill, the per pupil payment under the program would increase from \$15,409 in 2024-25 to \$15,801 in 2025-26 and \$16,196 in 2026-27.

Under current law, the cost of payments for pupils attending a private school under the special needs scholarship program are fully offset through an aid reduction in the general school aids that would otherwise be paid to those pupils' school districts of residence and a corresponding revenue limit increase.

The total change in funding provided for the program under this item includes the following changes attributable to other modifications made to the program under the bill, and summarized under other summary items: (a) capping program participation; (b) counting certain pupils enrolled in four-year-old kindergarten as 1.0 pupil for membership purposes; (c) modifying the payment indexing mechanism; and (d) deleting the actual cost reimbursement provision.

Joint Finance/Legislature: Provide \$8,299,900 in 2025-26 and \$16,545,200 in 2026-27 relative to base level funding for the special needs scholarship program. This would represent an increase of \$853,200 in 2025-26 and \$8,051,900 in 2026-27 compared to the bill.

As a result of these changes, the total cost of the program would equal an estimated \$53,443,100 in 2025-26 and \$61,688,400 in 2026-27. The aid reduction would be equal to \$53,270,400 in 2025-26 and \$61,482,000 in 2026-27, for a net GPR cost of \$172,700 in 2025-26 and \$206,400 in 2026-27.

Under the Act, the per pupil payment is estimated to increase from \$15,409 in 2024-25 to \$16,049 in 2025-26 and \$16,477 in 2026-27.

7. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- DELETE ACTUAL COST REIMBURSEMENT PROVISION

Governor: Delete current law allowing a private school to submit a financial statement showing the actual costs that the private school incurred to implement a participating pupil's most recent individualized education program or services plan, as modified by an agreement between the private school and the pupil's parent, and specifying that the financial statement would be used to calculate the per pupil payment for that pupil in the following school year. Specify that the last payments using this provision would be those made in the 2024-25 school year. As a result of deleting this provision, payments for all pupils would be equal to the amount specified in current law, with adjustments for increases in the revenue limit per pupil adjustment and per pupil aid for public school districts.

Under current law, if a private school chooses to submit a financial statement, payments of up to 150% of the per pupil payment amount for that year are fully funded through a reduction in the general aid that is otherwise paid to each pupil's school district of residence, offset with an equal revenue limit adjustment for the district. If the costs incurred by the school in the previous school year exceed 150% of the per pupil payment, the school is reimbursed for 90% of the remaining costs, but no corresponding aid reduction would occur. (As a result, payments made for 90% of costs incurred above 150% of the per pupil payment are funded with state GPR; the private school would pay for the other 10% of costs.) The first payments under the actual cost reimbursement provision were made in the 2019-20 school year. In 2024-25, a total of \$386,090 was paid to 10 schools on behalf of 11 participating pupils, based on the actual costs of educating those pupils in the 2023-24 school year.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- PRIVATE SCHOOL ACCREDITATION

Governor: Require that a private school that participates in the special needs scholarship program obtain accreditation by August 1 of the school year in which the private school participates or that the private school participates in the Milwaukee, Racine, or statewide parental choice program. Additionally, require a private school that is participating in the special needs scholarship program in the 2025-26 school year and is not accredited by August 1, 2025, to obtain preaccreditation by August 1, 2026, apply for accreditation by December 31, 2026, and obtain accreditation by December 31, 2029. Specify that a private school could apply for and seek to obtain preaccreditation from only one preaccrediting entity. If the school failed to obtain preaccreditation, the school could not participate in the program in the 2026-27 school year or any school year thereafter until the school obtained accreditation.

Under current law, a private school may participate in the special needs scholarship program if the private school is accredited or if the private school's educational program meets certain criteria, such as providing at least 875 hours of instruction each school year and a sequentially progressive curriculum of fundamental instruction in reading, language arts, mathematics, social

studies, science, and health.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. SPECIAL NEEDS SCHOLARSHIP PROGRAM -- RELIGIOUS ACTIVITY OPT-OUT

Governor: Require a private school participating in the special needs scholarship program to allow a pupil attending the school under the program to refrain from participating in any religious activity if the pupil's parent submits to the pupil's teacher or the private school's principal a written request that the pupil be exempt from such activities.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. INDEPENDENT CHARTER SCHOOL PROGRAM FUNDING [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$23,011,900	\$6,763,000	\$29,774,900
GPR Effect of Aid Reductions	<u>3,479,000</u>	<u>- 1,547,400</u>	<u>1,931,600</u>
Net GPR	\$26,490,900	\$5,215,600	\$31,706,500

Governor: Provide \$10,245,700 in 2025-26 and \$18,477,300 in 2026-27 as a reestimate of sum sufficient funding in the main appropriation for the independent charter school program. Base level funding is \$115,485,600.

The main appropriation for the program currently funds payments to charter schools that the City of Milwaukee, UW-Milwaukee, UW-Parkside, and the Waukesha County Executive contract to operate. The Administration estimates that 10,288 pupils in 2025-26 and 10,621 pupils in 2026-27 will attend schools funded from this appropriation and that, based on the relevant provisions in the bill, the per pupil payment under the program would increase from \$11,729 in 2024-25 to \$12,121 in 2025-26 and \$12,516 in 2026-27.

Delete \$4,107,600 in 2025-26 and \$1,603,500 in 2026-27 as a reestimate of sum sufficient funding in the appropriation for independent charter schools authorized by the Office of Educational Opportunity (OEO) in the UW System. Base level funding is \$31,504,100.

The Administration estimates that 2,252 pupils in 2025-26 and 2,379 pupils in 2026-27 will attend schools funded from this appropriation. DPI pays the operators of these charter schools the same per pupil payment as other independent charter schools.

Pupils that attend charter schools authorized by the OEO or the Waukesha County Executive are counted by their district of residence for revenue limit and general aid purposes. DPI is required

to reduce the district's general aid payment in an amount equal to the total of the per pupil payments made for pupils residing in the district. Districts are not allowed to levy to backfill, or replace, that aid reduction. By law, there is no general aid reduction related to payments to schools authorized by the City of Milwaukee, UW-Milwaukee, and UW-Parkside.

Under the bill, the aid reduction for these pupils would decrease by \$3,314,200 in 2025-26 and \$164,800 in 2026-27 from the base reduction of \$37,837,800. The net general fund fiscal effect for the charter program would be increased expenditures of \$9,452,300 in 2025-26 and \$17,038,600 in 2026-27.

The total change in funding provided for the charter program under this item includes the changes attributable to other provisions in the bill, and summarized under other summary items, related to modifying the payment indexing mechanism for the program and counting full-day four-year-old kindergarten pupils as 1.0 pupil for payment purposes.

Joint Finance/Legislature: Provide \$12,797,200 in 2025-26 and \$21,461,800 in 2026-27 as a reestimate of sum sufficient funding in the main appropriation for the independent charter school program. This would represent an increase of \$2,551,500 in 2025-26 and \$2,984,500 in 2026-27 compared to the bill.

Delete \$3,549,100 in 2025-26 and \$935,000 in 2026-27 as a reestimate of sum sufficient funding in the appropriation for independent charter schools authorized by the OEO. This would represent an increase of \$558,500 in 2025-26 and \$668,500 in 2026-27 compared to the bill.

The aid reductions for these pupils would decrease by \$2,609,800 in 2025-26 and increase by \$678,200 in 2026-27 from base. The net general fund fiscal effect for the independent charter program would be increased expenditures of \$11,857,900 in 2025-26 and \$19,848,600 in 2026-27.

Under the Act, the per pupil payment for the independent charter school program is estimated to increase from \$11,729 in 2024-25 to \$12,369 in 2025-26 and \$12,797 in 2026-27.

11. CHOICE, CHARTER, AND OPEN ENROLLMENT PAYMENT INDEXING MECHANISM

Governor: Modify the indexing mechanism for the payments for the private school choice programs, the special needs scholarship program, the independent charter school program, and the open enrollment program to specify that, beginning in 2025-26, these payments would increase by an amount equal to the per pupil adjustment under revenue limits for the current year, if positive, plus the change in the per pupil aid payment amount between the previous year and the current year, if positive. These provisions would also apply to payments for children with disabilities under a whole grade sharing agreement and for payments under a school board contract with Second Chance Partners for Education or similar nonprofits. (A technical correction would be needed to accomplish the Administration's intent.)

Under current law, the various per pupil payment amounts under these programs are equal to the sum of the payment amount for the program in the previous year plus the following amounts:

(a) the per pupil adjustment under revenue limits for the current year, if positive; (b) a statutorily-specified percentage, which differs by program, of the change in the low revenue adjustment amount under revenue limits between the previous year and the current year, if positive; and (c) the change in the amount of statewide categorical aid per pupil, including per pupil aid, between the previous year and the current year, if positive.

Under the bill, the revenue limit per pupil adjustment would be an estimated \$334 per pupil in 2025-26 and \$345 per pupil in 2026-27. The per pupil aid payment amount would increase by \$58 in 2025-26 and an additional \$50 in 2026-27. Thus, under the bill, the various per pupil aid payments would increase by \$392 per pupil in 2025-26 and a further \$395 per pupil in 2026-27 as a change to the prior year.

If the bill provisions for the per pupil adjustment and low revenue adjustment under revenue limits and for categorical aid funding were included in the current law indexing calculation, it is estimated that the various program payments would increase by approximately \$1,430 to \$2,430 per pupil in 2025-26 and a further \$625 to \$1,025 per pupil in 2026-27, depending on the program, as a change to the prior year.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. OPEN ENROLLMENT AID TRANSFER AMOUNT -- SPECIAL EDUCATION

Governor: Delete the current law provisions under which the aid transfer amount for special education students participating in the open enrollment program can be increased, and restore prior law under which a single aid transfer amount applied to all of these students, beginning in the 2025-26 school year.

Under the 2017-19 budget act, a process was created under which the open enrollment aid transfer amount for a special education pupil (\$13,814 in 2024-25) could be adjusted. Under this process, at the end of a school year in which a special education pupil has participated in the program, a nonresident district may submit to DPI a financial statement that shows the actual costs the nonresident district incurred to provide a free appropriate public education to the pupil during that year. DPI is required to provide the resident district with a copy of any financial statement it receives. The aid transfer amount for a pupil for whom the nonresident district does not submit a financial statement equals the standard amount noted above. The aid transfer amount for a pupil for whom the nonresident district has submitted a financial statement equals the amount shown on the financial statement for that child for the previous school year, up to a maximum of \$30,000.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. OPEN ENROLLMENT AID TRANSFER AMOUNT -- REGULAR EDUCATION

Joint Finance: Increase the full-time open enrollment transfer amount for regular education pupils by \$1,578 per pupil in the 2025-26 school year, in addition to the increase under the indexing

calculation.

Senate/Legislature: Delete Joint Finance provision. Instead, increase the full-time open enrollment transfer amount for regular education pupils by \$500 per pupil in both 2025-26 and 2026-27, in addition to the increase under the indexing calculation.

Under current law, the open enrollment aid transfer amounts in a given year are equal to the sum of the transfer amount in the previous year plus the following amounts: (a) the per pupil adjustment under revenue limits for the current year, if positive; and (b) the change in the amount of statewide categorical aid per pupil between the previous year and the current year, if positive. Under this indexing calculation, the regular education transfer amount would have increased by \$640 per pupil in 2025-26 and \$428 per pupil in 2026-27. With the additional increases under this provision, the transfer amount will instead increase by \$1,140 per pupil in 2025-26 and an additional \$928 per pupil in 2026-27. As a result, the regular education aid transfer amount will increase from \$8,962 per pupil in 2024-25 to an estimated \$10,102 per pupil in 2025-26 and \$11,030 per pupil in 2026-27.

[Act 15 Section: 307]

School District Operations and Curriculum

1. COMPUTER SCIENCE COURSE REQUIRED IN CURRICULUM

Governor: Require school boards, independent charter schools, and private schools participating in a parental choice program that offer one or more grades between nine and 12 to make available to pupils in grades nine to 12 at least one computer science course, which must include concepts in computer programming or coding. Specify that the requirement first applies to independent charter schools that enter into, renew, or modify their contract on the effective date of the bill, and first applies to private schools participating in a private school choice program in the 2026-27 school year.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. PARTICIPATION IN HIGH SCHOOL GRADUATION CEREMONIES

Governor: Prohibit a school board, charter school operator, or governing body of a private school participating in a private school choice program or the special needs scholarship program from excluding a pupil from a high school graduation ceremony due to the pupil's or the pupil's family's failure to pay any outstanding fees or charges.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration)

pursuant to Joint Finance Motion #4.)

3. FOUR-YEAR-OLD KINDERGARTEN MODEL CONTRACT

Governor: Require DPI, in consultation with the Department of Children and Families, to: (a) develop by no later than January 1, 2026, a model community-based approach contract for four-year-old kindergarten (K4) programs; and (b) establish by rule the standard per pupil payment amount a school board pays to a community-based provider under the model community-based approach contract.

Define "community-based approach contract" as a written document that defines the roles and responsibilities of a school board and a community-based provider related to the operation of a K4 program. Define "community-based provider" as a head start agency, a family child care center, or a group child care center. Specify that DPI may promulgate emergency rules to implement these provisions without the finding of an emergency or providing evidence that the rules are necessary for the preservation of the public peace, health, safety, or welfare.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. MPS SCHOOL RESOURCE OFFICER COST APPORTIONMENT

Governor: Require that the costs of meeting the current law requirement to place school resource officers in Milwaukee Public Schools (MPS) be apportioned as follows: (a) on school days, 25% of the cost or \$400,000, whichever is greater, to MPS, and the remainder to the City of Milwaukee; and (b) on days other than school days, 100% of the costs to the City of Milwaukee. Specify that beginning in 2026-27, the maximum amount that could be apportioned to MPS is \$400,000. For school years beginning after July 1, 2027, the maximum dollar amount that could be apportioned to MPS would be increased each year by a percentage equal to the percentage change from the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year compared to the month of August, 2025, as determined by the federal Department of Labor.

Under 2023 Act 12, beginning January 1, 2024, the MPS board is required to ensure that no fewer than 25 school resource officers are present at schools within the school district during normal school hours and that school resource officers are available during before-school and after-school care, extracurricular activities, and sporting events as needed. In addition, beginning on January 1, 2024, the District board was required to ensure that the school resource officers complete the 40-hour course sponsored by the National Association of School Resource Officers. For the purposes of these requirements, a school resource officer is a law enforcement officer who is deployed in community-oriented policing and assigned by the law enforcement agency that employs him or her to work in a full-time capacity in collaboration with the District. A law enforcement officer is a person employed by the state or a political subdivision of the state for the purpose of detecting and preventing crime and enforcing laws or ordinances and who is authorized to make arrests for violations of the laws or ordinances that the person is employed to enforce. As

law enforcement officers, school resource officers are hired and employed by a law enforcement agency, most commonly a police department (in this case the City of Milwaukee Police Department). Act 12 requires MPS and the City of Milwaukee to agree to an apportionment of the costs associated with meeting these requirements.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Administrative and Other Funding

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$279,000	0.00	-\$716,200	0.00	-\$437,200	0.00
FED	4,564,800	- 16.00	- 813,600	0.00	3,751,200	- 16.00
PR	<u>1,206,000</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>1,206,000</u>	<u>0.00</u>
Total	\$6,049,800	- 16.00	\$1,529,800	0.00	4,520,000	- 16.00

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
2025-26				
Turnover Reduction	-\$537,100	-\$610,200	\$0	-\$1,147,300
Removal of Noncontinuing Elements	0	-657,300	0	-657,300
Full Funding of Cont. Pos. Salary/Fringe	1,273,600	3,829,300	584,600	5,687,500
Overtime	274,600	41,900	13,900	330,400
Night and Weekend Differential	55,500	400	200	56,100
Full Funding of Lease/Directed Moves	<u>-927,900</u>	<u>-5,600</u>	<u>4,300</u>	<u>-929,200</u>
Total	\$138,700	\$2,598,500	\$603,000	\$3,340,200
2026-27				
Turnover Reduction	-\$537,100	-\$610,200	\$0	-\$1,147,300
Removal of Noncontinuing Elements	0	-1,289,500	0	-1,289,500
Full Funding of Cont. Pos. Salary/Fringe	1,273,600	3,829,300	584,600	5,687,500
Overtime	274,600	41,900	13,900	330,400
Night and Weekend Differential	55,500	400	200	56,100
Full Funding of Lease/Directed Moves	<u>-926,300</u>	<u>-5,600</u>	<u>4,300</u>	<u>-927,600</u>
Total	\$140,300	\$1,966,300	\$603,000	\$2,709,600
Biennial Totals	\$279,000	\$4,564,800	\$1,206,000	\$6,049,800

In addition, reduce authorized positions by 9.00 in 2025-26 and 16.00 in 2026-27 under the

removal of noncontinuing elements standard budget adjustment.

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by \$358,100 GPR and \$406,800 FED annually.

2. STATE OPERATIONS ADJUSTMENT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,954,000	- \$2,854,000	\$100,000
PR	1,366,800	- 1,366,800	0
SEG	<u>211,000</u>	<u>- 211,000</u>	<u>0</u>
Total	\$4,531,800	- \$4,431,800	\$100,000

Governor: Provide \$1,477,000 GPR, \$683,400 PR, and \$105,500 SEG annually beginning in 2025-26 to support increased supplies and services costs for the general program operations, operations of the Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired, pupil assessment, personnel licensure, alcohol and other drug abuse program, services for drivers, and digital learning collaborative appropriations.

Joint Finance/Legislature: Reduce funding by \$1,427,000 GPR, \$683,400 PR, and \$105,500 SEG annually relative to the amount in the bill for a net funding increase of \$50,000 GPR annually in the appropriation for the operations of the Wisconsin Educational Services Program for the Deaf and Hard of Hearing and Wisconsin Center for the Blind and Visually Impaired to support increased supplies and services costs.

3. FUEL AND UTILITIES REESTIMATE

GPR	\$145,800

Governor/Legislature: Provide \$58,800 in 2025-26 and \$87,000 in 2026-27 to reflect estimated costs for fuel and utilities for the state residential schools. Base level funding is equal to \$507,600 annually.

4. DEBT SERVICE REESTIMATES [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$629,700	\$90,700	- \$539,000

Governor: Modify funding by -\$177,400 in 2025-26 and -\$452,300 in 2026-27 as a reestimate of debt service payments for the state residential schools. Annual base level funding is \$1,360,800.

Joint Finance/Legislature: Reestimate debt service by \$52,400 GPR in 2025-26 and \$38,300 GPR in 2026-27.

5. EARLY LITERACY INVESTMENTS [LFB Paper 630]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$50,000,000	- \$50,000,000	\$0

Governor: Provide \$50,000,000 in 2025-26 to replace unreleased funding appropriated for use in the 2023-25 biennium on a literacy program created under 2023 Wisconsin Act 20.

Act 20 established the Office of Literacy in DPI. The Office is required to establish and supervise a literacy coaching program and provide ongoing training on science-based early literacy instruction and instructional practices. Under 2023 Wisconsin Act 19, \$50,000,000 was placed in the Joint Finance Committee supplemental appropriation for the literacy program. Of the \$50 million, \$327,400 was released by the Committee in December, 2023, for administration of the program. As of March, 2025, the remaining \$49,672,600 has not been released, and the coaching program has not been implemented. The funding will lapse if it is not released by the end of fiscal year 2024-25.

Joint Finance/Legislature: Provision not included.

6. EARLY LITERACY COACHES [LFB Paper 630]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$18,063,200	- \$18,063,200	\$0

Governor: Provide \$7,045,200 in 2025-26 and \$11,018,000 in 2026-27 to contract for literacy coaches and provide professional development to implement the requirements of the early literacy and reading improvement program created under 2023 Wisconsin Act 20.

Modify the program beginning in the 2026-27 school year to increase the maximum number of literacy coaches statewide from 64 to 100, the maximum number located within the boundaries of a first-class city school district from 10 to 16, and the maximum number in other school districts from 4 to 6. Additionally, modify the program to repeal the program the sunset date.

Act 20 requires DPI to contract with up to 64 literacy coaches to work with school districts, independent charter schools, and private schools participating in a choice program. Under Act 20, the literacy coaching program will sunset on July 1, 2028.

Joint Finance/Legislature: Provision not included.

7. EARLY LITERACY TUTORING GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$6,000,000	- \$6,000,000	\$0

Governor: Provide \$3,000,000 annually in a new appropriation for competitive grants to community-based nonprofit organizations to provide literacy tutoring, including high dosage tutoring, to pupils in five-year-old kindergarten to third grade who have not yet demonstrated the ability to read at grade-level.

Define "literacy tutoring" as tutoring that includes science-based early reading instruction and does not include three cueing. (Three cueing as defined under current law as any model of teaching a pupil to read using meaning, structure or syntax, and visual cues or memory.) Define "high dosage literacy tutoring" as literacy tutoring that is all of the following: (a) provided in a one-on-one or small group setting of no more than four pupils per tutor; (b) provided by the same tutor at least three times per week for at least 30 minutes each session; (c) provided by a tutor who is professionally trained and receives ongoing support and coaching; (d) uses high-quality instructional materials that align with classroom content; and (e) held during school hours. Specify that DPI could promulgate rules to implement and administer the program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. EARLY LITERACY DIAGNOSTIC ASSESSMENT AID [LFB Paper 630]

GPR	\$2,900,000

Governor/Legislature: Provide \$1,450,000 annually above base level funding of \$2,151,000 in the appropriation for assessments of reading readiness to provide aid to local educational agencies to offset the costs of administering diagnostic assessments of early literacy skills.

Under 2023 Wisconsin Act 20, school districts and independent charter schools are required to administer a universal screening assessment of early literacy skills to pupils in kindergarten through third grade at least three times each year, and a diagnostic assessment to pupils scoring below a certain level on the universal screening assessment. DPI is required to make a universal screening assessment available at no cost, and to reimburse school districts and independent charter schools for the cost of diagnostic assessments. Payments are prorated if funding is insufficient.

9. EARLY LITERACY SUMMER READING PROGRAMS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,625,500	- \$2,625,500	\$0

Governor: Provide \$2,625,500 in 2026-27 to reimburse school boards and independent charter schools for costs incurred in the previous school year to provide required intensive summer reading programs to eligible pupils. Define eligible pupils as those promoted to fourth grade who had a personal reading plan during third grade and who were not considered to have completed the personal reading plan at the time of promotion to fourth grade.

Require DPI to pay aid for intensive summer reading programs by no later than November 15 of each school year. Specify that DPI could promulgate rules to implement and administer the program.

Under current law, DPI is required to establish a model policy for promoting third grade pupils to fourth grade that includes various components, including the requirement to provide an intensive summer reading program to certain specified pupils. School boards, operators of independent charter schools, and private schools participating in a choice program are required, by July 1, 2025, to adopt a written policy for promoting third grade pupils to fourth grade that includes the intensive summer reading program required to be in DPI's model policy.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. SUPPORTING FUTURE EDUCATORS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$12,862,500	- \$12,862,500	\$0

Governor: Provide \$12,862,500 beginning in 2026-27 to create three new sum-sufficient appropriations to provide stipend payments to support future educators, future librarians, and cooperating teachers that supervise those individuals, including: (a) \$9,000,000 for individuals completing a student teaching requirement as part of a DPI-approved educator preparation program; (b) \$3,800,000 for cooperating teachers overseeing student teachers; and (c) \$62,500 for individuals pursuing a master's degree in library and information science and completing an internship in a public library or school library.

Provide semester-long stipends equal to \$2,500 for student teachers and library interns, and \$1,000 for cooperating teachers involved in supervising student teachers. Specify that DPI may promulgate rules to implement and administer the programs.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. TEACHER APPRENTICESHIP PATHWAY TO LICENSURE

Governor: Require DPI to issue an initial license to teach to an individual who meets the following criteria: (a) holds a bachelor's degree; (b) successfully completes a teacher apprenticeship offered through the Department of Workforce Development (DWD); and (c) if the initial license is to teach in grades kindergarten to five, to teach in special education, or as a reading teacher or specialist, passes an examination identical to the Foundations of Reading test. Specify that the license would authorize an individual to teach the subject and educational levels for which the individual completed the apprenticeship, and would be treated in the same manner as other initial teaching licenses. Require DPI to consult with DWD in the creation of DWD's teacher apprenticeship program so that an individual who completes the program will satisfy many of the requirements to obtain a license to teach from DPI, including the requirement that an applicant receive instruction in the study of minority group relations, that an applicant demonstrate competency related to various conflict resolution skills, and that an applicant for a license to teach reading or language arts to prekindergarten to sixth grade successfully completes instruction in science-based early reading instruction.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. DELETE LAPSE OF TEACHER LICENSING FEES

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding	Positions	Funding Positions	
GPR-REV -	\$900,000	0.00	\$900,000	0.00	\$0	0.00
PR-REV	<u>900,000</u>	<u>2.00</u>	<u>- 900,000</u>	<u>- 2.00</u>	<u>0</u>	<u>0.00</u>
Total	\$0	2.00	\$0	- 2.00	\$0	0.00

Governor: Specify that all program revenue received in the appropriation for teacher licensure would be credited to the appropriation for that purpose, rather than 90% of certain revenues as under current law. This would result in an estimated decrease of GPR-Earned equal to \$450,000 annually. Additionally, provide 2.0 positions beginning in 2025-26 to support license processing. DPI indicated in its agency budget request that the retained revenue would support these positions and other operating expenses related to licensing.

Modify the appropriation to authorize the expenditure of all moneys received rather than the amounts in the schedule of appropriations as under current law.

Under current law, 90% of revenues received from fees for the licensure of school and public library personnel are retained by DPI. The remaining 10% is credited to the general fund.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. INFORMATION TECHNOLOGY SYSTEMS MODERNIZATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,500,000	- \$1,500,000	\$0

Governor: Provide \$1,000,000 in 2025-26 and \$500,000 in 2026-27 in a new continuing appropriation to support upgrades to DPI information technology systems, including the school finance dashboards, background check refractor hub, and competitive grant application system.

Joint Finance/Legislature: Provision not included.

14. EARLY CHILDHOOD SPECIAL EDUCATION COACHES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,200,000	- \$1,200,000	\$0

Governor: Provide \$600,000 annually for DPI to contract with cooperative educational service agencies (CESAs) to employ regional child care collaboration coaches to promote Child Find, the process of identifying, locating, and evaluating children with disabilities who may need special education or related services. Specify that the coaches would provide training and technical assistance, consultation to, and facilitate collaboration between, child care providers, operators of independent charter schools, and school boards for the purpose of providing special education and related services to children with disabilities.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. MENTAL HEALTH TRAINING PROGRAMS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$760,000	- \$760,000	\$0

Governor: Provide \$380,000 annually above base level funding of \$420,000 for mental health training programs. Require DPI to provide training to individuals employed by an out-of-school-time program, in addition to the other staff required under current law. Additionally, modify the training to be a nonexclusive list of topics and add evidence-based strategies related to addressing mental health needs and suicide prevention to the topics to be included in the trainings.

Under current law, DPI is required to provide training to school district staff and the instructional staff of independent charter schools regarding the following: (a) screening, brief

interventions, and referral to treatment (SBIRT); (b) trauma sensitive schools; and (c) youth mental health first aid.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. STAFF SUPPORT FOR STATE PROGRAMS

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$392,800	2.00	-\$392,800	- 2.00	\$0	0.00

Governor: Provide \$170,600 and 2.0 positions in 2025-26 and \$222,200 in 2026-27 in the appropriation for general program operations to support career and technical education, and reductions in seclusion and restraint. The two positions would be funded with a combined total of \$98,600 salary, \$41,200 fringe benefits, and \$30,800 supplies and services in 2025-26 and \$131,400 salary, \$55,000 fringe benefits, and \$35,800 supplies and services in 2026-27.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. ACADEMIC AND CAREER PLANNING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$231,600	-\$231,600	\$0

Governor: Provide \$18,300 in 2025-26 and \$213,300 in 2026-27 over annual base level funding of \$1,100,000 to fully fund the estimated costs of the academic and career planning program that was created in the 2013-15 budget.

Under current law, the State Superintendent is required to do the following: (a) ensure that every school board is providing academic and career planning services to pupils in grades 6-12; and (b) procure, install, and maintain information technology, including computer software, to be used statewide by school districts to provide academic and career planning services. DPI provides districts with computer software for college and career planning, and maintains contracts with each of the twelve cooperative educational service agencies (CESAs) to support academic and career planning, including subsidizing the cost of academic and career planning coordinators in each CESA. In its agency budget request, DPI indicated that carryover funding used in previous years will be exhausted in 2025-26 and annual costs associated with program software and contracts with CESAs will exceed annual base level funding.

Joint Finance/Legislature: Provision not included.

18. GRADUATION ALLIANCE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$6,000,000	- \$6,000,000	\$0

Governor: Provide \$3,000,000 annually in a new appropriation for Graduation Alliance, a Utah-based corporation, to support pupils and their families through a coaching program known as Engage Wisconsin, which is designed to improve school engagement and academic performance. The program works to reengage high school students who have dropped out of school or are in danger of dropping out of school.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

19. CAREER AND TECHNICAL STUDENT ORGANIZATIONS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,000,000	- \$3,000,000	\$0

Governor: Provide \$1,500,000 annually in a new appropriation for grants to career and technical student organizations (CTSOs). Require DPI to identify one CTSO in each of six educational areas (agriculture, business, technology, family and consumer science, marketing, and health science) and distribute state funding to each identified CTSO based on the number of pupils who were members of the CTSO in the previous school year. The amount for each CTSO would be determined by dividing the number of pupils who were members of that organization in the previous school year by the combined total number of pupils who were members of the six selected CTSOs, and multiplying the result by the total available funding.

Under current law, DPI must maintain a CTSO team that consist of six consultants, each of whom is assigned an educational area, including agriculture, business, technology, family and consumer sciences, marketing, and health science. Funding could be used to defray membership costs and enhance opportunities available to students participating in CTSOs.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

20. THE LITERACY LAB [LFB Paper 631]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,217,800	- \$2,217,800	\$0

Governor: Provide \$1,092,500 in 2025-26 and \$1,125,300 in 2026-27 to The Literacy Lab, a Virginia nonstock corporation, to provide an evidence-based literacy intervention program in public schools located in the cities of Milwaukee and Racine.

Joint Finance/Legislature: Provision not included.

21. ADULT LITERACY GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,433,600	- \$1,433,600	\$0

Governor: Provide \$716,800 annually above base level funding of \$83,200 for adult literacy grants, which are awarded to a nonprofit organization to support programs that train community-based adult literacy staff and to establish volunteer-based programs in areas of the state that have a demonstrated need for adult literacy services.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

22. EDUCATORS RISING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$500,000	- \$500,000	\$0

Governor: Provide \$250,000 annually to create a competitive request-for-proposal process to award a grant to an entity for the purpose of subsidizing cocurricular opportunities for public school pupils in grades six to 12 that encourage those pupils to pursue a career in teaching elementary and secondary grades. Require that an eligible entity demonstrate that it has successfully supported cocurricular opportunities in public schools in this state to encourage pupils to pursue a career in teaching elementary and secondary grades. Create a new appropriation for the purpose of grants for local chapters of Educators Rising.

Educators Rising is an organization that encourages high school students to explore careers in education and works with partners in higher education to create education career pathways. DPI indicates that there are currently 98 chapters across Wisconsin, and funds could be used for fees

for new chapters, including student membership fees and advisor stipends, conference attendance, and regional and national competitions.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

23. GENERAL EDUCATIONAL DEVELOPMENT TEST SUBSIDY

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$603,000	- \$603,000	\$0

Governor: Provide \$194,500 in 2025-26 and \$408,500 in 2026-27 in a new, sum-sufficient appropriation to subsidize testing fees for individuals taking the general educational development (GED) test beginning on January 1, 2026. Payments would be made to GED Testing Service LLC for each eligible individual who takes a content area test given under the GED test at a testing site in Wisconsin that is approved by the State Superintendent. Define an eligible individual as one who meets the following criteria before taking the test: (a) meets the eligibility requirements promulgated by DPI by rule for a high school equivalency diploma or certificate of general educational development; and (b) takes and receives a passing score on a practice test for the content area that is developed by GED Testing Service LLC. Specify that for each eligible individual, no more than one testing service fee could be paid for each content area test in a calendar year.

The GED consists of tests to measure competency in math, science, social studies, and language arts. Wisconsin administrative code requires that, to be eligible to take the GED, an individual must meet the following criteria: (a) be a resident of Wisconsin for voting purposes, or have lived in Wisconsin for at least 10 days, or be a migrant worker or the child of a migrant worker; (b) be at least 18 years six months of age, or have entered 9th grade with a class that has graduated from high school; (c) have not graduated from high school, and are not enrolled in a public or private high school; and (d) have completed a career counseling session provided by a high school, technical college district, community-based organization, college, university, licensed psychologist, or licensed school counselor. In 2023, Wisconsin residents took 15,155 GED tests. Each of the four sections of the test costs \$39.75. Of that amount, DPI receives a credentialing fee of \$3.75 per test.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

24. SPECIAL OLYMPICS WISCONSIN [LFB Paper 631]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$600,000	- \$400,000	\$200,000

Governor: Provide \$300,000 annually above base level funding of \$200,000 for Special Olympics Wisconsin.

Joint Finance/Legislature: Reduce funding by \$200,000 GPR annually relative to the amount in the bill. The net increase to base level funding would be \$100,000 GPR annually.

25. FARM TO SCHOOL PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$500,000	- \$500,000	\$0

Governor: Provide \$250,000 annually in a new appropriation to provide matching funds for the Farm to School federal grant program, which promotes the use of locally and regionally grown foods in schools.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

26. MENTOR GREATER MILWAUKEE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$300,000	- \$300,000	\$0

Governor: Provide \$150,000 annually in a new biennial appropriation for Mentor Greater Milwaukee, Inc. to expand access to quality youth mentoring in Milwaukee County.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

27. ARTS FOR ALL

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$200,000	- \$200,000	\$0

Governor: Provide \$100,000 annually above base level funding of \$100,000 for Very Special Arts, which is a statewide arts organization that serves children and adults with disabilities. Additionally, rename the appropriation to Arts for All to reflect the organization's legal name change.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

28. PROGRAM REVENUE REESTIMATES

PR	\$894,400

Governor/Legislature: Reestimate program revenue by \$447,200 annually. The reestimate includes \$514,300 annually in the appropriation for data processing; -\$6,300 annually in the appropriation for professional services center charges; -\$8,100 annually in the appropriation for the state agency library processing center; and -\$52,700 annually in the appropriation for publications.

29. PUBLIC LIBRARY SYSTEM AID

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$6,000,000	- \$3,000,000	\$3,000,000

Governor: Provide \$2,000,000 in 2025-26 and \$4,000,000 in 2026-27 above base level funding of \$24,013,100 for public library system aid. The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

Joint Finance/Legislature: Reduce funding by \$1,000,000 SEG in 2025-26 and \$2,000,000 SEG in 2026-27 relative to the amounts in the bill for a net increase to base level funding of \$1,000,000 SEG in 2025-26 and \$2,000,000 SEG in 2026-27.

30. LIBRARY SERVICE CONTRACTS

SEG	\$1,285,800

Governor/Legislature: Provide \$619,200 in 2025-26 and \$666,600 in 2026-27 above base level funding of \$1,397,500 to fully fund the cost of statutorily-required library service contracts for resources of specialized library materials and other information.

DPI contracts with five service providers: (a) the Milwaukee Public Library; (b) the University of Wisconsin-Madison; (c) the Wisconsin Talking Book and Braille Library; (d) the Cooperative Children's Book Center; and (e) AutoGraphics. DPI indicates that projected costs for each of the contracts will increase over the biennium due to general operating cost increases, and insufficient funding would result in a cap on the amount of material that can be requested from the Milwaukee Public Library and the UW Madison library. The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

31. BADGERLINK AND NEWSLINE FOR THE BLIND

SEG	\$96,600

Governor/Legislature: Provide \$96,600 in 2026-27 above base level funding of \$3,486,300 to increase funding for the contracts with current BadgerLink vendors and to maintain the current level of services through Newsline for the Blind.

BadgerLink is an online library that contracts with vendors to provide access to licensed content such as magazines, newspapers, scholarly articles, videos, images, and music. Newsline for the Blind provides access to newspapers on a daily basis for people who cannot read print newspapers via an automated electronic voice that can be accessed using a telephone. The segregated revenue is provided from the state universal service fund, which receives its funding through assessments on annual gross operating revenues from intrastate telecommunications providers.

32. RECOVERY HIGH SCHOOLS

GPR	\$500,000

Joint Finance/Legislature: Provide a one-time increase of \$250,000 GPR in each year of the biennium above base level funding of \$500,000 for recovery high schools. The recovery high schools grant program was created under 2023 Act 72. Under the program, funds are awarded for planning grants to support the development of new recovery high schools or operational grants for existing recovery high schools. Recovery high schools are defined as "a public, private, or tribal school that operates only high school grades and meets all of the following criteria: (a) the school is specifically designed for pupils in recovery from a substance use disorder or a mental health disorder that coexists with a substance use disorder; and (b) the school awards high school credits that either count towards a high school diploma awarded by the school or will transfer and count towards a high school diploma awarded by a school district."

Under current law, in each fiscal year until DPI determines that there are at least three recovery high schools in this state, the Department is required to allocate \$300,000 for up to four planning grants. In any school year in which there are at least three recovery high schools in operation in this state, it may not award planning grants. Following a determination that at least three recovery schools are in operation, if DPI determines in a future year that there are fewer than three recovery high schools in operation in this state for that school year, the Department is required to allocate \$100,000 for planning grants. Any remaining funds are to be awarded as operational grants.

33. WISCONSIN READING CORPS

GPR	\$500,000

Joint Finance/Legislature: Provide \$250,000 GPR annually above base level funding of \$2,000,000 to support literacy tutoring services provided through the Wisconsin Reading Corps. State funding was first appropriated for the program in 2017-18.

34. REDUCE FUNDING FOR GENERAL OPERATIONS

GPR	-\$2,626,600

Joint Finance/Legislature: Reduce funding in DPI's general program operations appropriation by \$1,313,300 GPR annually beginning in 2025-26.

Provide \$1,000,000 GPR annually in the Joint Finance Committee supplemental appropriation for general program operations for release to DPI upon request. The fiscal effect of the funding in the supplemental appropriation is shown under "Program Supplements."

35. DELETE VACANT POSITIONS

	Positions
FED	- 1.60

Joint Finance/Legislature: Delete 1.6 FED positions that have been vacant for more than 12 months.

36. TRANSFER DIRECTOR OF OFFICE OF LITERACY POSITION

Joint Finance/Legislature: Transfer 1.0 GPR position and the associated \$220,900 GPR in annual funding for the director of the Office of Literacy from DPI's general program operations appropriation to the continuing appropriation for the Office of Literacy.

37. PROFESSIONAL DEVELOPMENT FOR SCIENCE TEACHERS

Joint Finance/Legislature: Provide \$250,000 GPR annually in the Joint Finance Committee supplemental appropriation for professional development for science teachers and create a new appropriation for the program. The fiscal effect of this item is shown under "Program Supplements."

[Act 15 Section: 22]

38. HOLOCAUST EDUCATION RESOURCE CENTER

GPR	\$600,000

Joint Finance/Legislature: Provide an increase of \$300,000 GPR annually above base level funding of \$200,000 GPR.

PUBLIC SERVICE COMMISSION

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$0	\$422,000,000	\$0	\$0	\$0	\$0	N.A.
FED	7,257,400	12,541,000	12,541,000	12,541,000	12,541,000	5,283,600	72.8%
PR	46,046,200	47,869,300	47,132,700	47,132,700	47,132,700	1,086,500	2.4
SEG	<u>17,206,200</u>	<u>17,294,400</u>	<u>17,282,000</u>	<u>17,282,000</u>	<u>17,282,000</u>	<u>75,800</u>	0.4
TOTAL	\$70,509,800	\$499,704,700	\$76,955,700	\$76,955,700	\$76,955,700	\$6,445,900	9.1%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
FED	48.75	39.75	39.75	39.75	39.75	- 9.00
PR	140.00	138.00	140.00	140.00	140.00	0.00
SEG	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>0.00</u>
TOTAL	192.75	181.75	183.75	183.75	183.75	- 9.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
FED	\$5,283,600	- 9.00	\$0	0.00	\$5,283,600	- 9.00
PR	774,900	0.00	- 438,400	0.00	336,500	0.00
SEG	<u>75,800</u>	<u>0.00</u>	<u>0</u>	<u>0.00</u>	<u>75,800</u>	<u>0.00</u>
Total	\$6,134,300	- 9.00	- \$438,400	0.00	\$5,695,900	- 9.00

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26				
Turnover Reduction	\$0	-\$328,800	\$0	-\$328,800
Removal of Noncontinuing Elements	-144,100	0	0	-144,100
Full Funding of Cont. Pos. Salary/Fringe	3,009,800	727,500	39,800	3,777,100
Full Funding of Lease/Directed Moves	<u>19,000</u>	<u>-18,100</u>	<u>-1,900</u>	<u>-1,000</u>
Total	\$2,884,700	\$380,600	\$37,900	\$3,303,200
2026-27				
Turnover Reduction	\$0	-\$328,800	\$0	-\$328,800
Removal of Noncontinuing Elements	-629,900	0	0	-629,900
Full Funding of Cont. Pos. Salary/Fringe	3,009,800	727,500	39,800	3,777,100
Reclassification/Pay Progression	0	13,700	0	13,700
Full Funding of Lease/Directed Moves	<u>19,000</u>	<u>-18,100</u>	<u>-1,900</u>	<u>-1,000</u>
Total	\$2,398,900	\$394,300	\$37,900	\$2,831,100
Biennial Totals	\$5,283,600	\$774,900	\$75,800	\$6,134,300

In addition, reduce authorized FED positions by 2.00 in 2025-26 and 9.00 in 2026-27 under the removal of noncontinuing elements standard budget adjustment.

Additionally, the Public Service Commission base budget will be adjusted within 30 days of enactment of the budget bill to reflect 23.0 permanent positions approved in August of 2024 by the Joint Committee on Finance under a passive review. The Committee approved permanent positions for engineering and environmental analysis and other PSC staff responsibilities related to anticipated future projects for power generation and electric transmission. Although these positions are not included in the agency base established for the bill, s. 16.517 of the statutes specifies a process by which such positions will be incorporated into the agency base immediately after enactment of the biennial budget.

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$219,200 annually.

2. BROADBAND EXPANSION GRANT PROGRAM [LFB Paper 640]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$400,000,000	- \$400,000,000	\$0

Governor: Provide one-time funding of \$400,000,000 in 2025-26 for the broadband expansion grant program in a continuing appropriation. The program has base funding through the state segregated universal service fund (USF) budgeted at \$2,000,000 each year. Combined, the total amount of state funding budgeted for broadband expansion grants would be \$404,000,000 during the 2025-27 biennium. USF amounts for broadband expansion may vary annually, dependent on underspending in other appropriations that the statutes reallocate to broadband expansion grants. Amounts transferred for broadband expansion grants totaled \$5,123,700 in

2022-23 and \$11,695,600 in 2023-24. A transfer of \$3,042,300 was made in 2024-25.

In June, 2023, Wisconsin received an allocation of \$1,055,823,600 to support the deployment of broadband infrastructure through the federal Broadband Equity, Access, and Deployment (BEAD) program. As of the bill's introduction, the Administration contends that many Wisconsin providers may not meet, or may be discouraged by, BEAD program eligibility and compliance requirements. State funding would be intended to supplement federal funding by providing grant awards to otherwise ineligible locations and providers, and by funding some of the most hard-to-reach locations in the state.

Joint Finance/Legislature: Provision not included.

3. ENERGY INNOVATION GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$20,000,000	- \$20,000,000	\$0

Governor: Create a biennial appropriation and provide \$20,000,000 in 2025-26 to support the energy innovation grant program.

Under current law, the PSC Office of Energy Innovation administers the energy innovation grant program, which is federally funded. The energy innovation grant program supports energy projects related to energy efficiency, renewable energy, energy storage, and energy planning. Since 2018, PSC has awarded approximately \$40 million to 169 grantees through five grant rounds of approximately \$5 to \$10 million each. Eligible applicants include municipalities, schools, hospitals, universities, tribes, certain manufacturers, and utilities. Funding was initially provided by a retired revolving loan fund from the 2009 American Recovery and Reinvestment Act. Funding supported the first four rounds of the program, and the Administration reports funds remain for one additional grant round of similar capacity.

The fifth and most recent grant round for the energy innovation grant program awarded grants in May, 2024. Funding for the fifth round was a one-time award of \$7.88 million provided through the Infrastructure Investment and Jobs Act (IIJA). IIJA funds have been fully allocated and PSC does not anticipate any additional federal funding in the 2025-27 biennium. State funding would be intended to provide long-term support to the energy innovation grant program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. BROWNFIELD RENEWABLE ENERGY GENERATION GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Create a biennial appropriation and provide \$1,000,000 in 2025-26 to support a brownfield renewable energy grant program. Brownfields are abandoned, idle, or underused industrial or commercial facilities or sites, the expansion or redevelopment of which is adversely affected by actual or perceived environmental contamination. The brownfields grant program would provide financial assistance to eligible developers and electric providers for redeveloping brownfields for renewable energy generation. Grants would be intended to support the remediation of brownfields, the development of renewable energy infrastructure on brownfields, or technical support for projects.

An eligible electric provider would be: (a) a public utility that generates, transmits, or distributes electric energy at wholesale or retail; or (b) an electric cooperative defined under s. 185.995 of the statutes, authorized to generate, transmit, or distribute electric energy to its members at wholesale or retail. Eligible renewable energy infrastructure would include systems for energy derived from a renewable source, such as wind, solar, biomass, geothermal, and certain waste-to-energy systems, among others specified under the statutes. The Administration intends for PSC to solicit public comments and determine through open meetings several aspects of the program, such as allowable activities, matching fund requirements, maximum award amounts, and prioritization factors, before opening the first grant round.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. WATER UTILITY REGULATION STAFFING [LFB Paper 641]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$576,500	3.00	- \$576,500	- 3.00	\$0	0.00

Governor: Provide \$247,100 in 2025-26 and \$329,400 in 2026-27 with 3.0 positions from PSC's general utility regulation appropriation to support PSC oversight of water utilities. Positions would include 1.0 public service engineer, 1.0 advanced program and policy analyst, and 1.0 program and policy supervisor. The Administration cites an increase in the quantity and complexity of water utility construction authorizations in recent years, which could lead to an increase in rate cases in upcoming years. Additional staff would help to manage the workload associated with water utility dockets.

Joint Finance/Legislature: Provision not included.

6. NUCLEAR POWER PLANT FEASIBILITY STUDY

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Create a biennial appropriation and provide \$1,000,000 in 2025-26 to fund a nuclear power plant feasibility study. Direct PSC to conduct the study. Provide that PSC may contract with a third-party to conduct all or part of the study.

Joint Finance/Legislature: Create a GPR continuing appropriation to provide funding for a nuclear power plant feasibility study. Provide \$2,000,000 GPR in 2025-26 in the Joint Finance Committee's program supplements appropriation for the study. [See "Program Supplements."]

2025 Wisconsin Act 12, enacted on July 2, 2025, provides PSC with additional guidelines for conducting the study. The Act requires PSC to perform a study that identifies nuclear power and fusion energy generation opportunities on new or existing sites used for nuclear and nonnuclear power generation. Act 12 allows PSC to contract with a third party to conduct all or part of the study. PSC also must submit a report containing the results of the study to the Legislature by February, 2027. The primary purpose of the report is to describe the process of obtaining a certificate of public convenience and necessity for large electric generating facilities that contain an advanced nuclear reactor.

[Act 15 Section: 19]

7. ASSESSMENT SYSTEM REPLACEMENT [LFB Paper 642]

PR	\$750,000

Governor: Provide \$321,400 in 2025-26 and \$428,600 in 2026-27 from PSC's utility regulation PR appropriation to support the development of an assessment system at PSC. PSC's operations are funded almost entirely by assessments on utilities it regulates, calculated to reflect the cost of their regulation. These amounts are collected as general monthly and annual assessments, as well as additional special assessments on individual utilities for costs related to proceedings of the Commission or regulatory functions specific to that utility.

PSC collects assessments from providers by sending assessment invoices through its current assessment system. The system has been operational for approximately 25 years and requires upgrades to automate other parts of the process, outside of creating invoices. Funding would be used to create a system that can improve management of invoice collection, past-due follow-up procedures, and reporting duties. The Administration intends for funding to be provided on a one-time basis. An amendment would be necessary to accomplish this intent.

Joint Finance/Legislature: Include provision in the amounts recommended, with a modification to specify funding on a one-time basis in the 2025-27 biennium.

8. INFORMATION TECHNOLOGY RESOURCES [LFB Paper 642]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$587,600	- \$587,600	\$0
SEG	<u>12,400</u>	<u>- 12,400</u>	<u>0</u>
Total	\$600,000	- \$600,000	\$0

Governor: Provide \$293,800 PR and \$6,200 SEG in ongoing funding annually for information technology (IT) resources at PSC. PSC intends to allocate \$250,000 for IT hardware costs associated with server replacements and \$50,000 for annual software licensing subscription costs. PSC reports server replacement and additional funding for software subscriptions would be expected to improve agency efficiency and cybersecurity measures.

Joint Finance/Legislature: Provision not included.

9. INTERVENOR COMPENSATION FUNDING [LFB Paper 643]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$415,000	- \$415,000	\$0

Governor: Provide \$207,500 each year in ongoing budget authority to support the intervenor compensation program. PSC's utility rate-setting process attempts to establish prices at levels that would occur naturally under competitive market forces and that are reasonable both to ratepayers and to utility owners. Through the intervenor compensation program, PSC reports typically providing financial support to parties that represent the interests of: (a) business or residential ratepayers; (b) renewable energy advocates; or (c) entities representing the interests of low-income populations impacted by utility rate case decisions. Parties granted intervenor status are thought to improve PSC's ability to develop a broad perspective and set of evidence when making decisions.

PSC expects an influx of utility filings for construction cases in the 2025-27 biennium, including for transmission projects, which typically generate increased engagement with the intervenor compensation program. Intervenor compensation is funded by PSC assessments on regulated utilities, up to the amounts authorized each biennium, and additional expenditure and assessment authority under the bill is intended to ensure that stakeholders receive financial support to participate in future proceedings. Base funding in the 2025-27 biennium for the intervenor compensation program is \$542,500 annually. Total funding for the program would be \$750,000 annually under the bill.

Joint Finance/Legislature: Provision not included.

10. TRANSFER ADMINISTRATIVE ATTACHMENT OF THE OFFICE OF THE COMMISSIONER OF RAILROADS

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	-\$1,432,800	- 6.00	\$1,432,800	6.00	\$0	0.00

Governor: Transfer the administrative attachment of the Office of the Commissioner of Railroads (OCR) from PSC to the Department of Transportation (DOT). In addition, transfer OCR's existing FED and PR appropriations and \$716,400 annually and 6.0 positions from PSC to DOT.

OCR is responsible for ensuring public safety at railroad crossings in the state by approving projects to install, improve, and close railroad crossings, and regulating railroad crossing warning devices. Under current law, OCR exercises its powers and duties independently of PSC, but OCR forwards all personnel and biennial budget requests to PSC and is budgeted under PSC. These administrative attachment functions would be transferred to DOT.

Further, the bill would repeal the following requirements: (a) that at least 14 days before submitting to PSC any personnel or budget request that affects any appropriation of DOT, OCR shall notify the DOT Secretary; and (b) that the PSC Chairperson and commissioners may not have a financial interest in a railroad or water carrier. [This item is also shown under "Transportation -- Departmentwide."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. TRIBAL LIAISON POSITION

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$151,900	1.00	-\$151,900	- 1.00	\$0	0.00

Governor: Provide \$66,500 in 2025-26 and \$85,400 in 2026-27 and 1.0 position to create an agency tribal liaison position. The agency tribal liaison would be responsible for working with Native American tribes and bands on behalf of the agency, as well as coordinating with the Director of Native American Affairs in the Department of Administration. [See "Administration -- Tribal Affairs and Division of Gaming."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. FOCUS ON ENERGY -- CONTRIBUTION RATE AND ENERGY STORAGE SYSTEMS

Governor: Increase from 1.2% to 2.4% the required energy utility contribution of annual operating revenues to fund statewide energy efficiency and renewable resource programs. Wisconsin investor-owned utilities, and select municipal utilities and cooperatives, collectively operate a statewide energy efficiency and renewable resource program known as Focus on Energy (Focus). Focus provides incentives, technical resources, and information to help residential and business customers reduce energy consumption and its resulting environmental impacts through conservation, energy efficiency practices, and implementation of new technology.

While mandated by statute, Focus is administered directly by a nonprofit, comprising participating utilities, and any revenue generated from the contribution requirement is not subject to the state budget process. In calendar year 2023, Focus collected revenues of \$99.0 million. The proposal would be expected to double funding for Focus programs annually.

Additionally, the bill would expand the definition of Focus-eligible energy efficiency programs to include those that promote the development or use of energy storage systems to reduce the usage of energy or increase the efficiency of energy usage by residential consumers. The bill would define "energy storage system" as technology that uses mechanical, chemical, or thermal processes to absorb energy and store it for later use.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. LEAD SERVICE LINE GRANT ASSISTANCE

Governor: Eliminate the maximum cost share that may be provided as principal forgiveness by utility-managed private lead service line replacement programs. Under current law, if a water utility provides financial assistance to customers to replace private lead service lines, no more than 50% of the financial assistance may be offered as a grant or principal forgiveness. Any additional costs must be provided through loans. The bill would authorize utilities to provide grants that would cover 100% of the cost of lead service line replacements.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. UTILITY FINANCING OF ENERGY IMPROVEMENTS

Governor: Allow PSC to create a program by which a utility may offer financing for energy improvements at a residential or commercial location it serves, and collect repayments through a surcharge on that customer's utility bill. If the PSC intends to implement such a program, require it to promulgate rules to do so, and require rules to specify: (a) the surcharge is assigned to a location, not an individual customer; (b) energy improvements are eligible for financing only if they are estimated to save an amount that exceeds the surcharge; and (c) financing offered to a customer may not increase the person's risk or debt.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY DEADLINES

Governor: Provide that the PSC Chairperson may make two 180-day extensions in the review of certificate of public convenience and necessity (CPCN) applications.

Currently, by statute, utilities require approval from PSC for CPCNs for constructing large electric generating facilities or high-voltage transmission lines. PSC may approve, deny, or modify CPCN applications, based upon standards set related to electric energy reliability, service efficiency, future electricity needs, wholesale market competition, the impact on the environment, and existing land use and development plans. PSC is required to take action on CPCN applications no more than 180 days after the application is submitted. Current law also allows the PSC Chairperson to extend the 180-day deadline by an additional 180 days if PSC needs more time to review an application. If PSC exceeds the original 180-day deadline, or the 180-day extension after one is given, the CPCN is considered to be issued. The bill would allow the PSC Chairperson to provide two extensions, rather than one.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. FINANCING FOR RETIREMENT OF NONRENEWABLE GENERATING FACILITIES

Governor: Allow energy utilities to issue bonds to finance costs related to retiring a generation facility that uses nonrenewable combustible resources, such as coal or natural gas. Under the bill, the utility would apply to the Commission to issue such bonds, and repay them with the future revenues from its services. Under current law, a utility may issue bonds to finance costs related to retiring, or installing equipment at a generation facility to prevent or control environmental pollution produced by that facility.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. ELECTRIC UTILITY INTEGRATED RESOURCE PLANS

Governor: Require investor-owned and municipal electric utilities to file integrated resource plans with PSC. Define integrated resource plan as a plan that describes the resources an electric utility may use to provide service to their customers over the next five-, 10-, and 15-year periods, including the considerations of supply and demand that would dictate the use of each resource. Resource options may include: (a) using, refurbishing, and constructing electric generating plants and equipment; (b) buying electricity generated by other entities; (c) controlling customer loads; or (d) implementing customer energy conservation.

Require that plans contain: (a) data regarding the electric utility's current generation portfolio; (b) forecasts of electricity sales and peak demand under various scenarios and plans, and plans for meeting current and future capacity needs; (c) estimates of the amount of peak demand reduction to be achieved and the proposals for achieving such a reduction, including through load management and demand response; (d) for plans proposing generation facility construction as a resource option, the type of generation technology proposed for the generation facility, the proposed capacity of the generation facility, and anticipated costs; (e) details regarding the impacts of energy efficiency programs on utility sales and peak demand under various reasonable scenarios; (f) projected energy and capacity purchased or produced from renewable or cogeneration resources; (g) an analysis of potential new or upgraded electricity transmission options; (h) an analysis of the cost, capacity factor, and viability of all reasonable options available to meet projected energy and capacity needs, including existing electric generating facilities in this state, or costs of long-term natural gas transportation contracts for gas facilities, if applicable; (i) projected total costs for each scenario reviewed; and (j) any other information required by Commission order. Require that if a utility projects the total level of electricity purchased or produced from a renewable energy resource to decrease, the electric utility must describe why the decrease is in the best interests of ratepayers.

Provide PSC the authority to approve, reject, or modify a utility's integrated resource plan based upon what is deemed to be in the interest of the public. Require PSC to use electric utility integrated resource plans to inform the Commission's biennial Strategic Energy Assessment (SEA), which evaluates the adequacy and reliability of the state's current and future electrical supply. Each SEA covers a seven-year period and must identify the projected demand for electric energy and assess whether sufficient electric capacity and energy will be available to the public at a reasonable price.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. BROADBAND PROVIDER REGISTRATION AND CONSUMER PROTECTIONS

Governor: Create a requirement for broadband service providers to register with the Commission if providing broadband service in the state. The registration requirement would be in addition to other standards under the bill for low-income subscribers, discrimination, advertising standards, adequacy of service, notices for interruption of service, and billing practices. [See "Agriculture, Trade and Consumer Protection -- Regulatory Programs."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

REGIONAL TRANSIT AUTHORITIES

Budget Change Item

1. REGIONAL TRANSIT AUTHORITIES

Governor: Provide local units of government located within a metropolitan statistical area the authority to create a regional transportation authority ("RTA" or "authority").

Creation and Jurisdiction. Specify that any two or more political subdivisions located within the same metropolitan area may jointly create a transit authority that is a public body corporate and politic and a separate governmental entity and that is known by a name that includes the words "regional transit authority," if the governing body of each political subdivision adopts a resolution authorizing the political subdivision to become a member of the authority and all the resolutions are identical to each other. Specify that, once created, the members of the RTA must consist of all political subdivisions that adopt resolutions. Once created, the authority may transact business and exercise any powers granted to it under this provision.

Specify that, after an RTA is created, any political subdivision located in whole or in part within a metropolitan area located in whole or in part within an authority's jurisdiction may join the authority if the governing body of the political subdivision adopts a resolution identical to the existing resolutions of the authority's participating political subdivisions and the authority's board of directors approves the political subdivision's joinder. Specify that the jurisdictional area of an RTA created is the geographic area formed by the combined territorial boundaries of all participating political subdivisions of the authority.

Define "metropolitan area" to mean a metropolitan statistical area as designated by the U.S. Office of Management and Budget. The following are the names of the metropolitan statistical areas in Wisconsin and the counties (in parenthesis) in this state that are included in each area: Appleton (Calumet and Outagamie), Chicago-Naperville-Elgin (Kenosha), Duluth (Douglas), Eau Claire (Chippewa and Eau Claire), Fond du Lac (Fond du Lac), Green Bay (Brown, Kewaunee, and Oconto), Janesville-Beloit (Rock), La Crosse-Onalaska (La Crosse), Madison (Columbia, Dane, Green, and Iowa), Milwaukee-Waukesha (Milwaukee, Waukesha, Ozaukee, and Washington), Minneapolis-St. Paul-Bloomington (Pierce and St. Croix), Oshkosh-Neenah (Winnebago), Racine (Racine), Sheboygan (Sheboygan), and Wausau (Marathon).

Governance. Specify that the board of directors of a regional transit authority consists of the following members who would serve four-year terms: (a) one member from each participating political subdivision that is a county, appointed by the county executive of each county and approved by the county board except that, if the county does not have an elected county executive, the member be required to be appointed by the county board chairperson and approved by the county board; (b) one member from each of the two participating political subdivisions that are municipalities, if any, having the highest population, appointed by the mayor and approved by the

common council or appointed by the village president and approved by the village board or appointed by the town board chairperson and approved by the town board, as applicable; (c) one member appointed by the governor; and (d) no more than two members from participating municipalities other than those previously identified, appointed by the mayor and approved by the common council or appointed by the village president and approved by the village board or appointed by the town board chairperson and approved by the town board, as applicable. If the authority opts to include board members under this provision, the bylaws of the authority must specify a method by which the members must rotate among the participating political subdivisions under this provision.

Specify that the powers of an authority would be vested in its board of directors and that: (a) a majority of the board's full authorized membership would constitute a quorum for the purpose of conducting the authority's business and exercising its powers; and (b) any action may be taken by the board upon a vote of a majority of the directors present and voting, unless the bylaws of the authority require a larger number.

Specify that the bylaws of an authority would govern its management, operations, and administration, consistent with the provisions under the bill, and that the bylaws must include provisions that specify all of the following: (a) the functions or services to be provided by the authority; (b) the powers, duties, and limitations of the authority; and (c) the maximum rate of the sales and use taxes that may be imposed by the RTA, which could not exceed a statutory maximum rate of 0.5%.

Imposition of Taxes

Provide an RTA board the authority to impose, by the adoption of a resolution, a sales and use tax at a rate not to exceed 0.5% of the gross receipts or sales price. Specify that the taxes would be imposed on the same base of products and services as the state, county and municipality sales and use taxes. The sales and use tax imposition, collection, reporting, jurisdiction, transition, review, enforcement, and motor vehicle registration provisions that apply to the county, municipality, and special district sales and use taxes would also apply to the taxes imposed by the authority. Specify that a resolution imposing the taxes would be effective on the first day of the first calendar quarter that begins at least 120 days after a certified copy of the resolution is delivered to the Department of Revenue (DOR).

Provide that an RTA may, by adoption of a resolution, repeal the imposition of the sales and use taxes. Specify that the authority would have to deliver a certified copy of the repeal resolution to DOR at least 120 days before its effective date. DOR and retailers would not be allowed to collect sales and use taxes for any RTA, beginning on the first day of the calendar quarter that is at least 120 days after a certified copy of the repeal resolution is delivered to DOR, except that DOR could collect any such taxes that accrued before such calendar quarter and any related fees, interest, and penalties.

Imposition of Fees

Provide that if an RTA is created, the RTA could impose a \$2 vehicle rental fee, within its jurisdictional area. Specify that the fee would be effective on the first day of the first month that

begins at least 90 days after the board of directors of the RTA approves the imposition of the fee and notifies DOR.

Specify that retailers and DOR may not collect fees for any RTA after the calendar quarter during which the RTA ceases to exist, except that the Department may collect from retailers fees that accrued before that calendar quarter and interest and penalties that relate to those fees. Specify that if fees are collected, the RTA may use the revenue for any lawful purpose.

Duties of an RTA

Specify that any RTA that is created would be required to provide, or contract for the provision of, transit service within the authority's jurisdictional area.

Require the RTA board to annually prepare a budget for the authority. Specify that rates and other charges received by the authority could only be used for the general expenses and capital expenditures of the authority, to pay interest, amortization, and retirement charges on bonds, and for specific purposes of the authority and may not be transferred to any county or municipality. Require the authority to maintain an accounting system in accordance with generally accepted accounting principles and to have its financial statements and debt covenants audited annually by an independent, certified public accountant.

Powers of an RTA

Provide RTAs the power to do all of the following to the extent authorized in the authority's bylaws:

a. Establish, maintain, and operate a comprehensive unified local transportation system primarily for the transportation of persons. A "comprehensive unified local transportation system" would be defined as a transportation system that is comprised of motor bus lines and any other local public transportation facilities, the major portion of which is located within, or the major portion of the service of which is supplied to the inhabitants of, the jurisdictional area of the authority. A "transportation system" would mean all land, shops, structures, equipment, property, franchises, and rights of whatever nature required for transportation of passengers within the jurisdictional area of the authority and, to the extent specifically authorized, outside the jurisdictional area of the authority. A "transportation system" would include elevated railroads, subways, underground railroads, motor vehicles, motor buses, and any combination of these, and any other form of mass transportation. A "transportation system" would not include any form of transportation excluded from the current law definition of common motor carrier, or charter or contract operations that are to, from, or between points outside the jurisdictional area of the RTA.

b. Acquire a comprehensive unified local transportation system and provide funds for the operation and maintenance of the system.

c. Upon the acquisition of a comprehensive unified local transportation system, the authority may: (1) operate and maintain it or lease it to an operator or contract for its use by an operator; (2) contract for superintendence of the system with an organization that has personnel with the requisite experience and skill; (3) delegate responsibility for the operation and

maintenance of the system to an appropriate administrative officer, board, or commission of a participating political subdivision (defined as a county or municipality that is a member of an RTA); and (4) maintain and improve railroad rights-of-way and improvements on these rights-of-way for future use.

d. Contract with a public or private organization to provide transportation services in lieu of directly providing these services.

e. Purchase and lease transportation facilities to public or private transit companies that operate within and outside the jurisdictional area.

f. Apply for federal aids to purchase transportation facilities considered essential for the authority's operation.

g. Coordinate either publicly- or privately-owned specialized transportation services that provide general or special service to elderly or disabled persons on a regular and continuing basis in a designated service area, for residents of the authority's jurisdictional area and who are disabled or aged 60, or older. This would include services funded from federal funds, the medical assistance program, DOT's specialized transportation assistance program for counties, and from other public funds administered by the county. An authority could contract with a county that is a participating political subdivision for that RTA to provide specialized transportation services, but the authority would not be an eligible applicant under, or receive direct payments from, DOT's elderly and disabled assistance programs.

h. Acquire, own, hold, use, lease as lessor or lessee, sell or otherwise dispose of, mortgage, pledge, or grant a security interest in any real or personal property or service.

i. Condemn property, if the authority determines the taking is a necessity, as required of local units of government under current law. Specify that the authority to acquire property by condemnation would be subject to the current law procedure used by the state, local units of government, and others for condemnations related to sewer and transportation facilities.

j. Enter upon any state, county, or municipal street, road, or alley, or any public highway, for the purpose of installing, maintaining, and operating the authority's facilities. Whenever the work is to be done in a state, county, or municipal highway, street, road, or alley, the RTA would have to notify the controlling public authority, and the highway, street, road, or alley would have to be restored to as good a condition as existed before the commencement of the work, with all costs incident to the work to be borne by the authority.

k. Fix, maintain, and revise fees, rates, rents, and charges for functions, facilities, and services provided by the authority.

l. Make, and from time to time amend and repeal, bylaws, rules, and regulations to carry into effect the powers and purposes of the authority.

m. Sue and be sued in its own name.

n. Have and use a corporate seal.

o. Employ agents, consultants, and employees, engage professional services, and purchase such furniture, stationery, and other supplies and materials as are reasonably necessary to perform its duties and exercise its powers.

p. Incur debts, liabilities, or obligations, including the borrowing of money and the issuance of bonds.

q. Invest any funds held in reserve or sinking funds, or any funds not required for immediate disbursement, including the proceeds from the sale of any bonds, in such obligations, securities, and other investments as the authority deems proper in accordance with current law investment requirements for counties, municipalities, and other local districts.

r. Do and perform any acts and things authorized of an RTA under, through, or by means of an agent or by contracts with any person.

s. Exercise any other powers that the board of directors considers necessary and convenient to effectuate the purposes of the authority, including providing for passenger safety.

Limitations on RTA Powers

Provide that, notwithstanding the related powers provided to an RTA under the bill, no authority, and no public or private organization with which an authority has contracted for service, could provide service outside the jurisdictional area of the authority unless either of the following occur: (a) the authority receives financial support for the service under a contract with a public or private organization; or (b) it is necessary in order to provide service to connect residents within the authority's jurisdictional area to transit systems in adjacent counties.

Specify that whenever the proposed operations of an RTA would be competitive with the operations of a common carrier in existence prior to the time the RTA commences operations, the RTA be required to coordinate the proposed operations with the common carrier to eliminate adverse financial impact for the carrier. Define a "common carrier" as a common motor carrier, contract motor carrier, railroad, or water carrier. Specify that this coordination may include route overlapping, transfers, transfer points, schedule coordination, joint use of facilities, lease of route service, and the acquisition of route and corollary equipment. Provide that if this coordination does not result in mutual agreement, the proposals of the RTA and the common carrier be required to be submitted to DOT for arbitration.

Require an authority, in exercising its powers, to consider any plan of a metropolitan planning organization that covers any portion of the authority's jurisdictional area.

Withdrawal from an RTA

Provide that any participating county or municipality that has joined an RTA could withdraw from that authority if both of the following conditions are met: (a) the governing body of the county or municipality adopts a resolution requesting their withdrawal from the authority; and (b) the county or municipality has paid, or made provision for the payment of, all obligations it has to the authority.

RTA Obligations to Employees of Mass Transportation Systems

Require any RTA taking an action to acquire a comprehensive unified local transportation system for the purpose of the authority's operation of the system to assume all of the employer's obligations under any contract between the employees and management of the system, to the extent allowed by law. In addition, specify that any RTA taking action to acquire, construct, control, or operate a comprehensive unified local transportation system must negotiate an agreement with the representative of the labor organization that covers the employees affected by the RTA action in order to protect the interests of those employees. The agreement would have to include all provisions required under current law for agreements negotiated when a county board acquires a transportation system. Such agreements may also include a provision for the submission of labor disputes to binding arbitration by an umpire or board of arbitration acceptable to both parties. Further, an affected employee would have all the rights and the same status under the municipal employee relations statutes that he or she enjoyed immediately before the RTA action and may not be required to serve a probationary period if he or she attained permanent status before the RTA's action. In all such negotiations, a senior executive officer of the RTA would have to be a member of the authority's negotiating body.

Bonding Authority

Provide an RTA the authority to issue bonds, the principal and interest on which would be payable exclusively from all or a portion of any revenues received by the authority. Specify that an RTA could secure its bonds by a pledge of any income or revenues from any operations, rent, aids, grants, subsidies, contributions, or other source of moneys. Allow an RTA to issue bonds in such principal amounts as the authority deems necessary.

Require an RTA to state the following restrictions on the face of any bonds that the RTA issues: (a) neither the members of the board of directors of the RTA nor any person executing the bonds would be personally liable on the bonds by reason of the issuance of the bonds; (b) the bonds would not be a debt of the participating counties and municipalities; (c) neither the participating counties and municipalities nor the state would be liable for the payment of the bonds; and (d) the bonds would be payable only out of funds or properties of the authority.

Require that any bonds of an authority be authorized by resolution of the board of directors. Specify that the bonds may be issued under such a resolution or under a trust indenture or other security instrument. Define "bonds" as any bonds, interim certificates, notes, debentures, or other obligations of an authority. Provide that the bonds may be issued in one or more series and may be in the form of coupon bonds or registered bonds. Require the bonds to bear the dates, mature at the times, bear interest at the rates, be in the denominations, have the rank or priority, be executed in the manner, be payable in the medium of payment and at the places, and be subject to the terms of redemption, with or without premium, as provided in the resolution, trust indenture, or other security instrument.

Specify that bonds of an RTA would be issued for an essential public and governmental purpose and are public instrumentalities and, together with interest and income, are exempt from taxes. Allow a transit authority to sell bonds at public or private sales at the price or prices determined by the authority. Provide that if an officer whose signature appears on any bonds or

coupons ceases to be an officer of the authority before the delivery of the bonds or coupons, the officer's signature would, nevertheless, be valid for all purposes as if the officer had remained in office until delivery of the bonds or coupons.

Allow a transit authority to do all of the following in connection with the issuance of bonds:

- a. Covenant as to the use of any or all of its property, real or personal.
- b. Redeem the bonds, or covenant for the redemption of the bonds, and provide the terms and conditions of the redemption.
- c. Covenant as to charge fees, rates, rents, and charges sufficient to meet operating and maintenance expenses, renewals, and replacements of any transportation system, principal and debt service on bonds, creation and maintenance of any reserves required by a bond resolution, trust indenture, or other security instrument and to provide for any margins or coverages over and above debt service on the bonds that the board of directors considers desirable for the marketability of the bonds.
- d. Covenant as to the events of default on the bonds and the terms and conditions upon which the bonds would become or may be declared due before maturity, as to the terms and conditions upon which this declaration and its consequences may be waived, and as to the consequences of default and the remedies of bondholders.
- e. Covenant as to the mortgage or pledge of, or the grant of a security interest in, any real or personal property and all or any part of the revenues of the authority to secure the payment of bonds, subject to any agreements with the bondholders.
- f. Covenant as to the custody, collection, securing, investment, and payment of any revenues, assets, moneys, funds, or property with respect to which the authority may have any rights or interest.
- g. Covenant as to the purposes to which the proceeds from the sale of any bonds may be applied, and as to the pledge of such proceeds to secure the payment of the bonds.
- h. Covenant as to limitations on the issuance of any additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding bonds.
- i. Covenant as to the rank or priority of any bonds with respect to any lien or security.
- j. Covenant as to the procedure by which the terms of any contract with, or for the benefit of, the holders of bonds may be amended or abrogated, the amount of bonds, the holders of which must consent thereto, and the manner in which such consent may be given.
- k. Covenant as to the custody and safekeeping of any of its properties or investments, the insurance to be carried on the property or investments, and the use and disposition of insurance proceeds.
- l. Covenant as to the vesting in one or more trustees, within or outside the state, of those

properties, rights, powers, and duties in trust as the authority determines.

m. Covenant as to the appointing of, and providing for the duties and obligations of, one or more paying agent or other fiduciaries within or outside the state.

n. Make all other covenants and do any act that may be necessary or convenient or desirable in order to secure its bonds or, in the absolute discretion of the authority, tend to make the bonds more marketable.

o. Execute all instruments necessary or convenient in the exercise of the powers granted under the bill or in the performance of covenants or duties, which may contain such covenants and provisions as a purchaser of the bonds of the authority may reasonably require.

Grant an RTA the authority to issue refunding bonds for the purpose of paying any of its bonds at, or prior to, maturity or upon acceleration or redemption. Specify that a transit authority may issue refunding bonds at such time prior to the maturity or redemption of the refunded bonds as the authority deems to be in the public interest. Provide that the refunding bonds could be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium on the bonds, any interest accrued, or to accrue, to the date of payment of the bonds, the expenses of issue of the refunding bonds, the expenses of redeeming the bonds being refunded, and such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds as may be required by the resolution, trust indenture, or other security instruments. Specify that, to the extent applicable, refunding bonds would be subject to the issuance requirement and covenants required of an authority's original bonds.

Bonds as Investments

Specify that any of the following could invest funds, including capital in their control or belonging to them, in bonds of an RTA: (a) public officers and agencies of the state; (b) local governmental units; (c) insurance companies; (d) trust companies; (e) banks, savings banks, and savings and loan associations; (f) investment companies; (g) personal representatives; (h) trustees; and (i) other fiduciaries. Provide that a transit authority's bonds would be securities that may be deposited with, and received by, any officer or agency of the state or any local governmental unit, for any purpose for which the deposit of bonds or obligations of the state or any local governmental unit is authorized by law.

DOR Sales and Use Tax Administration

Provide DOR the authority to administer any RTA sales and use taxes on behalf of the RTA and make distributions to the authority imposing the tax. Specify that DOR would have all powers necessary to levy, enforce, and collect the taxes that it is provided under current law for the county, municipality, and special district sales and use taxes. Under these provisions, DOR could take any action, conduct proceedings, and impose interest and penalties. Judicial review of DOR determinations would also be provided. Specify that if a retailer receives notice from DOR that the retailer is required to collect and remit the taxes imposed by an RTA, but the retailer believes it is not required to collect such taxes because the retailer is not doing business within the transit authority's jurisdictional area, the retailer must notify DOR no later than 30 days after receiving

notice from the Department. DOR would be required to affirm or revise its original determination no later than 30 days after receiving the retailer's notice.

Require DOR to distribute 98.5% of the taxes reported for each transit authority that has imposed the taxes, minus the transit authority portion of the retailers' discount, to the transit authority. Specify that the "transit authority portion of the retailers' discount" is the amount determined by multiplying the total retailers' discount by a fraction, the numerator of which is the gross transit authority sales and use taxes payable and the denominator of which is the sum of the gross state and transit authority sales and use taxes payable. Require DOR to distribute the taxes no later than the end of the third month following the end of the calendar quarter in which such amounts were reported.

Create a program revenue appropriation to receive the monies generated from the taxes and from annual monies unspent by DOR for the administration of the transit authority sales and use taxes. Require DOR to indicate the taxes reported by each taxpayer at the time of distribution. Adjust the distribution to reflect subsequent refunds, audit adjustments, and all other adjustments of the transit authority taxes previously distributed. Interest paid on refunds of transit authority sales and use taxes would be paid from the program revenue appropriation created for the receipt of monies generated from the taxes, and would be paid at the 3% rate established for sales and use tax refunds. Any transit authority receiving a report on sales and use taxes would be subject to the duties of confidentiality to which DOR is subject to relative to such taxes under current law.

After the distributions are made, transfer the remaining 1.5% of the revenues from the transit authority sales and use taxes to a new, sum certain, DOR program revenue appropriation for administration of the taxes. Require that, at the end of each fiscal year, the unencumbered balance in this appropriation would be transferred to the appropriation created for the receipt and distribution of the transit authority sales and use taxes.

DOR Vehicle Rental Fee Administration

Provide DOR the authority to administer the RTA fee ("vehicle rental fee") on behalf of the RTA and make distributions to the RTA imposing the fee. Specify that DOR would have all powers necessary to levy, enforce, and collect the taxes that it is provided under current law for the county, municipality, and special district sales and use taxes. Under these provisions, DOR could take any action, conduct proceedings, and impose interest and penalties. Judicial review of DOR determinations would also be provided. Specify that the renter must collect the vehicle rental fee from the person to whom the passenger car is rented.

Require persons who are subject to the vehicle rental fee to register with DOR. Specify that any person who is required to register; including any person authorized to act on behalf of a corporation, partnership, or other person who is required to register; who fails to do so is guilty of a misdemeanor. Require a retailer who collects a vehicle rental fee to identify the fee as a separate item on a receipt the retailer provides to a rental customer

Require DOR to distribute 97.45% of the vehicle rental fees collected for each transit authority that has imposed the fees, and is required to indicate to the RTA the fees reported by each fee payer in the RTA's jurisdiction, no later than the end of the month following the end of

the calendar quarter in which the amounts were collected. Specify that the fees distributed must be increased or decreased to reflect subsequent refunds, audit adjustments, and all other adjustments. Interest paid on refunds of transit authority fees would be paid from the program revenue appropriation created for the receipt of monies generated from the fees, and would be paid at the 3% rate established for sales and use tax refunds. Specify that any RTA receiving a report on vehicle rental fees would be subject to the duties of confidentiality to which DOR is subject to relative to such taxes under current law.

Create a program revenue appropriation to receive the monies generated from the vehicle rental fees and from annual monies unspent by DOR for the administration of the RTA fees. After the distributions are made, transfer the remaining 2.55% of the revenues from the RTA fees to a new, sum certain, DOR program revenue appropriation for administration of the fees. Require that, at the end of each fiscal year, the unencumbered balance in this appropriation account that exceeds 10% of the expenditures from this appropriation during the fiscal year would be transferred to the appropriation created for the receipt and distribution of the vehicle rental fees.

Other Provisions

The bill would specify the following for an RTA relative to current law:

- a. The creation of an RTA would not limit the powers of counties or municipalities to enter into intergovernmental cooperation or contracts to establish separate legal entities under current law related to intergovernmental cooperation and municipal transit commissions or any other applicable law.
- b. The creation of an RTA would not limit the powers of counties or municipalities to otherwise carry out their statutory powers.
- c. An RTA would not be subject to the existing requirement that a municipality attempting to provide, acquire, own, operate, or engage in a municipal bus transportation system where no bus, rail, or other local transportation system currently exists can only do so following an action of its governing body and a referendum vote.
- d. An RTA would be considered an employer for purposes of the Wisconsin Retirement System (WRS) and its employees would be participatory employees of that system if the RTA elects to join the WRS.
- e. An RTA would be defined as a municipality as it relates to the existing municipal borrowing and municipal bonds and intergovernmental cooperation statutes.
- f. The property of the RTA would be exempt from property taxation. Specify that this provision first applies to property tax assessments as of January 1, 2025.
- g. The income received by the RTA would be exempt from income taxation.
- h. Sales to the RTA would be exempt from sales taxes.
- i. An RTA would be considered a political subdivision that would be eligible for DOT's

commuter rail transit grant program (this grant program is not funded under the bill).

j. Current law provisions relating to claims and liability for persons injured due to the negligent operation of a motor vehicle owned and operated by a municipality or other political subdivision would be extended to an RTA.

k. RTAs would be included in the list of governments that can participate in organizing municipal insurance mutuals for the provision of workers' compensation, liability, and property insurance and risk management services.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

REVENUE

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$424,669,200	\$430,680,900	\$418,154,900	\$418,154,900	\$418,154,900	- \$6,514,300	- 1.5%
PR	46,831,600	56,030,900	52,974,600	52,974,600	52,974,600	6,143,000	13.1
SEG	<u>51,312,600</u>	<u>52,515,300</u>	<u>56,362,900</u>	<u>56,362,900</u>	<u>56,362,900</u>	<u>5,050,300</u>	9.8
TOTAL	\$522,813,400	\$539,227,100	\$527,492,400	\$527,492,400	\$527,492,400	\$4,679,000	0.9%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	950.15	962.90	931.85	931.85	931.85	- 18.30
PR	132.00	164.75	145.30	145.30	145.30	13.30
SEG	<u>102.65</u>	<u>103.65</u>	<u>102.65</u>	<u>102.65</u>	<u>102.65</u>	<u>0.00</u>
TOTAL	1,184.80	1,231.30	1,179.80	1,179.80	1,179.80	- 5.00

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Papers 105 and 655]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	- \$1,001,900	- 38.00	- \$2,668,600	0.00	- \$3,670,500	- 38.00
PR	477,800	0.00	0	0.00	477,800	0.00
SEG	<u>1,048,700</u>	<u>0.00</u>	<u>- 211,800</u>	<u>0.00</u>	<u>836,900</u>	<u>0.00</u>
Total	\$524,600	- 38.00	- \$2,880,400	0.00	- \$2,355,800	- 38.00

Governor: Adjust funding for standard budget adjustments as shown in the following table. In addition, make adjustments for minor transfers within the same alpha appropriation.

	<u>GPR</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26				
Turnover Reduction	-\$2,001,400	\$0	-\$158,900	-\$2,160,300
Removal of Noncontinuing Elements	-2,362,300	0	0	-2,362,300
Full Funding of Cont. Pos. Salary/Fringe	4,325,800	135,300	596,800	5,057,900
Reclassification/Pay Progression	0	100,400	13,900	114,300
Full Funding of Lease/Directed Moves	<u>-72,300</u>	<u>1,600</u>	<u>69,900</u>	<u>-800</u>
Total	-\$110,200	\$237,300	\$521,700	\$648,800
2026-27				
Turnover Reduction	-\$2,001,400	\$0	-\$158,900	-\$2,160,300
Removal of Noncontinuing Elements	-3,149,700	0	0	-3,149,700
Full Funding of Cont. Pos. Salary/Fringe	4,325,800	135,300	596,800	5,057,900
Reclassification/Pay Progression	0	103,300	19,100	122,400
Full Funding of Lease/Directed Moves	<u>-66,400</u>	<u>1,900</u>	<u>70,000</u>	<u>5,500</u>
Total	-\$891,700	\$240,500	\$527,000	-\$124,200
Biennial Totals	-\$1,001,900	\$477,800	\$1,048,700	\$524,600

Reduce authorized positions by 38.0 GPR annually under the removal of noncontinuing elements standard budget adjustment. These 38 project positions are scheduled to expire on September 30, 2025. It is estimated that allowing these positions to expire would result in an increase of unpaid delinquent taxes and reduce general fund tax collections by an estimated \$32,475,000 in 2025-26 and \$43,300,000 in 2026-27, offsetting the reduction of \$2,362,300 GPR in 2025-26 and \$3,149,700 GPR in 2026-27 associated with the expiration of these project positions. The reduced general fund revenues associated with these expiring positions were incorporated into the January 29, 2025, revenue estimates prepared by the Legislative Fiscal Bureau.

The bill would convert the 38.0 project positions to permanent positions and, as a result, estimate increased general fund tax collections at \$75.8 million in the 2025-27 biennium. [See "Revenue -- Tax Administration."]

Joint Finance/Legislature: Reduce funding recommended by the Governor by \$1,334,300 GPR and \$105,900 SEG annually to reflect an increase, from 3% to 5%, to the rate used to calculate the standard budget adjustment for turnover reduction.

Revert the Department of Revenue's (DOR) minor transfers within the same alpha appropriation to base, including 10 positions in DOR's collection of taxes -- general program operations appropriation that would have transferred from the Audit Bureau to other divisions within DOR (seven to the Application Services Bureau within the Division of Technology Services and three to the Division of Enterprise Services). One position within the administrative services and space rental -- general program operations appropriation that would have transferred from the Division of Research and Policy to the Financial Management Services Bureau would remain in the Division of Research and Policy, and one position that would have transferred from the Division of Income, Sales, and Excise Tax's (IS&E) Customer Service Bureau to retailer relations and sales within the lottery -- general program operations appropriation would remain in the Customer Service Bureau.

2. UNCLAIMED PROPERTY POSITIONS [LFB Paper 650]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding	Positions	Funding	Positions
GPR	\$0	0.00	- \$9,600	- 0.05	- \$9,600	- 0.05
PR	<u>454,400</u>	<u>2.50</u>	<u>- 454,400</u>	<u>- 2.45</u>	<u>0</u>	<u>0.05</u>
Total	\$454,400	0.00	- \$464,400	- 2.50	- \$9,600	0.00

Governor: Provide \$204,000 PR in 2025-26 and \$250,400 PR in 2026-27 and 2.5 PR positions annually to support increased workload within the unclaimed property program. DOR indicates that total unclaimed properties and claims it has received have increased 43% and 29%, respectively, from 2019-20 to 2023-24, and that the complexity of work has increased due to higher levels of fraud attempts and more complex securities being remitted. The positions would consist of: (a) one unclaimed property specialist; (b) one revenue auditor 3; and (c) one information system (IS) business automation specialist. For the IS business automation specialist, new position authority and funding for 0.5 positions would be provided, and a vacant revenue auditor position would be reallocated to provide the other 0.5 positions and funding. Funding for the positions would be from unclaimed property remitted to the state.

Joint Finance/Legislature: Provision not included. Instead, delete \$4,800 GPR and 0.05 GPR position annually from DOR's collection of taxes -- general program operations appropriation. Provide 0.05 PR position annually to DOR's unclaimed property -- administrative expenses appropriation.

3. SUPPLIES AND SERVICES INCREASE [LFB Paper 651]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,644,200	- \$3,644,200	\$0
PR	<u>365,000</u>	<u>- 365,000</u>	<u>0</u>
Total	\$4,009,200	- \$4,009,200	\$0

Governor: Provide \$1,839,600 GPR and \$200,000 PR in 2025-26 and \$1,804,600 GPR and \$165,000 PR in 2026-27 for supplies and services to support various operational improvements. These improvements include: (a) contract information technology (IT) work; (b) a new mail truck; (c) IT infrastructure improvements; (d) improvements to DOR's enterprise tax processing system (WINPAS); (e) legal services; (f) training and travel costs; and (g) an upgrade in payment processing from DOR's third-party vendor. The table below shows the annual costs associated with each item.

Supplies and Services Increase

<u>Purpose</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2025-27 Biennium</u>	<u>Fund Source</u>
Contract IT Work	\$125,000	\$125,000	\$250,000	GPR
Contract IT Work	165,000	165,000	330,000	PR
Mail Truck	35,000	-	35,000	GPR
Mail Truck	35,000	-	35,000	PR
IT Infrastructure Improvements	826,700	826,700	1,653,400	GPR
WINPAS Improvements	692,900	692,900	1,385,800	GPR
Legal Services	15,000	15,000	30,000	GPR
Training and Travel Costs	120,000	120,000	240,000	GPR
Payment Processing Upgrade	<u>25,000</u>	<u>25,000</u>	<u>50,000</u>	GPR
GPR Subtotal	\$1,839,600	\$1,804,600	\$3,644,200	
PR Subtotal	<u>200,000</u>	<u>165,000</u>	<u>365,000</u>	
TOTAL	\$2,039,600	\$1,969,600	\$4,009,200	

Joint Finance/Legislature: Provision not included.

4. POSTAGE INCREASES [LFB Paper 651]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$317,200	- \$317,200	\$0
PR	<u>557,800</u>	<u>0</u>	<u>557,800</u>
Total	\$875,000	- \$317,200	\$557,800
GPR-REV	\$0	- \$562,800	- \$562,800

Governor: Provide \$158,600 GPR and \$278,900 PR annually to address the increasing cost of postage. DOR indicates that it requires electronic submission of tax forms and permit applications when allowed under state law, but otherwise must continue to support physically delivered letters, notices, and other items.

Joint Finance/Legislature: Provide \$278,900 PR annually to address the increasing cost of postage. Estimate a decrease in amounts transferred to the general fund of \$283,900 in 2025-26 and \$278,900 in 2026-27. Relative to the Governor's provision, total funding for postage is lower by \$158,600 GPR annually.

5. DEBT COLLECTION APPROPRIATION [LFB Paper 652]

PR	\$1,130,000

Joint Finance/Legislature: Increase funding in DOR's debt collection appropriation by \$565,000 PR annually. This provision reflects the Committee's approval of DOR's s. 16.515/16.505(2) request on April 21, 2025, to increase expenditure authority for supplies and services in the Department's debt collection appropriation by \$565,000 in 2024-25 and annually thereafter.

Tax Administration

1. CONVERT REVENUE AGENTS TO PERMANENT POSITIONS [LFB Paper 655]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$5,512,000	38.00	-\$1,450,400	- 10.00	\$4,061,600	28.00
GPR-Tax	\$75,775,000		\$0		\$75,775,000	

Governor: Provide \$2,362,300 GPR in 2025-26 and \$3,149,700 GPR in 2026-27 and 38.0 positions annually to convert 38.0 existing project positions to permanent positions. The 38 project positions are located within IS&E, and consist of: (a) 17 audit revenue agent positions and one supervisor position in the Division's Audit Bureau; and (b) 19 tax collection revenue agent positions and one supervisor position in the Division's Compliance Bureau.

Of these positions, 33 were first created by 2013 Act 20 as four-year project positions, and five more (38 total) were authorized under 2017 Act 59. These 38 project positions were further extended under 2019 Act 9 and 2023 Act 19, and are scheduled to expire on September 30, 2025. The Administration indicates that converting these project positions to permanent positions, rather than allowing them to expire, would increase general fund tax collections by \$32,475,000 in 2025-26 and \$43,300,000 in 2026-27.

Joint Finance/Legislature: Provide \$1,740,700 GPR in 2025-26 and \$2,320,900 GPR in 2026-27 and 28.0 project positions annually. Relative to the Governor's recommendation, these amounts are lower by \$621,600 in 2025-26 and \$828,800 in 2026-27 and 10.0 positions annually. The positions would be provided as project positions, rather than permanent positions as recommended by the Governor.

Revert DOR's minor transfers within the same alpha appropriation to base, including 10 positions that would have been transferred out of the Audit Bureau. [See Revenue -- Departmentwide.] Direct DOR to reallocate 10 positions within its collection of taxes -- general program operations appropriation to enhance staffing levels in the Audit and Compliance Bureaus. This provision would maintain 38.0 positions (10.0 permanent and 28.0 project) in the Audit and Compliance Bureaus and is estimated to increase general fund tax collections by \$32,475,000 in 2025-26 and \$43,300,000 in 2026-27.

2. STATEWIDE DEBT COLLECTION POSITIONS [LFB Paper 656]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,464,600	8.00	- \$1,464,600	- 8.00	\$0	0.00
GPR-REV	\$2,045,400		- \$2,045,400		\$0	
PR-REV	3,510,000		- 3,510,000		0	

Governor: Provide \$668,700 PR in 2025-26 and \$795,900 PR in 2026-27 and 8.0 positions annually to increase efforts to collect debts (including tax debts) owed to state agencies and local governments under the Statewide Debt Collection (SDC) program. DOR estimates that the provision of six debt collection agents, one lead worker, and one supervisor would increase overall SDC collections by \$7.8 million in 2025-26 and \$15.6 million in 2026-27. Debts collected by DOR are remitted to the respective state agency or governmental entity. Additionally, fees are imposed on debtors and deposited in the Department's debt collection appropriation to offset its administrative expenses for this program.

At the end of each fiscal year, any fee revenue in the debt collection appropriation exceeding DOR's administrative costs transfers to the general fund. The Administration indicates that providing these eight positions would: (a) increase debts remitted to agency partners by \$6.6 million in 2025-26 and \$13.3 million in 2026-27; (b) increase fees collected by DOR by \$1,170,000 PR-REV in 2025-26 and \$2,340,000 PR-REV in 2026-27; and (c) increase the year-end transfer to the general fund by an estimated \$501,300 GPR-REV in 2025-26 and \$1,544,100 GPR-REV in 2026-27.

Joint Finance/Legislature: Provision not included.

3. TAX APPEALS COMMISSION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR-REV	\$12,000	- \$12,000	\$0

Governor: Modify the definition of small claims used for cases before the Tax Appeals Commission to be a matter in which the amount in controversy, including any penalty, is less than \$10,000 (the amount used to determine the applicability of small claims procedures to certain civil actions under current law), rather than less than \$2,500. Increase, from \$25 to \$250, the filing fee for appeals to the Commission, except those involving a small claims case. The filing fee for appeals related to small claims cases would remain at \$25. The Administration indicates that adopting this tiered filing fee structure would more closely align fees with the dispute amount and the effort required to adjudicate it. Allow that any petition for review could be electronically filed. Specify that an electronically filed petition would be considered timely if submitted by midnight of the last day of filing.

Under current law, a small claims case is a matter in which the amount in controversy, including any penalty, is less than \$2,500, unless: (a) the Commission, on its own motion, determines that the case not be heard as a small claims case; or (b) DOR determines that the case has statewide significance. Small claims cases are decided by one Commissioner assigned by the Chairperson, while other cases are generally decided by the full Commission. Current law allows taxpayers or municipalities to appeal a determination of the State Board of Assessors, DOR, or the Department of Transportation by filing a petition with the Commission. Petitioners are required to pay a \$25 filing fee, which is deposited in the Department of Administration's attached divisions and other bodies - program services appropriation. The Administration estimates increased filing fee revenue of \$6,000 PR-REV annually as a result of the fee increase.

These provisions would first apply to a petition filed with the Commission on the effective date of the bill. Funding of \$322,300 GPR in 2025-26, \$49,900 GPR in 2026-27, and \$6,000 PR annually would be provided to the Department of Administration's Tax Appeals Commission appropriations. [For additional information, see "Administration -- General Agency Provisions."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Excise Tax Regulation and Enforcement

1. DIVISION OF ALCOHOL BEVERAGES [LFB Paper 660]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	-\$1,985,400	- 9.25	-\$321,400	- 1.00	-\$2,306,800	- 10.25
PR	<u>4,101,400</u>	<u>14.25</u>	<u>- 124,000</u>	<u>- 1.00</u>	<u>3,977,400</u>	<u>13.25</u>
Total	\$2,116,000	5.00	-\$445,400	- 2.00	\$1,670,600	3.00
GPR-REV	-\$270,600		-\$2,461,000		-\$2,731,600	
PR-REV	4,046,000		- 3,746,000		300,000	
GPR-Tax	\$0		-\$300,000		-\$300,000	

Governor: Provide \$3,475,800 PR in 2025-26 and \$3,636,800 PR in 2026-27 and 25.0 PR positions annually to the newly-created Division of Alcohol Beverages (DAB) -- general program operations appropriation (general program operations appropriation) for alcohol beverages regulation and enforcement and general program operations. Delete \$1,340,300 PR and 9.75 PR positions annually from DOR's administration of liquor tax and alcohol beverages enforcement appropriation (alcohol enforcement appropriation). Delete \$165,300 PR and 1.0 PR position annually from DOR's administration of liquor tax and alcohol beverages enforcement; wholesaler

fees funding special agent position appropriation (special agent appropriation). Delete \$992,700 GPR and 9.25 GPR positions annually from DOR's collection of taxes -- general program operations appropriation. Repeal the alcohol enforcement and special agent appropriations on the effective date of the bill.

Under current law, DOR is provided two PR appropriations directly related to alcohol beverage enforcement, the alcohol enforcement appropriation and the special agent appropriation. The alcohol enforcement appropriation can be used to fund computer, audit, and enforcement costs incurred in administering alcohol beverage excise taxes and for costs incurred in enforcing the 3-tier system for alcohol beverages production, distribution, and sale. This appropriation is funded by an administrative fee of 11¢ per gallon on taxable intoxicating liquor and permit fees collected from direct wine shippers. At the end of each fiscal year, the unencumbered balance of this appropriation, less 10% of the amounts expended or encumbered during the year, are transferred to the general fund. The special agent appropriation is funded by permit fees collected from beer wholesalers, for the purpose of funding one special agent position dedicated to alcohol and tobacco enforcement.

Funding and position authority for the new DAB -- general program operations PR appropriation would consist of: (a) \$2,498,300 and 20.0 positions transferred annually from existing DOR appropriations; (b) \$456,100 in additional annual funding for salaries, fringe, and supplies and services to support the transferred positions; and (c) \$521,400 in 2025-26 and \$682,400 in 2026-27 to fund 5.0 new positions created under the bill. The Administration indicates that the five new positions would consist of one excise tax agent supervisor, one excise tax agent - senior, one executive staff assistant, one revenue agent, and one attorney.

Specify that all fees collected by DAB in connection with permits issued under Chapter 125 of state statutes (related to alcohol beverages), including permit fees and other associated administrative fees, would be deposited into the newly-created general program operations appropriation. This would include any fees that are currently deposited into the existing alcohol enforcement and special agent appropriations under current law. Total fee collections that would be credited to DAB's general program operations appropriation are estimated at \$4,557,300 annually, consisting of \$2,534,300 PR-REV currently deposited into the existing alcohol enforcement and special agent appropriations under current law and \$2,023,000 PR-REV from fees that are currently deposited into the general fund.

Specify that the unencumbered balances of the alcohol enforcement and special agent appropriations would be transferred to the new DAB appropriation under the bill. Specify that at the end of each fiscal year, the unencumbered balance of DAB's general program operations appropriation would lapse (revert) to the general fund. The Administration estimates that \$1,081,500 GPR-REV in 2025-26 and \$920,500 GPR-REV in 2026-27 would lapse to the general fund from the new DAB general program operations appropriation. The Administration estimates that this lapse would be offset by a reduction in the estimated lapse from the alcohol enforcement appropriation of \$1,136,300 GPR-REV annually under current law, resulting in a net decrease in GPR-REV of \$54,800 in 2025-26 and \$215,800 in 2026-27.

Joint Finance/Legislature: Modify the Governor's provision to, instead, provide funding

and position authority to DAB as follows.

Provide \$1,677,600 PR in 2025-26 and \$1,698,700 PR in 2026-27 and 11.25 PR positions annually to the newly-created DAB -- general program operations appropriation for alcohol beverages regulation and enforcement and general program operations. The new PR positions would consist of: (a) 9.25 positions transferred from DOR's GPR -- general program operations appropriation; (b) 1.0 new revenue agent position provided to DAB's Bureau of Legal Services, Permitting, and Reporting; and (c) 1.0 existing attorney position transferred to DAB from DOR's administrative services and space rental -- general program operations GPR appropriation. An incumbent employee who holds the attorney position that would be transferred to DAB on the effective date of the bill would have all the rights and the same status under Chapter 230 of state statutes in DAB as they enjoyed in DOR immediately before the transfer. An employee transferred under this provision who has attained permanent status in class would not be required to serve a probationary period.

To reflect the position transfers described above, delete \$992,700 GPR and 9.25 GPR positions annually from DOR's GPR -- general program operations appropriation. Delete \$160,700 GPR and 1.0 GPR position annually from the administrative services and space rental -- general program operations appropriation.

Retain DOR's existing alcohol enforcement and special agent appropriations, but transfer the appropriations to the newly-created program for DAB (rather than the collection of taxes program). Specify that the special agent appropriation is for alcohol enforcement, rather than alcohol and tobacco enforcement. Provide \$261,700 PR in 2025-26 and \$339,400 PR in 2026-27 and 2.0 PR positions annually to DOR's alcohol enforcement appropriation for one excise tax agent - senior and one excise tax agent supervisor within DAB's Enforcement Bureau. These amounts are provided in addition to base funding and position authority of: (a) \$1,340,300 PR and 9.75 PR positions in the alcohol enforcement appropriation; and (b) \$165,300 PR and 1.0 PR position in the special agent appropriation.

All fees collected by DAB in connection with permits issued under Chapter 125 of state statutes (related to alcohol beverages), excluding permit fees and other associated administrative fees that are currently deposited into DOR's alcohol enforcement and special agent appropriations, would be deposited into the newly-created general program operations appropriation. At the end of each fiscal year, the unencumbered balance of DAB's general program operations appropriation would lapse (revert) to the general fund. Estimate a reduction in general fund tax revenue of \$150,000 annually and a corresponding increase in program revenue of \$150,000 annually to reflect the deposit of operator's permit fee revenue into the new DAB -- general program operations appropriation. As a result of the changes described above, estimate a reduction in DOR's year-end lapse to the general fund of \$1,316,400 in 2025-26 and \$1,415,200 in 2026-27.

The table below summarizes total funding and position authority for alcohol-related appropriations in DAB under the Governor's provisions and under the Joint Finance/Legislature provisions. The amounts appropriated to DAB are lower than the amounts recommended by the Governor by \$30,900 PR in 2025-26 and \$93,100 PR in 2026-27 and 1.0 PR position annually.

<u>Appropriation</u>	<u>Governor</u>			<u>Jt. Finance/Legislature</u>		
	<u>2025-26</u>	<u>2026-27</u>	<u>Positions</u>	<u>2025-26</u>	<u>2026-27</u>	<u>Positions</u>
DAB - General Program Operations	\$3,475,800	\$3,636,800	25.00	\$1,677,600	\$1,698,700	11.25
Alcohol Enforcement	-	-	-	1,602,000	1,679,700	11.75
Special Agent	-	-	-	165,300	165,300	1.00
Total	\$3,475,800	\$3,636,800	25.00	\$3,444,900	\$3,543,700	24.00

[Act 15 Sections: 89 thru 91, 311 thru 315, and 9137(1)]

2. MARIJUANA TAX ADMINISTRATION

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>	<u>Funding</u>	<u>Positions</u>
GPR	\$5,529,000	18.00	- \$5,529,000	- 18.00	\$0	0.00

Governor: Provide \$3,357,600 in 2025-26 and \$2,171,400 in 2026-27 and 18.0 positions annually in a newly-created administration and enforcement of marijuana tax and regulation appropriation under DOR for the purposes of: (a) administering the marijuana tax; and (b) offsetting costs incurred for enforcing the proposed taxation and regulation of marijuana producers, processors, and retailers. The legalization of the sale and taxation of marijuana would be authorized under separate provisions of the bill. [For additional information, see "Marijuana-Related Provisions."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. MARIJUANA PERMIT FEES

	<u>Governor</u> <u>(Chg. to Base)</u>	<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>	<u>Net Change</u>
GPR-REV	\$1,290,000	- \$1,290,000	\$0

Governor: Estimate additional GPR-REV of \$675,000 in 2025-26 and \$615,000 in 2026-27 from the collection of marijuana permit fees. Under the bill, DOR would charge a \$250 application fee to every person applying for a marijuana permit, as well as an annual fee of \$2,000 to each person holding a valid permit. Fees would be paid to DOR and deposited directly into the general fund. [For additional information, see "Marijuana-Related Provisions."]

[The Administration's estimate under the bill inadvertently excluded the annual fee required for new permits issued in 2026-27. A revision to this estimate would be needed to incorporate the Administration's intended estimate of \$735,000 GPR-REV for 2026-27.]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. GAMING REGULATION AND ENFORCEMENT [LFB Paper 661]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,124,500	4.00	- \$1,124,500	- 4.00	\$0	0.00

Governor: Provide \$493,400 in 2025-26 and \$631,100 in 2026-27 and 4.0 excise tax agent positions annually to support DOR gaming regulation and enforcement activities. The bill would create a new program revenue appropriation for this purpose. Specify that amounts appropriated for this purpose would be transferred from the Department of Administration's appropriation for Indian gaming receipts, and any unencumbered balance on June 30 of each year would revert back to the Indian gaming receipts appropriation. The Administration indicates that these positions would be utilized by DOR to enforce current law regulation of video gambling machines in taverns with five or fewer machines.

Joint Finance/Legislature: Provision not included.

5. ELECTRONIC VAPING DEVICE DIRECTORY

Joint Finance/Legislature: Require that manufacturers of electronic vaping devices that contain hemp but do not contain nicotine (hemp devices) submit to DOR information about the manufacturer's hemp devices that are available for sale in this state, including: (a) information that is required under current law for the purpose of the electronic vaping device directory; and (b) a certificate of analysis from an independent laboratory showing that the electronic vaping device meets the description of a hemp device. Manufacturers of hemp devices would not be required to certify to DOR that the manufacturer has received a marketing authorization from the federal Food and Drug Administration. This requirement would first apply to a manufacturer of a hemp device on July 1, 2026, and, on and after this date, hemp devices could not be sold or offered for sale if the device is not listed in the directory. Forfeitures that apply to electronic vaping devices sold in this state that are not registered with DOR after September 1, 2025, would not apply to the sale of hemp devices in violation of these provisions before September 1, 2026.

[Act 15 Sections: 351 thru 357]

State and Local Finance

1. MANUFACTURING PROPERTY ASSESSMENT SPECIALISTS [LFB Paper 665]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$341,800	2.00	- \$341,800	- 2.00	\$0	0.00
PR	<u>341,800</u>	<u>2.00</u>	<u>- 341,800</u>	<u>- 2.00</u>	<u>0</u>	<u>0.00</u>
Total	\$683,600	4.00	- \$683,600	- 4.00	\$0	0.00

Governor: Provide \$156,600 GPR and \$156,600 PR in 2025-26 and \$185,200 GPR and \$185,200 PR in 2026-27 and 2.0 GPR and 2.0 PR property assessment specialist positions annually to ensure more timely and accurate manufacturing property assessments under current law. Funding for the PR positions would be from assessment fees charged to municipalities with manufacturing property. The Administration indicates that workload demands exceed currently available resources and prevent DOR from meeting its statutory five-year review period for state-assessed manufacturing properties. DOR states that the four property assessment specialists provided under the Governor's budget would allow it to conduct more field audits each year to meet (or exceed) the required five-year review schedule.

Joint Finance/Legislature: Provision not included.

2. CONVERT PROJECT POSITIONS TO PERMANENT

	Funding	Positions
GPR	\$393,600	2.00

Governor: Provide \$196,800 and 2.0 IS business analyst positions annually. The 2023-25 biennial budget act authorized 2.0 project positions from July 1, 2023, to June 30, 2025, to support the implementation of 2023 Act 12, including the creation of an innovation grant program, changes to shared revenue, and the repeal of the personal property tax. DOR indicates that the required technology enhancements associated with these changes will be implemented through the end of 2028, after which the positions could be utilized to address ongoing technical and business process needs within the Division of State and Local Finance. This provision would effectively convert these two project positions to permanent positions.

Joint Finance/Legislature: Modify the Governor's provision to extend the positions as project positions, rather than to provide them as permanent positions. Specify that the positions expire on June 30, 2027.

3. MUNICIPAL SALES TAX ADMINISTRATION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$312,000	2.00	- \$312,000	- 2.00	\$0	0.00

Governor: Provide \$140,300 in 2025-26 and \$171,700 in 2026-27 and 2.0 positions annually, consisting of one revenue auditor 3 and one revenue agent, to support municipalities in the implementation and enforcement of the expanded municipal sales tax proposed under separate provisions of the bill. A new administration of municipality taxes appropriation would be created for this purpose. DOR would retain a 0.75% administrative fee from any municipality taxes collected under this provision, which would be transferred to this appropriation. At the end of each year, the unencumbered balance in this appropriation would be transferred to the general fund.

Under separate provisions of the bill, municipalities with populations of over 30,000, other than the City of Milwaukee, may enact an ordinance, if approved by referendum, to impose a 0.1%, 0.2%, 0.3%, 0.4%, or 0.5% local sales tax. The Administration indicates that the proposed funding and position authority would support this expansion in the local sales tax. [For additional information, see "Shared Revenue and Tax Relief -- Local Revenue Options."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Lottery Administration

1. LOTTERY SALES PROJECTIONS [LFB Paper 670]

Governor: Project lottery sales of \$878.0 million in 2024-25, and each year of the 2025-27 biennium. Projected lottery sales provide the basis for estimating the lottery and gaming property tax credit in the next biennium. In addition, the projected sales directly affect appropriations for retailer compensation and lottery vendor fees. Typically, projected sales are based on sales models utilized by DOR to estimate both lotto (on-line) and instant ticket sales.

The lottery sales projections included in the Governor's budget recommendations include an increase of \$18.1 million in 2024-25 estimated sales above the \$859.9 million sales level certified by the Joint Committee on Finance in October, 2024. The same \$878.0 million in lottery sales are projected for each year of the 2025-27 biennium. The following table shows these projections, as well as 2023-24 actual lottery sales.

Lottery Sales Projections
(\$ in Millions)

<u>Game Type</u>	<u>Actual</u> <u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>% Change</u> <u>from 2024-25</u>	<u>2026-27</u>	<u>% Change</u> <u>from 2025-26</u>
Scratch	\$611.7	\$609.1	\$609.1	0.0%	\$609.1	0.0%
Pull-tab	1.3	1.2	1.2	0.0	1.2	0.0
Lotto	<u>341.9</u>	<u>267.7</u>	<u>267.7</u>	0.0	<u>267.7</u>	0.0
Total	\$954.8	\$878.0	\$878.0	0.0%	\$878.0	0.0%

Joint Finance/Legislature: Reestimate 2024-25 lottery sales at \$859.9 million, compared to \$878.0 million under previous projections, to reflect recent sales experiences, and include estimated sales in the biennium at \$878.0 million annually. The following table shows these projections, as well as 2023-24 actual lottery sales and estimated sales in 2024-25.

Lottery Sales Projections
(\$ in Millions)

<u>Game Type</u>	<u>Actual</u> <u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>% Change</u> <u>from 2024-25</u>	<u>2026-27</u>	<u>% Change</u> <u>from 2025-26</u>
Scratch	\$611.7	\$591.0	\$609.1	3.1%	\$609.1	0.0%
Pull-tab	1.3	1.2	1.2	0.0	1.2	0.0
Lotto	<u>341.9</u>	<u>267.7</u>	<u>267.7</u>	0.0	<u>267.7</u>	0.0
Total	\$954.8	\$859.9	\$878.0	2.1%	\$878.0	0.0%

2. LOTTERY RETAILER COMPENSATION AND VENDOR FEES [LFB Paper 670]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$6,738,800	\$1,756,200	- \$4,982,600
SEG	<u>0</u>	<u>4,213,400</u>	<u>4,213,400</u>
Total	- \$6,738,800	\$5,969,600	- \$769,200

Governor: Reduce funding by \$2,491,300 GPR annually for retailer compensation and \$878,100 GPR annually for vendor fees associated with reductions in estimated lottery sales. This would result in GPR funding for vendor fees of \$61,875,100 annually and GPR funding for retailer compensation to \$23,480,300 annually. In addition to these sum certain GPR appropriations for retailer compensation and vendor fees, two sum sufficient SEG appropriations exist to fund any increases in these costs in the biennium.

Basic retailer compensation is established by statute at 5.5% of the retail price of lotto lottery tickets and 6.25% of the retail price of instant tickets sold by the retailer. In addition, the retailer performance program provides an amount of up to 1% of gross lottery sales as incentive payments to retailers. Vendor fees are paid under a major procurement contract for the provision of data

processing services to both the lotto and instant lottery games.

Joint Finance/Legislature: Modify the proposed funding to provide \$2,106,700 SEG annually for vendor fees from DOR's sum sufficient SEG appropriation to reflect updated estimates of vendor fees. This would modify the reduction in GPR funding for vendor fees by \$878,100 annually, which would maintain base level funding of \$24,358,400 GPR for lottery vendor fees in the biennium.

3. LOTTERY CUSTOMER SERVICE STAFF [LFB Paper 670]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$154,000	1.00	-\$154,000	-1.00	\$0	0.00

Governor: Provide \$66,000 in 2025-26 and \$88,000 in 2026-27 and 1.0 position to the Lottery Division's SEG general operations appropriation to support processing lottery claims and assisting with player support.

Joint Finance/Legislature: Provision not included.

4. LOTTERY FUND CONDITION STATEMENT [LFB Paper 670]

Governor: The total revenue available for tax relief, less the statutory reserve (2% of gross annual revenue) and the amount appropriated for the lottery and gaming credit late applications payments, determines the amount available for the lottery and gaming tax credit. The following fund condition statement provides information on the expected opening balance, operating revenues, appropriated amounts for expenditures, estimates of interest earnings and gaming-related revenue, and the amounts available for tax relief credits under the bill. The bill would appropriate \$311,312,300 in 2025-26 and \$299,688,000 in 2026-27 for both the lottery and gaming credit and the late applications lottery and gaming credit.

However, the Administration's projected lottery fund condition below does not include the correct adjusted base or the standard budgets adjustments for the lottery administration SEG appropriation, which increase expenditures from the appropriation by \$1,162,600 in 2025-26 and \$1,162,700 in 2024-25. Factoring in these expenditures would result in a corresponding reduction in the amounts available for the lottery and gaming credit in each year of the biennium compared to the annual amounts shown in the fund condition.

	Projected <u>2025-26</u>	Projected <u>2026-27</u>
Fiscal Year Opening Balance	\$28,152,300	\$17,566,000
Operating Revenues		
Total Ticket Sales	\$877,951,200	\$877,951,200
Retailer Fees and Miscellaneous	<u>348,600</u>	<u>348,600</u>
Gross Revenues	\$878,299,800	\$878,299,800
Expenditures (SEG)		
Prizes	\$559,284,600	\$559,284,600
General Program Operations	20,834,800	20,856,800
Gaming Law Enforcement	512,000	512,000
Lottery Credit Administration	339,200	339,200
Program Reserves	<u>200</u>	<u>200</u>
Total SEG Expenditures	\$580,970,800	\$580,992,800
Expenditures (GPR)		
Retailer Compensation	\$61,875,100	\$61,875,100
Vendor Fees	<u>23,480,300</u>	<u>23,480,300</u>
Total GPR Expenditures	\$85,355,400	\$85,355,400
Net SEG Proceeds	\$297,329,000	\$297,307,000
Interest Earnings	\$3,397,000	\$2,381,000
Total Available for Tax Relief *	\$328,878,300	\$317,254,000
Appropriations For Tax Relief		
Lottery and Gaming Credit	\$310,229,200	\$298,604,900
Late Lottery and Gaming Credit Applications	<u>1,083,100</u>	<u>1,083,100</u>
Total Appropriations for Tax Relief	\$311,312,300	\$299,688,000
Gross Closing Balance	\$17,566,000	\$17,566,000
Reserve (2% of Gross Revenues)	\$17,566,000	\$17,566,000
Net Closing Balance	\$0	\$0

*Opening balance, net SEG proceeds, interest earnings, and gaming-related revenue.

Joint Finance/Legislature: Modify the lottery fund condition statement to reflect an estimated 2025-26 opening balance of \$18,916,900 and estimated sales in the 2025-27 biennium, as well as the following adjustments to the lottery general operations appropriation: (a) an increase of \$586,300 SEG annually to reflect the correct adjusted base (no Committee action required); (b) an increase of \$470,400 SEG in 2025-26 and \$470,500 SEG in 2026-27 to account for lottery administration standard budget adjustments (adopted under Paper #105 and Motion #6); and (c) the deletion of \$66,000 SEG in 2025-26 and \$88,000 SEG in 2026-27 associated with a customer service position (see previous item). In addition, provide an increase of \$2,106,700 SEG annually associated with increased vendor fees. Under this reestimate of the fund condition, funding available for the lottery and gaming credit would be reduced by \$12,103,500 in 2025-26 and \$2,846,200 in 2026-27 [see "Shared Revenue and Tax Relief -- Property Tax Credits"].

	Projected <u>2025-26</u>	Projected <u>2026-27</u>
Fiscal Year Opening Balance	\$18,916,900	\$17,566,000
Operating Revenues		
Total Ticket Sales	\$877,951,200	\$877,951,200
Retailer Fees and Miscellaneous	<u>348,600</u>	<u>348,600</u>
Gross Revenues	\$878,299,800	\$878,299,800
Expenditures (SEG)		
Prizes	\$559,055,200	\$559,055,200
Retailer Compensation	0	0
Vendor Fees	2,106,700	2,106,700
General Program Operations	21,825,500	21,825,600
Gaming Law Enforcement	512,000	512,000
Lottery Credit Administration	339,200	339,200
Program Reserves	<u>200</u>	<u>200</u>
Total SEG Expenditures	\$583,838,800	\$583,838,900
Expenditures (GPR)		
Retailer Compensation	\$61,875,100	\$61,875,100
Vendor Fees	<u>24,358,400</u>	<u>24,358,400</u>
Total GPR Expenditures	\$86,233,400	\$86,233,400
Net SEG Proceeds	\$294,460,900	\$294,460,800
Interest Earnings	\$3,397,000	\$2,381,000
Total Available for Tax Relief *	\$316,774,800	\$314,407,800
Appropriations For Tax Relief		
Lottery and Gaming Credit	\$298,125,700	\$295,758,700
Late Lottery and Gaming Credit Applications	<u>1,083,100</u>	<u>1,083,100</u>
Total Appropriations for Tax Relief	\$299,208,800	\$296,841,800
Gross Closing Balance	\$17,566,000	\$17,566,000
Reserve (2% of Gross Revenues)	\$17,566,000	\$17,566,000
Net Closing Balance	\$0	\$0

*Opening balance, net SEG proceeds, and interest earnings.

SAFETY AND PROFESSIONAL SERVICES

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$0	\$1,963,800	\$0	\$0	\$0	\$0	N.A.
FED	1,149,600	1,161,400	961,600	961,600	961,600	-188,000	- 16.4%
PR	<u>149,937,200</u>	<u>161,161,400</u>	<u>151,644,300</u>	<u>151,644,300</u>	<u>151,644,300</u>	<u>1,707,100</u>	1.1
TOTAL	\$151,086,800	\$164,286,600	\$152,605,900	\$152,605,900	\$152,605,900	\$1,519,100	1.0%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
FED	1.70	1.70	0.70	0.70	0.70	- 1.00
PR	<u>256.19</u>	<u>286.19</u>	<u>255.19</u>	<u>255.19</u>	<u>255.19</u>	<u>- 1.00</u>
TOTAL	257.89	287.89	255.89	255.89	255.89	- 2.00

Budget Change Items

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
Funding Positions	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$11,800	0.00	- \$64,000	0.00	- \$52,200	0.00
PR	<u>823,800</u>	<u>- 6.00</u>	<u>- 536,600</u>	<u>0.00</u>	<u>287,200</u>	<u>- 6.00</u>
Total	\$835,600	- 6.00	- \$600,600	0.00	\$235,000	- 6.00

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>FED</u>	<u>PR</u>	<u>Total</u>
2025-26			
Turnover Reduction	\$0	-\$402,500	-\$402,500
Removal of Noncontinuing Elements	0	-303,600	-303,600
Full Funding of Cont. Pos. Salary/Fringe	5,900	1,405,600	1,411,500
Full Funding of Lease/Directed Moves	<u>0</u>	<u>-237,800</u>	<u>-237,800</u>
Total	\$5,900	\$461,700	\$467,600
2026-27			
Turnover Reduction	\$0	-\$402,500	-\$402,500
Removal of Noncontinuing Elements	0	-404,700	-404,700
Full Funding of Cont. Pos. Salary/Fringe	5,900	1,405,600	1,411,500
Full Funding of Lease/Directed Moves	<u>0</u>	<u>-236,300</u>	<u>-236,300</u>
Total	\$5,900	\$362,100	\$368,000
Biennial Totals	\$11,800	\$823,800	\$835,600

In addition, reduce authorized PR positions by 6.00 in 2025-26 and 6.00 in 2026-27 under the removal of noncontinuing elements standard budget adjustment. Positions are associated with call center staffing addressed in a separate item.

Joint Finance/Legislature: Increase the turnover reduction rate from 3% to 5% for all appropriations subject to a 3% turnover rate and decrease standard budget adjustments by -\$268,300 PR in each year for this purpose. Adjust the amounts for full funding of continuing position salaries and fringe benefits by -\$16,200 FED in 2025-26 and -\$47,800 FED in 2026-27 to account for the expiration of project positions in September, 2025.

2. INFORMATION TECHNOLOGY CONSULTING SERVICES, SUBSCRIPTIONS, AND EQUIPMENT [LFB Paper 676]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$1,928,400	- \$295,900	\$1,632,500

Governor: Provide \$546,000 annually to support costs charged by the Division of Enterprise Technology (DET) in the Department of Administration (DOA), which provides information technology (IT) functions to DSPS. The provision includes ongoing funding to support services provided by three DET contracted staff that were approved for one-time funding under 2023 Act 19. Services include IT programming enhancements, process improvements, and service delivery.

In addition, provide ongoing funding of \$265,800 in 2025-26 and \$274,700 in 2026-27 for software subscriptions and maintenance, and one-time funding of \$149,400 in 2025-26 and \$146,500 in 2026-27 to maintain IT equipment for staff, including laptops, monitors, and docking stations. All funding under the provision would be from the DSPS general operations appropriation for professional occupation regulation.

Joint Finance/Legislature: Modify provision to authorize one-time funding of \$546,000 annually to support the costs charged by DOA to maintain the services of three staff contracted to

DSPS. Further, authorize one-time funding of \$265,800 in 2025-26 and \$274,700 in 2026-27 for software subscriptions and maintenance. Remove provision for one-time funding of \$149,400 in 2025-26 and \$146,500 in 2026-27 to maintain IT equipment for staff, including laptops, monitors, and docking stations.

3. APPROPRIATION CONSOLIDATION [LFB Paper 677]

Governor: Consolidate several appropriations within DSPS by repealing five PR appropriations and transferring their associated positions and funding to two operations appropriations.

Professional Regulation and Administrative Services. Repeal the appropriations for the following purposes, and transfer funding and positions to the DSPS general operations appropriation for the professional regulation program: (a) the Medical Examining Board, interstate medical licensure compact, and the prescription drug monitoring program general operations (\$3,933,400 in 2025-26 and \$3,892,900 in 2026-27 and 21.71 positions); (b) proprietary school programs (\$837,900 annually and 6.6 positions); (c) student protection (\$56,600 annually); and (d) closed schools and preservation of student records (\$12,100 annually). Under the bill, the general operations appropriation would be budgeted \$20,786,700 in 2025-26 and \$21,120,700 in 2026-27 with 136.45 positions, including \$4,840,000 in 2025-26 and \$4,799,500 in 2026-27 with 28.31 positions from the appropriation transfers.

Modify DSPS's professional regulation general programs operation to allow expenditures for licensing, rulemaking, and regulatory functions related to all functions previously fulfilled by the repealed appropriations. Transfer the unencumbered balances of the repealed appropriations to the general professional regulation appropriation on the bill's effective date.

Modify s. 440.25 of the statutes to allow the professional regulation general operations appropriation to pay counsel retained by DSPS for judicial review of final disciplinary decisions made by the Medical Examining Board or affiliated credentialing boards, if the Department must retain private counsel. In addition, modify s. 448.981 of the statutes to allow payments of assessments for the interstate medical licensure compact to be funded by the professional regulation general operations appropriation, using the license fees collected from physicians licensed under the compact.

Regulation of Industry, Safety, and Buildings. Repeal the appropriation for administrative services relating to the regulation of industry, safety, and buildings (\$3,194,500 each year and 13.25 positions) and transfer the funding and positions to the appropriation for the regulation of industry, safety, and buildings. Under the bill, the safety and building operations appropriation would be budgeted \$26,527,800 in 2025-26 and \$26,498,600 in 2026-27 with 136.79 positions. Modify the safety and building operations appropriation to allow expenditures for administrative and support services relating to the regulation of industry, safety, and buildings, as well as to accept moneys received by the Department as payment for administrative support services, previously fulfilled by the repealed appropriation.

Modify the appropriation for interagency agreements to accept all moneys received by the

Department through contracts or financial agreements for provision of services to other state agencies relating to the regulation of industry, safety, and buildings, except for money appropriated under safety and buildings operations. Finally, transfer the unencumbered balance of the administrative services appropriation to the safety and building operations appropriation on the bill's effective date.

Joint Finance/Legislature: Provision not included.

4. DATA-DRIVEN DECISION-MAKING POSITION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
PR	\$137,900	1.00	-\$137,900	- 1.00	\$0	0.00

Governor: Provide \$60,800 PR in 2025-26 and \$77,100 in 2026-27 to support 1.0 senior research analyst position at DSPS. The Administration intends for the position to improve data collection and decision making at DSPS through: (a) compilation and analysis of data from recent technology improvement projects performed at DSPS for professional and trades credentialing and building plan reviews; and (b) the creation of reports and other data visualizations for communication with Department staff, stakeholders, and the public. The position would be funded 80% from the Department's appropriation for professional occupation regulation and 20% from the operations appropriation for safety and buildings programs.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. SUPPLIES AND SERVICES FUNDING [LFB Paper 678]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$418,000	-\$418,000	\$0

Governor: Provide \$209,000 annually for ongoing supplies and services to reflect cost increases associated with: (a) maintaining service levels for credential holders and credentialing boards; and (b) one-time expenses associated with credentialing operations. The amount represents a 5% increase to supplies and services funding for general operations in DSPS's health and business professional regulation appropriation.

Joint Finance/Legislature: Provision not included.

6. LEGAL AUTHORITY FOR LICENSURE REVIEW

Governor: Require DSPS to obtain and review circumstantial information when investigating the arrest or criminal record of a credential applicant. Provide that in its discretion, DSPS may complete an investigation without reviewing circumstantial information for certain offenses. Offenses that may be exempt from further investigation include: (a) first offenses for operating while intoxicated that occurred at least five years prior to the application date; (b) offenses related to underage drinking or procurement of alcohol; or (c) minor, nonviolent ordinance violations, determined by the discretion of the Department. Authorize DSPS and any credentialing board to promulgate rules to administer this provision. Further, allow DSPS to promulgate emergency rules while final rules are being drafted, and allow emergency rules to be promulgated without the finding of an emergency. Emergency rules would remain in effect for up to two years, unless repealed or otherwise superseded by permanent rules.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. LICENSURE FOR UNDOCUMENTED PERSONS

Governor: Provide that an individual that is not a U.S. citizen may receive a license, credential, permit, certification, or other work-related approvals, so long as a person meets all other requirements or qualifications for the approval being sought. Under federal law, certain persons who are not U.S. citizens may not receive "state or local public benefits," including professional occupational or commercial licenses or credentials. However, federal law also allows states to enact a law specifically authorizing the receipt of such benefits by persons otherwise presumed to be ineligible.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. DELETE VACANT POSITIONS

Joint Finance/Legislature: Delete 2.0 positions vacant for more than 18 months and associated funding for salaries and fringe benefits. Positions include: (a) 1.0 FED mining safety inspector position and \$67,900 annually from the Department's safety and buildings federal funds appropriation; and (b) 1.0 PR occupational safety inspector position and \$56,800 annually from the Department's safety and buildings program revenue interagency services account.

	Funding	Positions
FED	- \$135,800	- 1.00
PR	- <u>113,600</u>	- <u>1.00</u>
Total	- \$249,400	- 2.00

Regulation of Professions

1. CALL CENTER STAFF [LFB Paper 680]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$2,039,600	14.00	-\$1,449,200	- 9.00	\$590,400	5.00

Governor: Provide ongoing funding of \$956,400 in 2025-26 and \$1,083,200 in 2026-27 with 14.0 office operations associate permanent positions to provide additional customer service call center staff in the Customer Service Center (CSC) within the Division of Professional Credential Processing (DPCP). DSPS indicates CSC is assigned 6.0 full-time permanent positions and 6.0 two-year project positions authorized under 2023 Act 19, with two limited-term employees (LTEs) for answering and processing call center requests. In addition, DSPS had 15.0 employees contracted through a third-party company using federal funds under the American Rescue Plan Act (ARPA). The Department reports state-funded staff would be required to handle ongoing call volumes, as federal ARPA funds were to be obligated by December 31, 2024, and will expire in the 2025-27 biennium. Funding under the bill would be used to add an additional 8.0 permanent positions and to convert 6.0 two-year project positions to permanent positions.

Joint Finance/Legislature: Modify provision to extend 5.0 office operations associate project positions expiring on September 30, 2025, for three additional years. The expiration date of the project positions will be September 30, 2028. Provide \$253,100 in 2025-26 and \$337,300 in 2026-27 for the DSPS Customer Service Center to support the positions.

[Act 15 Section: 9138(1)]

2. LICENSE PROCESSING STAFF [LFB Paper 681]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$1,751,000	10.00	-\$1,751,000	- 10.00	\$0	0.00

Governor: Provide ongoing funding of \$875,500 annually and 10.0 permanent positions to process license applications in the Division of Professional Credential Processing. DPCP administers the biennial renewal process for active credential holders in health and business professions and in building trades professions. Permanent positions would include 9.0 license/permit program associate positions and 1.0 paralegal position, and would replace 10.0 project positions funded by ARPA.

As of January, 2025, DSPS has assigned 72.0 positions to the Division of Professional Credential Processing. This includes 1.0 division administrator, 2.0 program and policy analysts, 45.0 license/permit program associates of various classes, 4.0 records management supervisors, 12.0 office operations associates, 1.0 attorney supervisor, 3.0 attorneys, and 4.0 paralegals of multiple classes.

Joint Finance/Legislature: Provision not included.

3. LEGAL SUPPORT STAFF [LFB Paper 682]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$630,100	4.00	-\$630,100	- 4.00	\$0	0.00

Governor: Provide 4.0 permanent positions and ongoing funding of \$271,800 in 2025-26 and \$358,300 in 2026-27 for the Division of Legal Services and Compliance (DLSC) Business Team. The 4.0 positions would include 3.0 paralegals and 1.0 attorney. Staff would conduct casework for the investigation and discipline of DSPS-licensed credential holders for violating professional regulations. Attorneys are responsible for creating plans for investigations, which are then carried out by paralegals and consumer protection investigators. DSPS reports that additional staff would improve the speed and quality of investigations and enforcement activities.

Joint Finance/Legislature: Provision not included.

4. CLINICIAN WELLNESS PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,600,000	-\$1,600,000	\$0

Governor: Establish a statewide clinician wellness program intended to provide physical and mental health support to healthcare workers. Create an annual appropriation and provide \$800,000 annually to support the program. The Administration intends to establish a non-governmental statewide clinician wellness program through the provision of grant funding. The program would be intended to serve healthcare professionals licensed and regulated under any of DSPS's occupational regulatory boards.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. NURSING REFRESHER COURSE TUITION REIMBURSEMENT

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$300,000	- \$300,000	\$0

Governor: Create a nursing refresher course tuition reimbursement program and provide \$150,000 annually to support the program. Require DSPS to award grants to individuals to reimburse tuition for nursing courses. Provide that any individual receiving a grant must: (a) be younger than 60 years of age as of the date of grant application; (b) be licensed as a practical nurse or registered nurse under Chapter 441 of the statutes; (c) not be actively practicing registered nursing or licensed practical nursing and have not practiced in the five years preceding the date of the grant application; and (d) have taken a nursing refresher course approved by DSPS within one year of applying for a tuition reimbursement grant.

Specify that individuals should receive grants in an amount that covers the full cost of their nursing refresher course tuition. Provide that at least \$150,000 annually must be expended from DSPS's professional regulation general program operations appropriation for tuition grants. Specify that if \$150,000 is insufficient to fulfill all grant requests, the Department may prorate awards. Further, specify that individuals may not receive more than one grant through this program. Require DSPS to approve nursing refresher courses that would qualify for tuition reimbursement, and require that approved courses must be offered at a Wisconsin Technical College System institution.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. LICENSE PORTABILITY

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$422,300	3.00	-\$422,300	- 3.00	\$0	0.00

Governor: Specify that DSPS and credentialing boards may promulgate rules to facilitate enhanced credential portability and paths to credentialing for internationally trained professionals and increased license reciprocity. Under current law, reciprocal licensing is provided for several professions, and the statutes in general specify that DSPS may recognize credentials from another state only if the education, experience, and examination requirements are at least equivalent to those of Wisconsin license holders. Rules promulgated would be required to comport with existing statutory provisions.

In addition, provide \$186,100 in 2025-26 and \$236,200 in 2026-27 and 3.0 positions within the Department's Division of Policy Development to support the occupational regulatory boards

that have multistate licensure compacts. Positions would include 2.0 licensing compact support policy and program analysts and 1.0 board support operations program associate.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. PRESCRIPTION DRUG MONITORING PROGRAM STAFF [LFB Paper 682]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$441,300	2.00	-\$441,300	- 2.00	\$0	0.00

Governor: Provide \$190,900 in 2025-26 and \$250,400 in 2026-27 in ongoing funding to support 2.0 attorney positions for the state's Prescription Drug Monitoring Program (PDMP). PDMP was created under 2009 Wisconsin Act 362 and assists health care professionals in their prescribing and dispensing decisions by providing them with information about controlled substance prescriptions dispensed in the state. PDMP attorneys work on investigating and prosecuting cases of dangerous conduct by a prescriber or pharmacy. DSPS reports that current staffing levels are insufficient to manage an increasing number of referred opioid cases in recent years.

Joint Finance/Legislature: Provision not included.

8. PHARMACY INSPECTOR POSITION [LFB Paper 682]

	Funding	Position
PR	\$290,600	1.00

Governor/Legislature: Provide \$126,200 in 2025-26 and \$164,400 in 2026-27 to support 1.0 pharmacy inspector permanent position. Position duties would include performing more complex facility inspections, such as inspections of specialized pharmacies, drug device manufacturers, home medical oxygen providers, and wholesale prescription drug distributors. Inspections are performed for initial licensure, for significant changes to a facility with an existing license, or for misconduct complaints from consumers.

DSPS reports that pharmacy inspection has become more complex in recent years as the number of specialized pharmacies has increased. DSPS performs approximately 80 pharmacy inspections and investigates 100 theft or loss reports annually. Additional funding would be used to improve expertise and timeliness of inspections and investigations. The provision would also reverse part of 2017 Wisconsin Act 59 that eliminated a 0.5 position for pharmacy inspections, with the intention of the agency being able to contract for such inspections. Contract inspections have not been instituted due to cost and other concerns.

9. ADMINISTRATIVE RULES OFFICER

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$171,200	1.00	-\$171,200	- 1.00	\$0	0.00

Governor: Provide \$75,100 in 2025-26 and \$96,100 in 2026-27 to support 1.0 administrative rules officer position. Position duties would include: (a) facilitating communication between the Department and its healthcare-related regulatory boards; and (b) managing rule-making requirements. The Administration reports that DSPS has several rule-making responsibilities, and providing an additional rules officer will assist in the timely promulgation of rules. Currently, the Department has 3.0 administrative rules officers in the Division of Policy Development.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. RENEWAL DATES AND NURSING WORKFORCE SURVEY

Governor: Eliminate the statutory renewal dates for health and business professions under s. 440.08 (2)(a) of the statutes, effective six months following the bill's effective date. Direct DSPS, in collaboration with credentialing boards, to establish new renewal cycles, and authorize DSPS to stagger renewal cycles among credential holders. Require DSPS and credentialing boards to notify credential holders of any newly-established dates. Allow the Department and credentialing boards to establish a process to transition credential holders from previous renewal cycles to those newly established, and authorize the Department to adjust renewal fees if the biennial fee-setting process is not revised prior to a new credential fee taking effect.

In certain instances, the provision would delete statutory maximum credential lengths, or the number of times a credential may be renewed, and authorize the Department to establish those limits. Those instances include: (a) for private detectives, a two-year maximum credential term; (b) for substance abuse counselors in training, clinical supervisor counselors in training, or prevention specialists in training, a maximum of two renewals; and (c) for athlete agents, a certificate of registration being valid for two years.

Continuing Education. Allow DSPS and its credentialing boards to adjust or prorate continuing education requirements and to establish interim continuing education or other reporting requirements as needed to align with the new renewal cycles. In certain instances, a number of continuing education credits or hours specified by statute for a two-year credential cycle would be specified as the minimum, maximum, or designated number of credits or hours required over any two-year period.

For certain professions, the bill would require a two-year period in which no continuing education would be required for newly credentialed persons, including for home inspectors,

chiropractors, dental hygienists, dentists, pharmacists, psychologists, nursing home administrators, hearing instrument specialists, and speech-language pathologists and audiologists. The provision would be generally consistent with current allowances for a two-year waiver of continuing education for new credential holders in their first term. A waiver of continuing education requirements would be at the discretion of the board for genetic counselors.

Nursing Workforce Survey. Repeal the requirement that registered nurses or licensed practical nurses must submit a nursing workforce survey with every license renewal application as a condition of the renewal. Instead require that a survey be completed biennially by nurse licensees.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. ADVANCED PRACTICE REGISTERED NURSING

Governor: Authorize individuals to obtain advanced practice registered nursing (APRN) licenses in Wisconsin by: (a) creating licensure requirements; (b) specifying conditions under which APRNs may practice; (c) defining the scope of practice for APRNs; (d) specifying the settings where APRNs may practice; and (e) providing new responsibilities to the Nursing Board relating to the regulation of APRNs. Under current law, the Nursing Board licenses and regulates various classes of nurses. The current statutes contain limited references to licensure of advanced practice registered nurses. In general terms, an APRN would have a broader range of practice and more advanced educational requirements than a registered nurse (RN) or licensed practical nurse (LPN).

Licensure Requirements

Application. Require the Board of Nursing to grant an APRN license to an individual who satisfies the following criteria: (a) submits an application for the license to the Department; (b) pays the applicable license fee; and (c) possesses malpractice liability insurance. The bill would also require persons to submit evidence satisfactory to the Board that the individual: (a) has completed an accredited graduate-level or postgraduate-level education program preparing the person to practice as an APRN in one of four recognized roles, described in a subsequent paragraph, and holds a current national certification approved by the Board; or (b) on January 1, 2026, was licensed as an RN in Wisconsin, practicing in one of the four recognized roles, and satisfied additional practice or education criteria established by the Board. A person could also receive an APRN license if certified to issue prescription orders as of the effective date of the provision. Further, licensed nurse-midwives could also be issued an APRN license if so licensed on the day prior to the provision's effective date.

The bill would require the Board, upon granting an individual an APRN license, to also grant the person one or more specialty designations corresponding to the recognized role or roles for which the person qualifies. The four recognized APRN roles are: (1) certified nurse-midwife; (2) certified registered nurse anesthetist; (3) clinical nurse specialist; and (4) nurse practitioner. The bill would limit the use of these titles to persons with an APRN license and the appropriate specialty designation. The bill would also replace numerous instances in the statutes of references

to these occupations with the term for an APRN.

Continuing Education, License Renewal and Other Terms. The bill would require all APRNs to complete 16 contact hours in each biennium in clinical pharmacology or therapeutics relevant to the APRN's area of practice and to satisfy certain other requirements when renewing a license. Under the provision, the Board would be required to grant a renewal of both an RN license and the person's APRN license. Applicants renewing both registered nurse and advanced practice registered nurse licenses would only be required to pay a single fee.

Scope of Practice

General Practice. Under the provision, all APRNs except certified nurse-midwives would be required to practice in collaboration with a physician or dentist. APRNs with at least 3,840 hours of professional and advanced practice nursing in a clinical setting over at least a 24-month period, and while working with a physician or dentist during those 3,840 hours, could practice without being supervised by a physician or dentist and upon verification by the Board of Nursing of the clinical hours. Hours practiced in Wisconsin or outside the state could be credited.

The bill would specify an APRN must adhere to professional standards when managing situations that were beyond their expertise, including by consulting with a physician or other provider with a suitable scope of practice to address patient needs. An APRN would be allowed to delegate a task or order to another clinically trained health care worker if the task or order was within the scope of the APRN's practice, the APRN was competent to perform the task or issue the order, and the APRN had reasonable evidence that the health care worker was minimally competent to perform the task or issue the order under the circumstances.

Practice of Nurse-Midwifery. APRNs with a certified nurse-midwife specialty designation would be required, if offering to deliver babies outside of a hospital setting, to file and keep current with the Board a proactive plan for involving a hospital or a physician who had admitting privileges at a hospital in the treatment of patients with acute or emergency care needs that exceed the APRN's scope of expertise and practice. The bill would direct nurse-midwives to perform statutorily required tests for hearing loss and for congenital and metabolic disorders in infants.

Prescribing Authority. The bill would generally authorize APRNs to issue prescription orders. A person who is certified to issue prescription orders under current law would be automatically granted an APRN license with his or her appropriate specialty designation under the bill. RNs who are practicing in a recognized role, but who do not hold graduate or post-graduate education necessary for authorization to issue prescription orders under the bill, and who are granted an APRN license under the bill, would not be permitted to issue prescription orders. Also, an APRN would be authorized to provide chronic pain management services if collaborating or practicing under the supervision of a physician with training, education, and experience in that practice, unless the APRN had otherwise qualified for independent practice, as described separately. An APRN would be required to inform the hospital in which they are working if the APRN had qualified for independent practice, and provided chronic pain management services without the supervision of a physician.

Malpractice Liability Insurance. The bill would require all APRNs to maintain malpractice

liability insurance in coverage amounts specified under current law for physicians and nurse anesthetists. An exception would be provided for an APRN whose employer provides malpractice liability insurance covering an APRN in coverage amounts specified under current law. APRNs qualified to practice independently and who practice outside a collaborative or employment relationship would be required to participate in the Injured Patients and Families Compensation Fund. The Injured Patients and Families Compensation Fund provides excess medical malpractice coverage for health care providers who participate in the fund and meet other participation requirements.

Other Provisions

Related Statutory Changes. The bill would allow APRNs to engage in practices or actions consistent with current requirements for included recognized specialties. These would include: (a) issuing disability assessments of persons in the state for purposes of disability license plates, or fishing and hunting approvals; (b) maintaining records of patient sexually transmitted illness (STI); (c) communicating confidentially with residents of nursing homes or community-based residential facilities; (d) directing the use of physical or chemical restraints for residents of nursing homes or community-based residential facilities; (e) providing written statements to excuse children from school due to illness, injury, or other issues precluding the children from school attendance; (f) conferring with courts regarding confinement or detainment of individuals deemed threats to themselves or others; (g) disclosing infection statuses of deceased patients if coroners, medical examiners, or other medical assistants are at risk of exposure to certain diseases by the deceased patients; (h) approving school plans for asthma responses and administering a bronchodilator or prescribing a bronchodilator to be maintained for use by the school; (i) administering epinephrine auto-injectors or prefilled syringes; (j) delivering, prescribing, or dispensing opioid antagonists; (k) prescribing undesignated glucagon to schools for diabetes treatment; (l) making therapeutic alternate drug selections for patients in and outside of prisons; and (m) conducting certain practices specific to maternal or pediatric health.

Additionally, the bill would amend sales tax provisions to incorporate the APRN designation regarding an exemption for drugs dispensed to health care practitioners, provided the substance is not available without a prescription.

Board of Nursing. The Board would be required to promulgate rules to implement APRN licensing, including specifying: (a) further provisions on scope of practice; (b) recognized national certifications; (c) training and educational requirements; (d) drugs APRNs would not be authorized to prescribe; and (e) standards of professional conduct.

Effective Date. Specify the provisions would take effect on the first day of the 13th month beginning after publication.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.) 2025 Wisconsin Act 17 was subsequently enacted on August 8, 2025, and established provisions for the licensing and regulation of APRNs.

12. USE OF TERMS REPRESENTING PHYSICIANS

Governor: Prohibit any person from using any of the following terms in advertisements, or to describe their title or services, unless licensed as a physician under Chapter 448 of the statutes (medical practices): physician, surgeon, osteopathic physician, osteopathic surgeon, medical doctor, anesthesiologist, cardiologist, dermatologist, endocrinologist, gastroenterologist, gynecologist, hematologist, laryngologist, nephrologist, neurologist, obstetrician, oncologist, ophthalmologist, orthopedic surgeon, orthopedist, osteopath, otologist, otolaryngologist, otorhinolaryngologist, pathologist, pediatrician, primary care physician, proctologist, psychiatrist, radiologist, rheumatologist, rhinologist, urologist, or any other words, letters, or abbreviations, alone or in combination with other titles or words, that represent or tend to represent that the person is a physician.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. HEALTH AND BUSINESS PROFESSIONAL REGULATION ACCOUNT TRANSFER [LFB Paper 675]

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
GPR-REV	\$5,000,000	- \$5,000,000	\$0

Joint Finance/Legislature: Transfer \$5 million from the available balance of the program revenue health and business account under s. 20.165(1)(g) of the statutes to the general fund in 2025-26. The health and business account collects fees on licenses and testing for health and business professions, and uses collected revenue to support regulatory functions relating to those professions. An existing statutory requirement transfers 10% of the credential fee revenue DSPS collects for the health and business professions and proprietary schools regulation to the general fund ("GPR-Earned"). The transfer of \$5,000,000 would be in addition to the GPR-Earned transfer. The account had an available balance of \$30,560,000 on June 30, 2024.

Veto by Governor [B-3]: Delete provision.

[Act 15 Vetoes Section: 9238(1)]

Safety and Buildings Programs

1. PRIVATE ON-SITE WASTEWATER TREATMENT SYSTEM (POWTS) GRANT PROGRAM UPDATE AND CONTINUATION [LFB Paper 691]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$1,680,000	- \$1,680,000	\$0

Governor: Reinstate the grant program for the replacement or rehabilitation of failing private on-site wastewater treatment systems (POWTS), also called septic systems. Under current law, the program is repealed on June 30, 2025. Provide \$840,000 each year in a continuing appropriation for grant awards.

In addition, change the installation deadline for POWTS grant eligibility to include systems installed at least 33 years before a person submitted a grant application. Current program eligibility extends only to systems installed before July 1, 1978, or approximately 47 years ago.

Further, retain the current program limit of \$45,000 in annual family income for persons applying for a grant for a POWTS serving a principal residence. However, require DSPS on July 1, 2026, and each July 1 thereafter, to adjust the income limit by the percentage change in the U.S. Consumer Price Index for urban wage earners and clerical workers (CPI-W), U.S. city average, for the prior year, rounded to the nearest dollar. Require DSPS to publish the change in income limit on the Department website. Exempt the annual income limit change from being promulgated through the administrative rule process.

The POWTS grant program provides financial assistance to certain owners of a principal residence or small commercial establishment to cover a portion of the cost of repairing or replacing failing private on-site wastewater treatment (septic) systems. Under 2023 Act 19, the grant program is repealed on June 30, 2025. The last year of funding for the program is 2024-25, and final awards were made in the fall of 2024. The provision would extend the program indefinitely. The program is funded from a transfer from the DSPS safety and buildings operations appropriation, which receives program revenue from sanitary permits and private onsite wastewater treatment system plan review fees, as well as fees from other building permit, plan review, inspection, and credentialing activities. The bill would recreate statutes governing the POWTS grant program nearly identically to current program provisions, except as described above, due to the general effective date of the bill (July 1, 2025) occurring after the program's repeal under current law.

Joint Finance/Legislature: Provision not included. (The POWTS replacement and rehabilitation grant program is repealed as of June 30, 2025.)

2. FUNDING FOR LICENSURE EXAMINATIONS BY A THIRD PARTY

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$363,800	- \$363,800	\$0

Governor: Create a new annual appropriation to be used to offset the costs of examinations required to obtain an occupational license in the building trades that are administered by a third-party. Provide \$181,900 in base funding each year for the Department to pay vendors to offset examination fees. Currently, the Department contracts with a third-party testing services provider to administer exams required to obtain an occupational license in several building trades.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. YOUTH VOLUNTEER FIREFIGHTER TRAINING PROGRAM [LFB Papers 692 and 693]

PR	\$150,000

Governor: Provide \$75,000 each year in ongoing funding to continue the Youth Volunteer Firefighter Training Program. The program provides grants to fire departments to create and operate youth firefighter training programs with the goal of increasing recruitment and retention of volunteer firefighters in the state. The grant program was created under 2021 Wisconsin Act 58, and 2023 Act 19 provided \$75,000 PR each year in one-time funding. Funding in 2023-24 has been awarded to four grantees, with individual grants awarding between \$15,405 and \$25,000.

Joint Finance/Legislature: Specify that funding is provided each year on a one-time basis from the DSPS fire safety administration appropriation under s. 20.165(2)(La) of the statutes to continue the Youth Volunteer Firefighter Training Program.

4. MANUFACTURED HOUSING REHABILITATION AND RECYCLING PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$40,000	- \$40,000	\$0

Governor: Provide \$20,000 each year as one-time funding for the manufactured housing rehabilitation and recycling program. Under the program, DSPS awards funds for disposal of abandoned manufactured homes and repairs to manufactured homes owned and occupied by low-income, elderly, and disabled persons. Current annual funding of \$40,000 for the program is administered by the Tomorrow's Home Foundation and comes from the titling fees for manufactured homes, which are deposited into the DSPS general operations appropriation for industry and trades.

Joint Finance/Legislature: Provision not included.

5. BUILDING AND TRADES PROGRAM REVENUE

PR	- \$1,130,000

ACCOUNT CONDITION [LFB Paper 690]

Joint Finance/Legislature: Delete \$565,000 each year in base funding from the safety and buildings operations appropriation under s. 20.165(2)(j) of the statutes. Deleted funding is associated with amounts DSPS had been authorized under 2021 Act 58 to account for third-party contract inspection services for such building components as boilers, elevators, and electrical systems. The Department must record annually these activities' revenue and expenditures. Reductions under the provision reflect recent budgeted amounts for these purposes that has gone unused.

SECRETARY OF STATE

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
FED	\$0	\$40,000	\$0	\$0	\$0	\$0	N.A.
PR	583,600	1,462,800	640,400	640,400	640,400	56,800	9.7%
TOTAL	\$583,600	\$1,502,800	\$640,400	\$640,400	\$640,400	\$56,800	9.7%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
PR	2.00	6.00	2.00	2.00	2.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

PR	\$48,000

Governor/Legislature: Provide an adjustment of \$24,000 annually to the Secretary of State's (SOS) program fees appropriation for full funding of continuing position salaries and fringe benefits.

2. SUPPLIES AND SERVICES FUNDING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$35,800	- \$35,800	\$0

Governor: Provide \$17,700 in 2025-26 and \$18,100 in 2026-27 for supplies and services. This increase would provide funding for news subscriptions, two cellphones for existing staff communications, membership dues to the National Association of Secretaries of State and attendance fees for the annual national conference, and IT services provided by the Department of

Administration (DOA) associated with the Office's technology modernization efforts. The Office indicates that these increases would align expenditure authority with operational needs under its current staffing levels.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. RECORDS/FORM MANAGEMENT SPECIALIST POSITIONS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$345,400	2.00	-\$345,400	- 2.00	\$0	0.00

Governor: Provide \$151,600 in 2025-26 and \$193,800 in 2026-27 and 2.0 permanent records/form management specialist positions annually. According to the Administration, the records/form management positions would perform apostille and authentication services and would assist the current records management specialist with: (a) Office operations, including intake and processing of mail; (b) managing Office financial activity, including issuing checks, payments, refunds, and deposits; (c) responding to inquiries and open records requests; and (d) providing services to the public during regular business hours.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. DEPUTY SECRETARY OF STATE

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$228,500	1.00	-\$228,500	- 1.00	\$0	0.00

Governor: Provide \$99,600 in 2025-26 and \$128,900 in 2026-27 and 1.0 position annually to create an unclassified Deputy Secretary of State position. Allow the SOS to appoint a Deputy Secretary of State who could perform and execute any of the duties and powers of the SOS, except as a member of the Board of Commissioners of Public Lands. Require the Deputy to take and subscribe the Oath of Office, as prescribed under the state constitution, and give bond to the SOS in the sum and with the conditions prescribed by the Secretary. Require that the Oath be filed and preserved in the Office of the Governor. Specify that the salary of the Deputy would be set by the SOS and could not exceed the maximum of the salary range one range below the salary range of the executive salary group (ESG) to which the SOS is assigned. The Deputy would be assigned to ESG 1 (range of \$72,238 to \$119,205). The Administration indicates that the Deputy Secretary of State would coordinate administrative functions and supervise Office staff.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. RECORDS PROGRAM ASSOCIATE PROJECT POSITION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$172,700	1.00	- \$172,700	- 1.00	\$0	0.00

Governor: Provide \$75,800 in 2025-26 and \$96,900 in 2026-27 and 1.0 records program associate project position annually. The project position would be authorized for two years, and funding would be provided for an anticipated start date of October 1, 2025. According to the SOS, the records filing project position would create procedures for the intake, filing, storage, and retrieval of documents. The Office indicates that the position would work to address its multi-year backlog of documents that must be examined and properly archived.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. APPROPRIATION MODIFICATIONS

Governor: Modify the SOS's program fees and agency collections appropriations to allow the office to carry over fee revenues collected from apostille and authentication services from year to year. Allow any unspent revenue transferred from the Department of Financial Institutions (DFI) to lapse (revert) to the general fund at the end of each fiscal year.

Under current law, operations of the SOS are primarily funded from its program fees appropriation (s. 20.575(1)(g)). Revenues deposited into this appropriation are from DFI's transfer and from fees charged by the SOS for services performed by the Office (other than those services specified within the Office's agency collections appropriation). Under current law, any unencumbered balance in this appropriation at the close of a fiscal year exceeding 10% of that fiscal year's expenditures lapse (revert) to the general fund.

The bill would modify the SOS's program fees (s. 20.575(1)(g)) appropriation as follows: (a) change the appropriation name from "program fees" to "general program operations"; (b) specify that revenues deposited into this appropriation are solely from the DFI transfer; and (c) specify that the full unencumbered balance of this appropriation transfers to the general fund at the end of each fiscal year. The Administration does not project year-end transfers to the general fund in 2025-26 or 2026-27 under this provision.

Expenditure authority for the SOS's agency collections appropriation (s. 20.575(1)(ka)) is provided for photocopying and microfilm copying of documents, generation of copies of documents from optical disc or electronic storage, publication of books, and other services provided in carrying out the functions of the office. All moneys received by the Office as fees or

other charges for the previously listed services are deposited into this appropriation. The year-end balance of this appropriation remains within the account, rather than transferring to the general fund.

The bill would change the name of the SOS's "agency collections" appropriation (s. 20.575(1)(ka)) to "program fees" and specify that fees or other charges for the provision of apostille and authentication services are deposited into this appropriation, in addition to revenues deposited into this appropriation under current law. Under the bill, expenditures related to the provision of apostille and authentication services would be funded from the new program fees appropriation (s. 20.575(1)(ka)).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. TRANSFER FROM DFI

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR-REV	\$758,300	- \$758,300	\$0

Governor: Increase the amount of funds transferred from DFI's general program operations appropriation to the SOS's program fees [renamed as "general program operations" under separate provisions of the bill] appropriation from \$150,000 to \$502,900 in 2025-26, and to \$555,400 in 2026-27 and annually thereafter. As a result, increase estimated program revenues deposited into the SOS's program fees [general program operations] appropriation by \$352,900 in 2025-26 and \$405,400 in 2026-27. The Administration indicates that the increased revenue transfer would support the SOS's general program operations, including the additional expenditure authority and positions provided under separate provisions of the bill. [See "Financial Institutions."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. CREATE TWO APPROPRIATIONS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$40,000	- \$40,000	\$0
PR	<u>40,000</u>	<u>- 40,000</u>	<u>0</u>
Total	\$80,000	- \$80,000	\$0

Governor: Create two new continuing, all moneys received appropriations for: (a) gifts, grants, bequests, and devises; and (b) federal aid. Provide annual expenditure authority of \$20,000 PR and \$20,000 FED, respectively, to the new appropriations. The Administration indicates that the creation of these appropriations would allow the Office to receive gifts, grants, bequests,

devises, and federal funds, and would mirror the appropriation structure of other state agencies.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. FUNDING FOR NETWORK SERVICES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$8,800	\$0	\$8,800
GPR-REV	\$0	- \$9,200	- \$9,200

Governor: Provide \$4,400 PR annually to cover the cost of network services (managed transport services) billed to the Office by DOA. In 2023-24, DOA's Division of Enterprise Technology identified certain agencies located in the Capitol that were not charged for these services and began billing those agencies. [See also "Legislature," "Lieutenant Governor," and "State Treasurer."]

Joint Finance/Legislature: Adopt the Governor's recommendation. Estimate a reduction in the SOS's year-end transfer to the general fund of \$4,800 in 2025-26 and \$4,400 in 2026-27.

Under current law, revenues deposited into the SOS's program fees appropriation are from a transfer of revenues from DFI and from fees charged by the SOS for services performed by the Office. Any unencumbered balance at the close of a fiscal year exceeding 10% of that fiscal year's expenditures in this appropriation are transferred to the general fund.

10. STATUTORY LANGUAGE MODIFICATIONS

Governor: Codify, in statute, the Secretary of State's responsibility to perform authentication and apostille services and to affix the great seal or a lesser seal to such documents in a manner necessary to perform such services. Specify that the SOS is the exclusive provider of authentication services. Specify that the fee for the provision of an apostille is \$10, and that an additional \$25 fee is charged for preparing an apostille in an expeditious manner (these fees would be identical to those currently charged by the SOS).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. TRANSFER MUNICIPAL FILING RECORDS AND DUTIES TO DOA

Governor: Transfer the duty of filing certain municipal records from the SOS to the Secretary of Administration, and transfer all relevant records. 2015 Act 55 (the 2015-17 biennial budget) transferred most, but not all, municipal records filing duties to DOA. This bill would

transfer the remainder of these duties, including the filing of the following records: (a) retrocessions of jurisdiction; (b) certain county board ordinances; (c) county board redistricting plans and amendments and changes to the number of county supervisors; (d) lists of local officials; (e) city and village charter ordinances; (f) joint local water authority and municipal electric company contracts; (g) certificates of dissolution, relating to redevelopment corporations; (h) bridge construction findings, determinations, and orders; (i) local referendum results and documents relating to municipal power and water districts; (j) subdistrict director appointment results; (k) certified copies of municipal water district boundaries; and (l) the Oath of Office for metropolitan sewerage district commissioners. In addition, DOA, rather than the SOS, would be required to send tax apportionment notices to county officials. [Under the bill, filing of county clerk and register of deeds signatures and official seal impressions would be transferred to DOA. However, the Administration indicates that this function should remain with the SOS. A technical amendment is needed to retain this duty with the SOS.]

The Office notes that only the duties and records for filing of charter ordinances remain with the SOS. However, the Administration indicates that it is currently accepting the files identified in this transfer. Therefore, this provision would mainly serve to update state law to reflect current practices.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

SHARED REVENUE AND TAX RELIEF

Budget Summary by Funding Source					
	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance/ Act 15	Act 15 Change Over Base Year Doubled	Percent
Direct Aid Payments					
Public Utility Distribution	\$192,395,400	\$216,191,200	\$208,699,100	\$16,303,700	8.5%
Interest Payments on Overassessments of					
Manufacturing Property	20,000	20,000	20,000	0	0.0
Property Tax Freeze Incentive Program	0	338,754,000	0	0	0.0
Property Tax Refunds; Lac Courte Oreilles Decision	0	1,000,000	0	0	0.0
Aid Payment to Counties and Municipalities; Lac Courte					
Oreilles Decision	0	1,133,400	0	0	0.0
Pipeline Aid	0	1,000,000	0	0	0.0
Property Tax Credits					
Homestead Tax Credit	75,400,000	212,830,000	61,600,000	-13,800,000	-18.3
Pre-2010 Farmland Preservation Credit	280,000	0	220,000	-60,000	-21.4
Farmland Preservation Credit	43,000,000	42,500,000	43,200,000	200,000	0.5
School Levy Tax Credit	2,550,000,000	2,925,000,000	2,550,000,000	0	0.0
First Dollar Credit	296,456,000	294,029,100	297,573,100	1,117,100	0.4
Other Credits					
Claim of Right Credit	270,000	294,000	294,000	24,000	8.9
Jobs Tax Credit	1,000,000	0	0	-1,000,000	-100.0
Business Development Credit	44,000,000	31,900,000	44,000,000	0	0.0
Enterprise Zone Jobs Credit	84,469,200	77,200,000	53,700,000	-30,769,200	-36.4
EITM Zone Credit	12,664,000	26,433,000	27,540,000	14,876,000	117.5
Research Credit	51,000,000	57,500,000	57,500,000	6,500,000	12.7
Veterans and Surviving Spouses Property Tax Credit	119,400,000	248,900,000	175,700,000	56,300,000	47.2
Cigarette and Tobacco Products Tax Refunds	49,000,000	49,100,000	41,500,000	-7,500,000	-15.3
Earned Income Tax Credit	60,000,000	99,352,700	60,300,000	300,000	0.5
Marijuana Tax Refunds	0	2,900,000	0	0	0.0
Forestry Mill Rate					
Forestry Mill Rate -- GPR Transfer to the					
Conservation Fund	<u>273,869,600</u>	<u>280,948,700</u>	<u>339,096,600</u>	<u>65,227,000</u>	23.8
GPR Total	\$3,853,224,200	\$4,906,986,100	\$3,960,942,800	\$107,718,600	2.8%
Other Credits					
Earned Income Tax Credit; Temporary Assistance					
for Needy Families	<u>130,004,000</u>	<u>202,466,300</u>	<u>125,100,000</u>	<u>-4,904,000</u>	-3.8%
PR Total	\$130,004,000	\$202,466,300	\$125,100,000	-\$4,904,000	-3.8%
Direct Aid Payments					
Expenditure Restraint Incentive Program	116,291,400	116,291,400	116,291,400	0	0.0
County and Municipal Aid	1,506,150,600	1,572,364,300	1,566,985,500	60,834,900	4.0
Supplemental County and Municipal Aid	549,734,400	573,535,700	571,938,800	22,204,400	4.0
State Aid; Tax Exempt Property	196,094,200	294,141,300	196,094,200	0	0.0
State Aid; Personal Property Tax Exemption	151,241,800	151,244,200	151,239,400	-2,400	0.0
State Aid; Repeal of Personal Property Taxes	347,600,000	347,600,000	347,600,000	0	0.0
State Aid; Video Service Provider Fee	20,016,400	20,016,400	20,016,400	0	0.0
Payments for Municipal Services	37,168,400	72,580,500	51,168,400	14,000,000	37.7
Property Tax Credits					
Lottery and Gaming Credit	623,580,000	608,834,100	593,884,400	-29,695,600	-4.8
Lottery and Gaming Credit; Late Applications	<u>1,700,000</u>	<u>2,166,200</u>	<u>2,166,200</u>	<u>466,200</u>	27.4
SEG Total	\$3,549,577,200	\$3,758,774,100	\$3,617,384,700	\$67,807,500	1.9%
Total Funding	\$7,532,805,400	\$8,868,226,500	\$7,703,427,500	\$170,622,100	2.3%

Budget Change Items

Direct Aid Payments

1. LOCAL GOVERNMENT FUND CONDITION STATEMENT

The following table shows the estimated 2025-27 local government fund condition statement under Act 15.

	<u>2025-26</u>	<u>2026-27</u>
Opening Balance	\$37,836,200	\$53,721,900
Revenues		
Base Transfer Amount	\$1,563,380,000	\$1,563,380,000
Current Law Annual Increase, County and Municipal Aid	17,320,700	43,514,200
Current Law Annual Increase, Supplemental County and Municipal Aid	<u>6,322,000</u>	<u>15,882,400</u>
Total Annual Transfer	\$1,587,022,700	\$1,622,776,600
Estimated Interest Earnings	<u>\$16,700,000</u>	<u>\$10,000,000</u>
Total	\$1,641,558,900	\$1,686,498,500
Expenditures		
County and Municipal Aid*	\$770,396,000	\$796,589,500
Supplemental County and Municipal Aid*	281,189,200	290,749,700
Full Personal Property Exemption Aid	173,800,000	173,800,000
Existing Personal Property Aid*	75,619,700	75,619,700
Computer Aid	98,047,100	98,047,100
Expenditure Restraint Incentive Program	58,145,700	58,145,700
Youth and Family Aids	46,652,900	46,652,900
Payments for Municipal Services*	25,584,200	25,584,200
Funding Assistance Program	25,000,000	25,000,000
Transfer to Transportation Fund*	10,451,200	10,451,200
Video Service Provider Fee Aid	10,008,200	10,008,200
Law Enforcement Training Reimbursement	8,800,000	8,800,000
Urban Search and Rescue Task Force*	3,000,000	1,500,000
State Disaster Assistance*	3,000,000	3,000,000
Local Grant Writing and Compliance Grants*	0	3,000,000
Lake Vista Shoreline Stabilization*	2,200,000	0
Hazardous Materials Response Teams*	1,500,000	1,500,000
Neenah-Menasha Fire Rescue*	200,000	0
Columbia County Bridges Grant*	100,000	0
County and Municipal Aid Lapses	<u>-5,857,200</u>	<u>-5,857,200</u>
Total Expenditures	\$1,587,837,000	\$1,622,591,000
Closing Balance	\$53,721,900	\$63,907,500

*Additional funding provided or newly-created program.

Revenues to the local government fund are associated with transfers from the general fund. 2023 Act 19 set the transferred amounts equal to the sum of the following: (a) the amount that was transferred in the previous fiscal year (\$1,563,380,000 in 2024-25); and (b) the amounts available for distribution in the previous fiscal year for county and municipal aid and supplemental county and municipal aid, multiplied by the percentage change in the estimated amount of state sales and use tax revenues, as outlined in the LFB summary of general fund taxes under each biennial budget act, for the previous fiscal year compared to the preceding fiscal year. These amounts are shown as the "Base Transfer Amount" and the "Current Law Annual Increase" amounts in the fund condition. The "Current Law Annual Increase" amounts for county and municipal aid and supplemental county and municipal aid total \$23,642,700 in 2025-26 and \$59,396,600 in 2026-27. This results in a total annual transfer of \$1,587,022,700 in 2025-26 and \$1,622,776,600 in 2026-27.

The fund condition also indicates the programs that will receive funding from the local government fund in the 2025-27 biennium. Newly-created programs and programs with changes in funding levels are indicated with an asterisk in the table.

2. COUNTY AND MUNICIPAL AID [LFB Papers 106 and 700]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Transfer	\$57,368,800	\$3,466,100	\$60,834,900
SEG-REV	\$57,368,800	\$3,466,100	\$60,834,900
SEG	\$57,368,800	\$3,466,100	\$60,834,900

Governor: Increase the annual GPR-Transfer amounts to the county and municipal aid account of the local government fund to provide \$17,320,700 in 2025-26 and \$40,048,100 in 2026-27 in additional county and municipal aid in order to fully-fund the 2025 and 2026 county and municipal aid statutory distribution amounts. Make a corresponding increase in revenues (SEG-REV) to the local government each year. Under current law, the amount credited to the county and municipal aid account is equal to the amount that was credited to the account in the previous fiscal year, multiplied by the percentage change in the estimated amount of state sales and use tax revenues, as outlined in the LFB summary of general fund taxes under each biennial budget act, for the previous fiscal year compared to the preceding fiscal year.

For 2025-26, the required increase in the transfer to the account is a known amount calculated using the estimated percentage change in state sales and use taxes between 2023-24 and 2024-25, as outlined in the LFB summary of general fund taxes in the 2023-25 biennial budget act. The required 2026-27 transfer is calculated using the percentage change in state sales and use taxes between 2024-25 and 2025-26, with the 2025-26 transfer amount being based on the preliminary estimate of state sales and use taxes for that year included in the bill. These transfer amounts reflect an increase of 2.3% in 2025 payments (paid in 2025-26) and an estimated increase of 2.95% in 2026 payments (paid in 2026-27). With these adjustments, base level funding of \$753,075,300 would increase to \$770,396,000 in 2025-26 and \$793,123,400 in 2026-27.

Based on the preliminary sales and use tax estimates for each year under the bill, the annual

transfer to the county and municipal aid account in 2027-28 would increase by an estimated 2.2% (2026-27 sales taxes/2025-26 sales taxes), or approximately \$17.3 million. These estimated additional amounts would be included in the 2027 county and municipal aid payments and appropriated in 2027-28.

Joint Finance/Legislature: Modify the recommended funding to provide an additional \$3,466,100 SEG for county and municipal aid in 2026-27. Increase GPR-Transfer by the same amount in 2026-27 to reflect updated sales and use tax estimates for 2025-26. Make a corresponding increase in SEG-REV to the local government fund in 2026-27. With these adjustments, total funding for the program would increase to \$796,589,500 in 2026-27.

3. SUPPLEMENTAL COUNTY AND MUNICIPAL AID [LFB Papers 106 and 700]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Transfer	\$20,939,200	\$1,265,200	\$22,204,400
SEG-REV	\$20,939,200	\$1,265,200	\$22,204,400
SEG	20,939,200	1,265,200	22,204,400

Governor: Increase the annual GPR-Transfer to the supplemental county and municipal aid account of the local government fund to provide \$6,322,000 in 2025-26 and \$14,617,200 in 2026-27 in additional supplemental county and municipal aid in order to fully-fund the 2025 and 2026 supplemental county and municipal aid statutory distribution amounts. Make a corresponding increase in SEG-REV to the local government fund each year. Under current law, the amount credited to this account is equal to the amount that was credited to the account in the previous fiscal year, multiplied by the percentage change in the estimated amount of state sales and use tax revenues, as outlined in the LFB summary of general fund taxes under each biennial budget act, for the previous fiscal year compared to the preceding fiscal year.

For 2025-26, the required increase in the transfer to the account is a known amount calculated using the estimated percentage change in state sales and use taxes between 2023-24 and 2024-25, as outlined in the LFB summary of general fund taxes in the 2023-25 biennial budget act. The required 2026-27 transfer is calculated using the percentage change in state sales and use taxes between 2024-25 and 2025-26, with the 2025-26 transfer amount being based on the preliminary estimate of state sales and use taxes for that year included in the bill. These transfer amounts reflect an increase of 2.3% in 2025 payments (paid in 2025-26) and an estimated increase of 2.95% in 2026 payments (paid in 2026-27). With these adjustments, base level funding of \$274,867,200 would increase to \$281,189,200 in 2025-26 and \$289,484,400 in 2026-27.

Based on the preliminary sales and use tax estimates for each year under the bill, the annual transfer to the supplemental county and municipal aid account in 2027-28 would increase by an estimated 2.2% (2026-27 sales taxes/2025-26 sales taxes), or approximately \$6.3 million. These estimated additional amounts would be included in the 2027 county and municipal aid payments and appropriated in 2027-28.

Joint Finance/Legislature: Modify the recommended funding to provide an additional \$1,265,200 SEG for supplemental county and municipal aid in 2026-27. Increase GPR-Transfer in 2026-27 to reflect updated sales and use tax estimates for 2025-26. Make a corresponding increase in SEG-REV to the local government fund in 2026-27. With these adjustments, total funding for the program would increase to \$290,749,600 in 2026-27.

4. COUNTY AND MUNICIPAL AID AND SUPPLEMENTAL COUNTY AND MUNICIPAL AID -- SALES TAX EXEMPTIONS HOLD HARMLESS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Transfer	\$10,708,400	- \$10,708,400	\$0
SEG-REV	\$10,708,400	- \$10,708,400	\$0
SEG	10,707,000	- 10,707,000	0

Governor: Provide a \$10,708,400 GPR-Transfer in 2026-27 to the local government fund and provide additional increases of \$7,844,900 SEG in 2026-27 for county and municipal aid and \$2,862,100 SEG in 2026-27 for supplemental county and municipal aid. Make corresponding increases to the amount of SEG-REV deposited each respective account of the local government fund. With these adjustments, 2026-27 funding for 2026 county and municipal aid would increase to \$800,968,300, and funding for 2026 supplemental county and municipal aid would increase to \$292,346,500.

For the purposes of determining only the 2026-27 transfer to the local government fund, require the Department of Revenue (DOR), by July 1, 2026, to determine the decrease in 2025-26 sales and use tax revenues associated with exempting residential electricity and over-the-counter medications from sales tax (see "General Sales and Use Taxes -- Exemption for Residential Electricity and Natural Gas" and "General Sales and Use Taxes -- Exemption for Over-the-Counter Medication"). Require DOR to add the amount of this decrease to the estimate of state sales and use taxes for 2025-26 that is otherwise outlined in the LFB summary of general fund taxes under the biennial budget act, and to use that amount for the purposes of determining the estimated increases to county and municipal aid and supplemental county and municipal aid for 2026-27. For 2026-27, specify that 15% of this amount would be transferred to the local government fund on the second Monday in July, 2026, and the remaining 85% would be transferred on the second Monday in November, 2026.

After the 2026-27 transfer, the annual transfers to each account would be calculated as the current law transfers are calculated. However, the additional amounts transferred in 2026-27 under these provisions would be included in the ongoing transfer calculations as part of the amounts transferred in previous year. Based on the preliminary sales and use tax estimates for each year under the bill, the annual transfer to the county and municipal aid account in 2027-28 associated with this provision would increase by approximately \$235,000, or 2.2% (2026-27 sales taxes/2025-26 sales taxes). These estimated additional amounts would be included in the 2027 aid payments and appropriated in 2027-28.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. ELIMINATE COMPUTER AID PAYMENT DELAY [LFB Paper 701]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Transfer	\$98,047,100	- \$98,047,100	\$0
SEG-REV	\$98,047,100	- \$98,047,100	\$0
SEG	98,047,100	- 98,047,100	0

Governor: Provide a one-time \$98,047,100 GPR-Transfer in 2025-26 from the general fund to the local government fund associated with eliminating the delay in computer aid payments, beginning with the 2025 aid payment. In addition, increase funding for computer aid payments made to local governments by \$98,047,100 SEG in 2025-26 to reflect the additional aid payment in that year. Increase revenues to the local government fund by \$98,047,100 SEG-REV in 2025-26 to reflect the one-time transfer to the fund.

Specify that the date for the distribution of the current calendar year computer aid payment to taxing jurisdictions be the first Monday in May of that year, rather than the fourth Monday in July (the subsequent fiscal year), as required under current law. For example, under current law, the 2026 aid payments are distributed on the fourth Monday in July, 2026, which means these aid payments are made in 2026-27. Under the recommended payment date change, the 2026 aid payment would instead be made in 2025-26. To reflect the change in payment dates, eliminate the requirement that school districts treat computer aid payments received in July as if they had been received in the previous school year. Specify that this change would first take effect on January 1, 2026. The provision would result in both the calendar year 2025 and 2026 computer aid payments being made in 2025-26. Computer aid payments are made to hold local taxing jurisdictions harmless for exempt computer property that was made tax exempt in 1999.

Joint Finance/Legislature: Provision not included.

6. PAYMENTS FOR MUNICIPAL SERVICES PROGRAM FUNDING INCREASE [LFB Paper 702]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Transfer	\$1,412,100	- \$1,412,100	\$0
GPR-REV	17,706,100	- 11,024,900	6,681,200
SEG-REV	\$1,412,100	- \$1,412,100	\$0
SEG	35,412,100	- 21,412,100	14,000,000

Governor: Create a \$1,412,100 GPR-Transfer in 2026-27 to the municipal services account of the local government funds and provide additional funding of \$17,000,000 SEG in 2025-26 and

\$18,412,100 SEG in 2026-27 from the local government fund for the payments for municipal services program. Increase GPR-REV by \$8,500,000 in 2025-26 and \$9,206,100 in 2026-27 to reflect additional chargebacks to state agency facilities funded from non-GPR sources. This would increase base funding for the program from \$18,584,200 to \$35,584,200 in 2025-26 and to \$36,996,300 in 2026-27.

Of the additional SEG funding, \$17,000,000 annually would be provided from ongoing funds available in local government fund. The remaining \$1,412,100 would be funded from the increased transfer from the general fund in 2026-27. Specify that for the purpose of calculating this 2026-27 transfer, DOR would be required to adjust the 2025-26 state sales and use tax estimates to exclude a decrease in sales and use tax revenues associated with certain sales tax exemptions included in the bill (see separate item entitled "Local Government Fund Transfer -- Hold Harmless for Sales Tax Exemptions"). Increase the amounts deposited into the municipal services account of the local government fund by \$1,412,000 SEG REV in 2026-27 to reflect the increased transfer.

Beginning in 2027-28, and each year thereafter, specify that the amount available for distribution under the municipal services program would equal the amount that was available in the previous fiscal year, which includes the 2026-27 hold harmless amount, increased by the percentage change in the estimated amount of state sales and use tax revenues, as outlined in the LFB summary of general fund taxes under the biennial budget act, for the previous fiscal year compared to the preceding fiscal year. Under this provision, funding for the payments for municipal services program would increase each year in the same fashion as funding is increased for the county and municipal aid and supplemental county and municipal aid programs under current law.

The payments for municipal services program provides annual payments to reimburse municipalities for all or a portion of property tax supported expenses incurred in providing services to state facilities, which are exempt from property taxation. When calculated entitlements under the program exceed the appropriation, payments are prorated. In 2024-25, payments under this program were prorated at 37.6% of total calculated entitlements.

Joint Finance/Legislature: Modify the recommended funding to provide an increase of \$7,000,000 SEG annually from the local government fund, beginning in 2025-26. Increase GPR-REV by \$3,340,600 annually to reflect additional chargebacks to state agency facilities funded from non-GPR sources. Delete the provisions relating to linking future annual funding increases to changes in state sales and use tax revenues, as well as the hold harmless provisions in the 2025-27 biennium. With these changes, total funding for the program would be \$25,584,200 SEG annually, and total GPR-REV associated with agency chargebacks would be \$12,209,400 annually.

7. CITY OF GREEN BAY PUBLIC SAFETY COSTS [LFB Paper 703]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$1,000,000 SEG in 2025-26 from the local government fund as a one-time county and municipal aid payment to the City of Green Bay. Specify that the aid payment to the City would be for reimbursement for public safety costs associated with the National Football League draft in April, 2025. Specify that this amount would not be included in the calculation of county and municipal aid payments in subsequent years. This funding would be provided from the balance of the local government fund.

Joint Finance/Legislature: Provision not included.

8. EXEMPT PERSONAL PROPERTY AID REESTIMATE [LFB Paper 704]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$2,400	- \$4,800	-\$2,400

Governor: Increase funding by \$1,200 annually from the local government fund to reflect a reestimate of exempt personal property aid payments to local governments for exempt personal property classified as non-manufacturing machinery, tools, and patterns.

Joint Finance/Legislature: Decrease the recommended funding by \$2,400 annually to reflect a reestimate of exempt personal property aid payments to local governments. This would result in a -\$1,200 annual decrease recommendation in funding in the biennium. With these adjustments, funding for the program would be reduced from an adjusted base level of \$75,620,900 annually to \$75,619,700 annually.

9. LOCAL GOVERNMENT FUND - TIMING OF GPR TRANSFERS [LFB Paper 701]

Governor: Modify the timing of the annual transfer to the local government fund, beginning with the transfer in 2025-26 to assist with the annual cash flows of the fund. Specify that the sum of the following would be transferred to the local government fund on the second Monday in July of each year: (a) an amount equal to the sum of total payments to be distributed as expenditure restraint incentive program, computer aid, and video service provider fee aid payments in that fiscal year; and (b) the total amount to be transferred to the local government fund in that fiscal year, less the amounts for the programs listed under "(a)," multiplied by 15%. Specify that the amount transferred to the local government fund on the second Monday in November of each year would equal the total calculated amount of the annual transfer, less the amounts transferred in July.

The annual transfer to the local government fund is calculated as the sum of the following:
(a) the amount transferred to the local government fund in the previous fiscal year, excluding

amounts associated with innovation grants or innovation planning grants; and (b) the percentage change in the estimated amount of state sales and use tax revenues, as outlined in the summary of general fund taxes under the biennial budget act, for the previous fiscal year compared to the preceding fiscal year, multiplied by the amounts available for distribution in the previous fiscal year as county and municipal aid and supplemental county and municipal aid. Under current law, 15% of the total annual transfer amount is transferred to the local government fund in July of each year, and the remaining 85% is transferred in November. However, the fund currently makes more statutorily-required program payments each July than is transferred to the fund in July of each year, which puts the fund in a deficit position from July until November of each year. These provisions modify the annual timing of the fund transfers in order to eliminate this temporary deficit, but do not modify the total amount of the annual transfer to the local government fund.

Due to a change in the calculation in the annual GPR transfer amount in 2026-27 under a separate provision (see separate item entitled "County and Municipal Aid and Supplemental County And Municipal Aid -- Sales Tax Exemptions Hold Harmless"), these proposed changes in the timing of the annual GPR transfers would not be in effect for that year.

Joint Finance/Legislature: Provision not included.

10. CREATE COUNTY AND MUNICIPAL PROPERTY TAX FREEZE INCENTIVE PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$338,754,000	- \$338,754,000	\$0

Governor: Provide \$111,800,000 in 2025-26 and \$226,954,000 in 2026-27 from a newly-created sum sufficient appropriation to provide payments from a new aid program for political subdivisions that do not increase their annual property tax levy. Define "political subdivision" as a city, village, town, or county, and specify that a political subdivision would be eligible for a payment from this program if its property tax levy in the year it would receive a payment is less than or equal to its property tax levy in the immediately preceding year. Specify that for the purpose of determining eligibility for the program, the property tax levy would exclude all of the following: (a) expenditures related to annexation; (b) expenditures related to service consolidation; or (c) unreimbursed emergency expenditures.

Beginning in 2026, each political subdivision that is eligible based on the property tax imposed in the previous December (2025(26) tax levies for the first year of payments) would receive a payment. Specify that the payment would be calculated by multiplying the eligible political subdivision's property tax levy for the year of the payment by 3%. Subsequently, a political subdivision that receives a payment in the immediately preceding year would receive the sum of the following: (a) an amount equal to 3% of their prior year tax levy; and (b) the amount of their prior year payment increased by 3%. Under the proposed formula, if each eligible county or municipality remains eligible in the following year, total aid payments under the program would increase significantly. The Administration indicates that the cost of the aid payments from the sum

sufficient appropriation was estimated using past years' levy decisions of counties and municipalities.

As under current law for certain existing aid payments, require DOR to notify municipalities or counties with an estimate of that payment amount by September 15 of each year, if they qualify for a payment from this program based on their levies in the subsequent year. Require DOR to certify the amount of the payments under this program to counties and municipalities that are eligible to the Department of Administration (DOA), and require that payments be distributed to counties and municipalities on or before the first Monday in May annually. Provide DOR the authority to promulgate rules to implement the program.

As drafted, DOR would be required to provide an estimate in September, 2025, of the payment amounts that counties and municipalities could receive in May, 2026, if they did not increase their 2025(26) levies relative to their 2024(25) levies. This estimate would be calculated based on 3% of eligible counties' and municipalities' 2024(25) levies. Though the bill directs DOR to provide payment estimates for counties or municipalities eligible for a payment, DOR would not be able to determine eligibility for a payment from the program until after counties and municipalities submit their final levies each December.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. PUBLIC UTILITY AID -- SUM SUFFICIENT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$18,854,000	- \$2,550,300	\$16,303,700

Governor: Increase funding by \$7,601,700 in 2025-26 and \$11,252,300 in 2026-27 to the sum sufficient utility aid distribution account to reflect estimated payment amounts in the biennium. With these adjustments, base level funding of \$96,197,700 in the appropriation would increase to \$103,799,400 in 2025-26 and \$107,450,000 in 2026-27. The public utility distribution account appropriation is used to make aid payments to counties and municipalities containing certain types of public utility property that are exempt from local property taxation.

Joint Finance/Legislature: Decrease the recommended funding by \$1,319,700 in 2025-26 and \$1,230,600 in 2026-27 to the sum sufficient utility aid distribution account. Funding for public utility aid would increase by \$6,282,000 in 2025-26 and \$10,021,700 in 2026-27. With these adjustments, total funding for the utility aid program would be \$102,479,700 in 2025-26 and \$106,219,400 in 2026-27.

12. CREATE A UTILITY AID PAYMENT FOR ENERGY STORAGE FACILITIES AND LIQUEFIED NATURAL GAS STORAGE FACILITIES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$4,941,800	- \$4,941,800	\$0

Governor: Provide \$4,941,800 in 2026-27 to municipalities and counties in which eligible energy storage facilities and liquefied natural gas facilities are located, associated with creating a capacity aid payment from the sum sufficient utility aid appropriation to municipalities and counties in which eligible energy storage facilities and liquefied natural gas facilities are located.

Calculate the amount of the payment associated with energy storage facilities by multiplying the facility's name-plate capacity by \$2,000 and divide the resulting payment between the municipality and the county in which the facility is located. Calculate the amount of the payment associated with liquefied natural gas facilities by multiplying the facility's net book value by nine mills. Similar to the distribution under current law, if the energy storage facility or liquefied natural gas facility is located in a town, the town will receive a payment equal to one-third of the calculated payment, while the county will receive two-thirds; if the facility is located in a city or village, the municipality will receive two-thirds of the payment, and the county will receive one-third.

Utility aid payments are made on the fourth Monday in July (15%) and the third Monday in November (85%). This provision would first apply to utility aid distributions made after January 1, 2026, or the 2026-27 aid payment. Require DOA, upon certification by DOR, to distribute payments to counties and municipalities where eligible facilities are located.

Define "energy storage facility" as a property to which all of the following apply: (a) the property is interconnected to the electrical grid; (b) the property is designed to receive electrical energy, to store the electrical energy as another form of energy, and to convert that other form back into electrical energy; (c) the property delivers the electrical energy, converted from some other form of energy, for sale or to use for providing reliability or economic benefits to the electrical grid; and (d) the property is owned by a light, heat, and power company or electric cooperative paying state licensing fees, or a municipal electric company, but not property used by a municipal utility to provide service outside the municipal boundaries unless that property is owned or operated by a local governmental unit located outside of the municipality. Clarify that an "energy storage facility" may include hydroelectric pumped storage, compressed air energy storage, regenerative fuel cells, batteries, superconducting magnetic energy storage, flywheels, thermal energy storage systems, and hydrogen storage, or any combination thereof. Specify that an "energy storage facility" may also include any similar technologies, as determined by the federal energy regulatory commission.

Define "liquefied natural gas storage facility" as a liquefied natural gas storage facility owned by a light, heat, and power company or electric cooperative paying state licensing fees, or a municipal electric company, but not property used by a municipal utility to provide service outside the municipal boundaries unless that property is owned or operated by a local governmental unit located outside of the municipality.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. EXEMPT PROPERTY AID PAYMENT CREATION -- FORMER LOCALLY-ASSESSED PIPELINE PROPERTY

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$1,000,000 in 2026-27 from a newly-created sum sufficient appropriation to provide aid payments to local taxing jurisdictions containing pipeline property that was assessed locally as of January 1, 2024. These aid payments are intended to hold taxing jurisdictions harmless for the loss in taxable value and prevent a shift in tax levy to remaining taxpayers associated with the state beginning to assess certain pipelines as utility property under chapter 76 of the statutes. DOR has determined that under current law the state should be taxing this pipeline property rather than local units of government. No estimate of the state level tax collections associated with this provision is included in the bill.

Beginning in 2027, and each year thereafter, require DOA to distribute to each taxing jurisdiction an amount equal to the amount of property taxes levied in 2024(25) on pipeline property of pipeline companies. Specify that the payment must be distributed to taxing jurisdictions on or before the first Monday in May. Regardless of whether the proposed aid payment is included in the final bill, the state will begin to assess this property, and the taxable value of local jurisdictions will decrease, starting with 2025 assessments.

Require municipalities to report to DOR, in a manner determined by the Department, the amount of property taxes levied on pipelines that had been locally assessed as of January 1, 2024, on behalf of the municipality and other taxing jurisdictions. Specify that a municipality's 2027 aid payment would be reduced by 25% if the municipality does not provide this information by June 30, 2026, and forfeited if the municipality does not provide this information by July 15, 2026. If a municipality fails to submit this information to DOR, the Department may use the best available information to estimate the amount of the 2027 aid payment to the other affected taxing jurisdictions. Require each taxing jurisdiction to attribute the proportionate share of aid received by the jurisdiction to each tax incremental district located within the jurisdiction. Specify that the amount of aid paid to a tax incremental district will be distributed among the overlying jurisdictions following the termination of the district. Specify that state levy limits for counties and municipalities and revenue limits for school districts and technical college districts would be adjusted downward to reflect any aid payment received.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. PAYMENTS TO COUNTIES AND MUNICIPALITIES -- LAC COURTE OREILLES FEDERAL COURT DECISION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,133,400	- \$1,133,400	\$0

Governor: Provide \$566,700 annually and create a sum certain appropriation to make ongoing supplemental aid payments to certain towns and counties affected by the 2022 U.S. 7th Circuit Court of Appeals decision *Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin v. Evers*. The Court ruled in that case that the state of Wisconsin and its political subdivisions are prohibited under the 1854 Treaty of La Pointe from taxing all real property within the Bad River, Lac Courte Oreilles, Lac du Flambeau, and Red Cliff reservations if that property is owned by the tribe or one or more tribal members, regardless of whether the property had been previously owned by a non-tribal member. The effect of this decision is to reduce the amount of taxable property within certain towns and counties in which such property exists, which also shifts property taxes to the remaining taxable properties within those jurisdictions.

The affected towns and counties that will receive a payment from this program are: (a) the Town of Ashland in Ashland County; (b) the Town of Gingles in Ashland County; (c) the Town of Sanborn in Ashland County; (d) the Town of White River in Ashland County; (e) the Town of Russell in Bayfield County; (f) the Town of Sherman in Iron County; (g) the Town of Bass Lake in Sawyer County; (h) the Town of Couderay in Sawyer County; (i) the Town of Hayward in Sawyer County; (j) the Town of Radisson in Sawyer County; (k) the Town of Sand Lake in Sawyer County; (l) the Town of Boulder Junction in Vilas County; (m) the Town of Lac du Flambeau in Vilas County; (n) Ashland County; (o) Bayfield County; (p) Iron County; (q) Sawyer County; and (r) Vilas County.

Direct DOR to annually determine an aid payment amount to compensate each county and town for the loss of property tax revenue as a result of not being able to legally impose general property taxes on property located within the boundaries of the Bad River, Lac Courte Oreilles, Lac du Flambeau, and Red Cliff reservations and owned by the tribe or one or more tribal members, consistent with the 1854 Treaty of La Pointe. Require DOR to certify the amount of the payments to DOA, and direct DOA to distribute the payments to counties and municipalities annually by the first Monday in May.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. PROPERTY TAX REFUNDS -- LAC COURTE OREILLES FEDERAL COURT DECISION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$1,000,000 in 2025-26 and create a sum sufficient appropriation to provide one-time refunds to claimants, defined as individuals who paid property taxes, levied between 2015 and 2021, on real property that was subsequently found to be exempt from taxation under the 1854 Treaty of La Pointe, and did not pay such taxes under protest. Require the Department of Revenue to establish procedures by which a claimant may file a claim for a payment. Specify that the payment to the claimant would be an amount equal to the amount of property taxes, levied between 2015 and 2021, on real property exempt from taxation under the Treaty of La Pointe, that was paid by the claimant. Specify that no claims may be made after May 31, 2026, and require that the Department of Administration distribute all payments due to claimants by June 30, 2026.

As a result of the 2022 U.S. 7th Circuit Court of Appeals decision *Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin v. Evers*, property within the Bad River, Lac Courte Oreilles, Lac du Flambeau, and Red Cliff reservations is exempt from property taxation if that property is owned by the tribe or one or more tribal members, regardless of whether the property had been previously owned by a non-tribal member. Tribal members who paid property taxes under protest during the years that the court case was being decided were required under state law to receive refunds for those taxes paid under protest as a result of the Circuit Court decision. The Administration indicates that the intent of these provisions is to provide refunds for tribal members who paid property taxes but did not pay under protest, as there is no mechanism in state law to provide refunds to such individuals.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. EXPENDITURE RESTRAINT INCENTIVE PROGRAM -- DEFINITION OF MUNICIPAL BUDGET

Governor: Specify that for the purposes of determining eligibility for an expenditure restraint incentive program (ERIP) payment, the definition of "municipal budget" would not include the following: (a) revenues from a municipal motor vehicle registration fee that is approved at referendum; (b) grants received from the federal government; (c) the growth portion of base and supplemental county and municipal aid; (d) the growth portion of payments for municipal services; and (e) payments made to the City of Green Bay in 2025 to reimburse the City for public safety costs associated with the April, 2025, National Football League (NFL) draft. The expenditure restraint incentive program distributes \$58,145,700 annually to eligible municipalities.

Define "growth portion of base and supplemental county and municipal aid" as the

difference between the total amount received by a municipality in county and municipal aid and supplemental county and municipal aid in the applicable year and the amount received under those programs in 2024. Further, define "growth portion of payments for municipal services" as the greater of zero or the difference between the total amount received by a municipality under the payments for municipal services program in the applicable year and the amount received under that program in 2024.

Modify the definition of the inflation factor used to determine eligibility for an expenditure restraint incentive payment to mean the average annual percentage change in the U.S. Consumer Price Index (CPI) in the one-year period ending on August 31 two years prior to the payment year, but not less than 3%. Under current law, the inflation factor may not be less than 0%. This provision would ensure a minimum inflation factor of 3%, even when actual annual inflation is less than 3%. These provisions would first apply to distributions made for 2026 (2026-27).

Under current law, a municipality must satisfy two eligibility criteria to receive an expenditure restraint payment: (a) a municipality must have a full value property tax rate that exceeds five mills; and (b) a municipality must restrict the rate of year-to-year growth in its municipal budget to a percentage determined by a statutory formula, that is calculated using the inflation factor and the municipality's change in equalized value due to net new construction.

Municipalities are allowed under state law to impose a flat, annual registration fee on automobiles and trucks of not more than 8,000 pounds customarily kept within their jurisdiction. The revenues from the registration fee must be used for purposes related to transportation. In order to impose a municipal registration fee, the municipal governing body must adopt an ordinance. While the proposed exclusion would only apply to revenues associated with a wheel tax approved at referendum, current law does not require electors to approve a wheel tax at referendum.

Regarding the exclusion of federal monies from the municipal budget definition, municipalities receive intergovernmental revenue from the federal government for a variety of purposes. In 2023, municipalities received a total of \$611.2 million in direct federal intergovernmental revenues, which does not include federal moneys that were paid to local governments through the state government.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. LOCAL GRANT WRITING AND COMPLIANCE ASSISTANCE GRANT APPROPRIATION

Joint Finance/Legislature: Create a continuing appropriation to provide grants to cities, villages, towns, and counties for grant writing and compliance assistance grants. Provide \$3,000,000 SEG in 2026-27 from the local government fund to the Joint Finance Committee SEG supplemental appropriation for the purpose of these grants. See "Program Supplements" for the fiscal effect of this provision.

[Act 15 Section: 92]

18. MODIFY INNOVATION GRANT PROGRAM REQUIREMENTS

Joint Finance/Legislature: Specify that the required period that an agreement or contract to transfer services or duties must be in effect is three years, rather than twice the period during which innovation grants will be awarded as under current law. Extend by two years the provision that prohibits DOR from approving and providing innovation grants after the end of the fourth fiscal year after providing the notice to the Legislative Reference Bureau that rules have been promulgated. This notice was provided on November 13, 2024. This would extend the innovation grant program by two years.

Delete the requirement that DOR may only approve an innovation grant for a planned transfer of services or duties that realizes a projected savings of at least 10% of the total cost of providing the services or duties. Delete associated statutory requirements regarding the following: (a) methods of calculating the savings associated with transfers of services or duties; (b) penalties for not realizing the required projected savings; and (c) certification of the amounts of actual savings. Further, specify that the amount of an innovation grant that may be awarded is equal to 25% of the total costs to the transferring county or municipality of the transferred services or duties in the year immediately preceding the transfer, regardless of whether the services or duties are transferred to another unit of local government or a private or non-profit entity. Specify that DOR may not provide a grant payment for a year in which the combined cost of providing the consolidated service or performing the consolidated duty exceeds 115% of the cost of the service or duty in the year prior to the agreement or contract.

[Act 15 Sections: 262 thru 269]

Property Tax Credits

1. SCHOOL LEVY TAX CREDIT FUNDING INCREASE [LFB Paper 710]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$375,000,000	- \$375,000,000	\$0

Governor: Provide \$125,300,000 GPR in 2025-26 and \$249,700,000 GPR in 2026-27, and each year thereafter, for the school levy tax credit. Specify that these amounts would increase the existing distribution on the first Monday in May. As a result of these changes, the payment distributed each May would increase to \$460,300,000 in 2025-26 and to \$584,700,000 in 2026-27, and each year thereafter. As under current law, a payment of \$940,000,000 would continue to be provided on the fourth Monday in July of each year. Increase the statutory amount to be paid from the school levy credit appropriation from \$1,275,000,000 in 2024-25 to \$1,400,300,000 in 2025-26 and \$1,524,700,000 in 2026-27.

School levy tax credits associated with the property tax levies of one calendar year are distributed in two separate payments over two different state fiscal years. A portion of the credit payment is made on the first Monday in May, related to the property tax levies of the calendar year immediately preceding the distribution. The remaining school levy credits payments related to the property tax levies for that same calendar year are made on the fourth Monday in July. For example, a portion of the school levy credits related to 2025(26) property tax levies will be made in May, 2025 (2025-26), and the remaining payment related to those levies will be made in July, 2026 (2026-27).

Joint Finance/Legislature: Provision not included.

2. FIRST DOLLAR CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$2,426,900	\$3,544,000	\$1,117,100

Governor: Decrease funding by \$1,566,000 in 2025-26 and \$860,900 in 2026-27 to the sum sufficient appropriation. The 2024(25) credits will be paid in July, 2025, (2025-26) based on the \$9,100 credit base established by DOR in November, 2024. With these adjustments, estimated total funding available for the credit would decrease from an adjusted base level of \$148,228,000 to \$146,662,000 in 2025-26 and \$147,367,100 in 2026-27. The Administration indicates that its intention was to provide a total of \$148,434,000 in 2025-26 and \$149,139,100 in 2026-27, to reflect the estimated costs of the credit. This would require an increase in funding over the adjusted base of \$206,000 in 2025-26 and \$911,100 in 2026-27, rather than the annual decreases being recommended. Each year, DOR establishes a credit base for the first dollar credit that is meant to distribute the \$150,000,000 GPR available for the credit. The credit base is the amount of improved value on which the credit is to be paid.

Joint Finance/Legislature: Increase the recommended funding by \$1,772,000 annually to reflect the estimated costs of the credit. Funding for the credit would increase by \$206,000 in 2025-26 and \$911,100 in 2026-27. With these adjustments, funding for the credit would total \$148,434,000 in 2025-26 and \$149,139,100 in 2026-27.

3. FARMLAND PRESERVATION CREDIT REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$780,000	\$920,000	\$140,000

Governor: Reestimate the sum-sufficient appropriations for the farmland preservation tax credit by -\$390,000 annually. The credit applies to certain lands in farmland preservation zoning districts and under farmland preservation agreements. Under the bill, budgeted credits would

decrease from an adjusted base level of \$21,640,000 to \$21,250,000 annually.

Joint Finance/Legislature: Reestimate an additional \$370,000 in 2025-26 and \$550,000 in 2026-27 for the farmland preservation tax credit. Under the bill, budgeted credits would be \$21,620,000 in 2025-26 and \$21,800,000 in 2026-27.

4. LOTTERY AND GAMING CREDIT REESTIMATE [LFB Paper 670]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	- \$14,745,900	- \$14,949,700	- \$29,695,600

Governor: Decrease funding by \$1,560,800 in 2025-26 and \$13,185,100 in 2026-27 to the sum sufficient appropriation to reflect estimates of lottery proceeds available for lottery and gaming property tax credit distribution. These proceeds reflect reestimated lottery sales in 2024-25 under AB 50/SB 45, rather than the amounts certified in October, 2024 by the Joint Committee on Finance. The lottery proceeds also reflect reestimated sales in 2025-26 and 2026-27 (see "Department of Revenue -- Lottery Administration"). With these adjustments, funding for the credit would decrease from an adjusted base level of \$311,790,000 to \$310,229,200 in 2025-26 and \$298,604,900 in 2026-27. However, the Administration's projected lottery fund expenditures do not include the correct adjusted base or the standard budgets adjustments for the lottery administration SEG appropriation, which increase expenditures from the appropriation by \$1,162,600 in 2025-26 and \$1,162,700 in 2024-25. Factoring in these expenditures would result in a corresponding reduction in the amount available for the lottery and gaming credit in each year of the biennium compared to the annual amounts in the bill.

Joint Finance/Legislature: Decrease the recommended funding for the lottery and gaming credit by an additional \$12,103,500 in 2025-26 and \$2,846,200 in 2026-27 to reflect reestimates of the funding available for the credit from the lottery fund [see "Department of Revenue -- Lottery Administration"]. Total funding for the credit would decrease by \$13,664,300 in 2025-26 and \$16,031,300 in 2026-27. With these reductions, funding for the credit would equal an estimated \$298,125,700 in 2025-26 and \$295,758,700 in 2026-27.

5. LOTTERY AND GAMING CREDIT; LATE APPLICATIONS [LFB Paper 106]

SEG	\$466,200

Governor/Legislature: Increase funding by \$233,100 annually to the sum sufficient appropriation to reflect estimated lottery and gaming credits to be paid to persons who apply for the credit after tax bills have been issued. With these adjustments, estimated total funding would increase from an adjusted base level of \$850,000 to \$1,083,100 annually.

Property Taxation

1. LEVY LIMITS -- REPEAL OF NEGATIVE ADJUSTMENT FOR TRANSFERRED SERVICES

Governor: Repeal the negative adjustment to the annual levy limit that is required for a county or municipality that transfers services to another local government. Current law requires a county or municipality to reduce their allowable levy after transferring the responsibility for providing a service to another unit of government. The amount of this reduction is equal to the cost that the county or municipality would have incurred if it had continued to provide the transferred service. Under this provision, any county and municipality that transfers services to another unit of government would no longer be required to reduce their annual allowable levy associated with the cost of the transferred service. Specify that this provision would first apply to levies imposed in December, 2025, for the 2025(26) property tax year.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. LEVY LIMITS -- MODIFICATION TO CURRENT EXCLUSION FOR JOINT FIRE DEPARTMENTS AND JOINT EMERGENCY MEDICAL SERVICES DISTRICTS

Governor: Modify the current law definitions related to the exclusion to county and municipal levy limits for amounts levied to pay for charges assessed by a joint fire department or joint emergency medical services district. Rename and modify any references to a "joint fire department service" to instead be referenced as a "joint fire service." Specify that a joint fire service would continue be defined as a joint fire department, but would also include a joint fire service organized by two or more municipalities through the formation of the following specified types of service arrangements: (a) a joint fire service district; (b) a joint ownership; (c) joint purchase of services from a nonprofit corporation; or (d) a joint contracting with a public or private fire service provider. Make the same changes to the definition of a "joint emergency medical services district", which would be renamed a "joint emergency medical service," to include the same types of arrangements for the provision of joint emergency medical services. Specify that charges assessed by a joint fire service or joint emergency medical service would include all fees charged to a municipality by the joint fire service or joint emergency medical service. These provisions would first be effective on the general effective date of the bill.

Current law allows a municipality that is part of a joint fire department or joint emergency medical service district to exceed their levy limits by the amount of charges assessed by the joint fire department or emergency medical service district, if the charges would cause the municipality to exceed its levy limit, if the other members served by the joint department adopt resolutions supporting the municipality exceeding its limit, and if the total charges assessed by the joint department increase on a year-to-year basis by a percentage less than or equal to the percentage change in the consumer price index for the 12 months ending on August 31, plus 2%.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. LEVY LIMITS -- EXCLUSION FOR REGIONAL PLANNING COMMISSION CONTRIBUTIONS

Governor: Create an exclusion to county and municipal levy limit for amounts levied in a year to pay for the county or municipality's share of a regional planning commission's budget, as charged by the commission under current law. As a result, these costs would not be subject to the annual levy limit of the affected local governments. This provision would first apply to levies imposed in December, 2025 (payable 2026). Further, specify that for the purpose of a levy imposed in December, 2025, the amount levied in the previous year to pay for a county or municipality's share of a regional planning commission's budget would not be included in the base levy amount to which the levy limit applies. Regional planning commissions have the authority under current law to charge local governments up to 0.003% of the equalized value under the local government's jurisdiction, unless the governing body of the commission approves a greater amount.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. LEVY LIMITS -- EXCLUSION FOR CROSS-BORDER TRANSIT ROUTES

Governor: Create an exclusion to the county and municipal annual levy limit for amounts levied in a year for operating and capital costs directly related to the provision of new or enhanced transit services across adjacent county or municipal borders. As a result, these costs would not be subject to the annual levy limit of the affected local governments.

Specify that all of the following would have to apply for the exclusion to be taken: (a) the starting date for the new or enhanced transit services occurs after the effective date of the bill; (b) the political subdivisions between which the new or enhanced transit routes operate have entered into an intergovernmental cooperation agreement to provide for the new or enhanced transit routes, and the agreement describes the services and the amounts that must be levied to pay for those services; and (c) the intergovernmental cooperation agreement is approved in a referendum, by the electors of each political subdivision that is a party to the agreement. Specify that the referendum be held at the next succeeding spring primary or election, partisan primary, or general election, which could be held no earlier than 70 days after the adoption of the agreement by all parties. Require the governing body that has proposed the referendum to file the resolution to be submitted to the electors under current law referenda filing procedures.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. WORKFORCE HOUSING LAWS RELATED TO TIF DISTRICTS, LOCAL HOUSING INITIATIVES AND RELATED STATE GRANTS, AND IMPACT FEES

Governor: Make the following changes to current law pertaining to low-cost and affordable housing related to tax incremental financing (TIF) districts, local housing initiatives and related state grants, and impact fees.

TIF Law Modifications. Modify current tax incremental financing law to allow that after a district created by a city, village, or towns of a certain size (\$500 million of total assessed value and a population of at least 3,500) pays off all of its project costs, the life of the district may be extended for up to three years, instead of one year under current law, if a city or village: (a) receives approval from the district's joint review board, in the form of an adopted resolution by the joint review board, if the extension is more than one year; (b) the resolution extends the life of the district for a specified number of months and specifies how the municipality intends to improve its housing stock or increase the number of affordable and workforce housing units; (c) uses the tax increments received that are not supporting housing stock improvement during the district's extended life, to increase the number of affordable and workforce housing units with at least 50% of the funds supporting units for families with incomes of up to 60% of the county's median household income; and (d) forwards a copy of the resolution adopted by the city or village and the district's joint review board to DOR, which notifies the Department to continue to authorize the allocation of tax increments to the district.

Under current law, a city or village with a TIF district that pays off its project costs can extend the life of the district for one year if the city or village does the following: (a) adopts a resolution extending the life of the district for a specified number of months that specifies how the city intends to improve its housing stock; (b) use at least 75% of the increments received to benefit affordable housing in the city, village, or town, and the remaining portion of the increments to improve the municipality's housing stock; and (c) forward a copy of the resolution adopted under these provisions to DOR, which notifies the Department to continue to authorize the allocation of tax increments to the district.

Delete the definition of "affordable housing" under current TIF law and replace with the term "workforce housing." Define "workforce housing" to mean housing to which all of the following apply: (a) the housing costs a household no more than 30% of the household's gross median income, and (b) the residential units are for initial occupancy by individuals whose household median income is no more than 120% of the county's gross median income. Under the bill, income and housing cost figures would be adjusted for family size and the county in which the household is located, based on the county's five-year average median income and housing costs as calculated by the U.S. Census Bureau in its American Community Survey. Under current law, affordable housing is defined as housing that costs a household no more than 30% of the household's gross monthly income.

Modify the definition of "mixed-use development" under current TIF law to allow newly-platted residential uses to exceed the current law limit of 35% of the real property area of a TIF district, to up to 60% of the real property area within the TIF district, if the residential use that exceeds the existing 35% limit is used solely for workforce housing. Under current law, "mixed-use development" means a development that contains a combination of industrial, commercial, or

residential uses, except that lands proposed for newly-platted residential use, as shown in the project plan, may not exceed 35%, by area, of the real property within the district.

Workforce Housing Initiatives and Grant Priority. To implement a workforce housing initiative, a political subdivision may enact an ordinance, adopt a resolution, or put into effect a policy to accomplish any of the following: (a) reduce by at least 10% the processing time for all permits related to workforce housing; (b) reduce by at least 10% the cost of impact fees that a political subdivision may impose on developments that include workforce housing units; (c) reduce by at least 10% the parking requirements for developments that include workforce housing units; (d) increase by at least 10% the allowable zoning density for developments that include workforce housing units; (e) establish a mixed-use TIF district with at least 20% of the housing units to be used for workforce housing; (f) demonstrate compliance with a housing affordability report as specified under current law; (g) rehabilitate at least five dwelling units of existing, uninhabitable housing stock into habitable workforce housing; (h) modify existing zoning ordinances to allow for the development of workforce housing in areas zoned for commercial or mixed-use development, or in areas near employment centers or major transit corridors; (i) extend the life of a TIF district to increase the number of affordable and workforce housing units; (j) reduce by at least 10% the cost of roads for developments that include workforce housing units; or (k) implement any other initiative to address the workforce housing needs of the political subdivision.

Specify that after a political subdivision completes one of the specified workforce housing initiatives, the initiative be considered in effect once the political subdivision submits to DOA a written explanation of how the action complies with the workforce housing initiative and posts the explanation on the political subdivision's website. Provide that, once a political subdivision's action takes effect, its workforce housing initiative remains in effect for five years.

Specify that a political subdivision may put into effect one or more housing initiatives at a time. After June 30, 2026, if a political subdivision has in effect at the same time at least three workforce housing initiatives, require that a housing agency must give priority to housing grant applications from, or that relate to a project in, the political subdivision. Require DOA to create rules establishing how and based on what information the Department will give priority to housing grant applications and prescribing the form of application for receiving priority. Provide that workforce housing initiatives, related definitions, and grant priority, as described under the bill, would first take effect on January 1, 2026.

Create the following definitions related to workforce housing initiatives: (a) "housing agency" would mean DOA; (b) "housing grant" would mean DOA-administered federal housing grant programs and DOA-administered state-funded housing grant programs, as authorized under current law; (c) "political subdivision" would mean any city, village, town, or county; and (d) "workforce housing" would be the same definition of "workforce housing" as specified under the modified TIF law definition described above.

Impact Fee Exemptions and Deductions. Extend the low-cost housing impact fee exemption and fee deduction specified in current law to also apply to workforce housing, as defined above. Currently, a municipality may provide an exemption from, or a reduction in the amount of, impact

fees on land development that provides low-cost housing, except that no amount of an impact fee for which an exemption or reduction is provided may be shifted to any other development in the land development in which the low-cost housing is located or to any other land development in the municipality. Under the bill, workforce housing would be included with low-cost housing for the purposes of these impact fee exemptions and deductions.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. TIF DISTRICT MODIFICATIONS

Governor: Modify existing TIF law as follows:

Joint Review Board Affirmative Vote Requirement. Require three affirmative votes to constitute a majority when a joint review board votes to approve or deny TIF district creations, project plan amendments, and tax incremental base redeterminations. Specify that the requirement for three affirmative votes not pertain to multijurisdictional TIF district votes. Under current law, a TIF district's joint review board consists of a public member and one member representing each taxing jurisdiction that can levy taxes on property within the TIF district. If more than one of the same type of taxing jurisdiction has the power to levy taxes on property within the TIF district, the one with the greatest value in the district chooses the representative. No TIF district can be created and no plan can be amended unless approved by a majority vote of the board within 45 days after a resolution is adopted.

Economic Projections within TIF District Project Plans. Require a TIF district's project plan to contain alternative projections of the district's finances and economic feasibility under different economic scenarios, including the scenario in which work on a public work or improvement specified in the project plan begins three years later than expected and the scenario in which the rate of property value growth in the district is at least 10% lower than expected. Under current law, a project plan is required to include a number of elements such as information regarding the number, location and type of all proposed public improvements within the district, an economic feasibility study, a detailed list of project and non-project costs, and a description of how the projects will be financed.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. TIF DISTRICT EQUALIZED VALUE LIMIT EXCEPTION

Governor: Allow a city or village to create a TIF district, and DOR to certify the base value of the district, despite the equalized value of the district, plus the value increment of all existing TIF districts within the city or village, exceeding 12% of the total value of all taxable property within that municipality. Specify that this would only occur if the city or village certifies the following to DOR: (a) that, not later than one year after the certification, districts having sufficient value increments will terminate so that the municipality will no longer exceed the 12% limit; and (b) that the municipality will not take any action that would extend the life of any district whose

termination is necessary to satisfy the prior requirement.

Under current law, a city or village can only create a new TIF district if there is a finding that the equalized value of the proposed district plus the value increment of all existing districts does not exceed 12% of the total equalized value of property within the city or village. This limit also applies to any proposed amendment to a district that adds territory to the district. The calculation of the limit is based on the most recent equalized value of taxable property of the proposed district, as certified by DOR, before the date on which a resolution is adopted creating the proposed district.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. ALLOW CONVERSION OF EXISTING TIF DISTRICTS TO MIXED-USE TIF DISTRICTS

Governor: Allow a city or village to reclassify an existing TIF district as a mixed-use TIF district. Specify that such a reclassification would not affect the existing expenditure or allocation periods of the district, or the lifespan of the district.

Allow the planning commission to pass a resolution to amend the declaration designating the type of TIF district to reflect this reclassification, and require that this amendment be approved by the local legislative body and the joint review board. Require a concurrent amendment to the TIF district's project plan. Require the planning commission to ensure that the percentage of lands proposed for newly platted residential use in the mixed-use TIF district does not exceed 35%, by area, of the real property within the district, and that at least one of the following current law requirements applies: (a) the density of the residential housing is at least three units per acre; (b) the residential housing is located in a conservation subdivision; or (c) the residential housing is located in a traditional neighborhood development. (Separate provisions in the bill would allow the percentage of residential housing to increase to up to 60%, by area, of the real property within the district, if the residential use that exceeds the existing 35% limit is used solely for workforce housing.) Require a joint review board to unanimously approve the planning commission resolution to reclassify an existing TIF district as a mixed-use TIF district, and specify that this approval must occur within 45 days after a resolution is adopted.

Prior to the adoption of an amendment to the classification of the TIF district, require the planning commission to hold a public hearing at which interested parties may express their views on the amendment. Require notice of the hearing to be published as a class 1 notice at least one week before the hearing, and require the notice to include a statement of the purpose and cost of the proposed amendment. Further, require the notice to advise that a copy of the proposed amendment will be provided upon request. Prior to the publication of this notice, require a copy to be sent to the chief executive officer or administrator of all the taxing jurisdictions within the TIF district and to the school board of any school district which includes property located within the proposed district. Require that, for a county with no chief executive officer or administrator, this notice be sent to the county board chairperson.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. COLLECTION OF MANUFACTURING PROPERTY ASSESSMENT FEES

Governor: Direct DOR to collect manufacturing property assessment fees by reducing municipal shared revenue (county and municipal aid, supplemental county and municipal aid, utility aid and expenditure restraint incentive aid) payments in the following year by the amount of each municipality's fee rather than first attempting to directly collect the fee from each municipality. Any amount that the Department is unable to collect from a municipality by reducing their aid program payments, would be directly imposed on the municipality.

DOR is responsible for assessing manufacturing property for the purposes of the property tax, and imposes a fee on municipalities where manufacturing property is located in order to cover the cost of that assessment. Under current law, this fee is first imposed directly on municipalities. If a municipality does not pay this fee by March 31 of the following year, the Department can reduce its July aid payment by the amount of the fee.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Forestry Mill Rate

1. FORESTRY MILL RATE -- GPR TRANSFER TO THE CONSERVATION FUND CURRENT LAW REESTIMATE [LFB Paper 106]

GPR	\$65,227,000

Governor/Legislature: Increase funding by \$29,057,600 in 2025-26 and \$36,169,400 in 2026-27 for the annual transfer to the conservation fund from the sum sufficient appropriation to reflect projected changes in statewide equalized values. Funds equal to the amount calculated by multiplying the value of all taxable property in the state, as determined by DOR, by a rate of 0.1697 mills (0.01697%) are transferred from the general fund to the conservation fund annually. This transfer occurs due to the repeal of the state forestry mill tax as of property taxes levied in 2017, payable in 2018. With these adjustments, base level funding of \$136,934,800 would increase to \$165,992,400 in 2025-26 and \$173,104,200 in 2026-27. [See "Natural Resources -- Forestry and Parks."]

2. GPR TRANSFER TO THE CONSERVATION FUND -- MILL RATE MODIFICATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$58,147,900	\$58,147,900	\$0

Governor: Decrease funding by \$28,464,200 in 2025-26 and by \$29,683,700 in 2026-27 for the annual transfer to the conservation fund from the sum sufficient appropriation. Specify that beginning in 2025-26, and in each year thereafter, the amount of the transfer is to be calculated by multiplying the value of all taxable property in the state, as determined by DOR, by a rate of 0.1406 mills (0.01406%). The current law rate is set at 0.1697 mills (0.01697%), which reflects the rate of the state forestry mill tax prior to its repeal in 2017-18. The Administration indicates that the reduction in the mill rate is intended to reflect reductions in property tax rates statewide since 2020(21). Under this recommendation, the total transfer to the conservation fund, as reestimated, would equal \$137,528,200 in 2025-26 and \$143,420,500 in 2026-27.

Joint Finance/Legislature: Provision not included.

Local Revenue Options

1. PREMIER RESORT AREA TAX

Joint Finance/Legislature: Specify that a political subdivision with a population of not less than 4,000 and not more than 11,000 may enact an ordinance or adopt a resolution declaring itself to be a premier resort area, even if less than 40 percent of the equalized assessed value of the taxable property within the political subdivision is used by tourism-related retailers, if the action is approved by a majority of the electors in the political subdivision voting on the resolution at a referendum held prior to June 1, 2025. The City of Sturgeon Bay and the Town of Minocqua would both qualify to impose a premier resort area tax under this provision. Require a political subdivision that imposes a premier resort area tax under this provision, to reduce its levy limit in the current year by an amount equal to 50 percent of the proceeds of that tax in the previous year, less any prior year reductions associated with this provision. Specify that these provisions take effect on the first day of the first calendar quarter beginning at least 120 days after publication of the bill.

[Act 15 Sections: 207, 209 thru 211, and 9430(1)]

2. MUNICIPAL AND ADDITIONAL COUNTY SALES TAX AUTHORITY

Governor: Specify that a municipality, other than the city of Milwaukee, with a population exceeding 30,000, may enact an ordinance, if approved by a majority vote of all qualified electors in the municipality voting on the issue at a referendum, to impose a sales and use tax at the rate of 0.1%, 0.2%, 0.3%, 0.4%, or 0.5%. Specify that a municipality with a population exceeding 30,000 would be determined by data from the 2020 federal decennial census or under the Department of Administration's population estimates for 2020.

Specify that a county, other than Milwaukee County, may enact an ordinance, if approved by a majority vote of all qualified electors in the county voting on the issue at a referendum, to impose an additional sales and use tax at the rate of 0.1%, 0.2%, 0.3%, 0.4%, or 0.5%.

Provide that the revenue from the municipal and additional county taxes may be used for any purpose designated by the county board or governing body of the municipality or as specified in the ordinance or in the referendum approving the ordinance.

Specify, that any tax imposed by a county under these provisions would be in addition to its existing authority to impose a 0.5% county sales and use tax. Including the state 5.0% sales and use tax rate, under these provisions, sales and use taxes imposed in the state (outside of Milwaukee County) could equal a maximum total rate of 6.5% (0.5% existing county tax, 0.5% additional county tax, and 0.5% municipal tax), if the electors of a county, and an eligible municipality in a county that has the existing county sales and use tax, both choose to impose the maximum tax rate allowed under these provisions.

Create provisions related to the imposition, collection, distribution, enforcement, and administration of the municipal and additional county sales and use taxes similar to those that currently exist for the county sales and use tax. However, the current law provision for the existing county sales and use taxes that requires that those taxes may only be imposed for the purpose of directly reducing the property tax levy would not apply to the additional taxes allowed under these provisions.

Require that, if the municipal or additional county sales and use taxes allowed under this provision are approved at a referendum, the ordinance must be effective on January 1, April 1, July 1, or October 1, and that a certified copy of that ordinance must be delivered to the DOR Secretary at least 120 days prior to its effective date. Specify that the repeal of any such ordinance must be effective on December 31, and require a certified copy of a repeal ordinance to be delivered to the DOR Secretary at least 120 days before the effective date of the repeal. Specify that DOR may not issue any assessment or act on any refund claim or any adjustment claim after the end of the calendar year that is four years after the year in which the county or municipality has enacted a repeal ordinance.

Using current law authority, 70 of Wisconsin's 72 counties have adopted a 0.5% sales tax and use tax imposed on the same goods and services that are subject to the state sales tax. The current 0.5% county tax applies to items purchased within the county and to some items purchased in a county without a tax, if they are customarily kept in a county with a tax (this is the "use" tax). Similar to the existing county tax, the additional taxes under these provisions would also be

"piggybacked" onto the state sales tax in that the rate would be added to the state rate and would be administered, enforced, and collected by the state. Provide that municipal and additional county sales and use taxes under these provisions would also be reported and distributed to municipalities and counties as provided under current law for the existing county sales and use taxes. DOR's appropriation used to administer county taxes under current law would be also used to administer the additional county sales and use taxes imposed under this provision.

Require that the state retain 0.75% of the municipal and additional county taxes collected to cover the costs incurred by DOR in administering, enforcing, and collecting the tax. Specify that all interest and penalties collected be deposited and retained in the general fund. Under current law, DOR retains 0.75% of the county sales and use taxes to cover the administrative costs of collecting the existing county taxes. At the end of each fiscal year, any unencumbered balance in DOR's appropriation account for administration of the taxes is lapsed to the general fund.

Specify that the distribution, retailers discount, and reporting provisions under current law for the existing county taxes, also apply to the municipal and additional county sales and use taxes under this provision. Under current law, DOR is required distribute 99.25% of the county taxes reported for each enacting county, minus the county portion of the retailers' discounts, to the county. The "county portion of the retailers' discount" is determined by multiplying the total retailers' discount by a fraction, the numerator of which is the gross county sales and use taxes payable and the denominator of which is the sum of the gross state and county sales and use taxes payable. DOR is required to indicate to the county the taxes reported by each taxpayer, no later than 75 days following the last day of the calendar quarter in which such amounts were reported. Also under current law, the distribution of tax collections to the counties is adjusted to reflect subsequent refunds, audit adjustments, and all other adjustments of the county taxes previously distributed. Any county receiving a report on sales and use taxes is subject to the duties of confidentiality to which DOR is subject to relative to such taxes under current law.

Create a new municipality taxes program revenue appropriation to receive the monies generated from the municipal sales and use taxes under this provision and from annual monies unspent by DOR for the administration of these taxes. Change the title of the existing municipal taxes program revenue appropriation to only refer first class cities.

Create a new administration of municipality taxes program revenue appropriation under DOR to receive all monies transferred for the administration of these taxes. The monies transferred would be from the 0.75% administrative fee that DOR would retain from the municipal taxes imposed under this provision. Specify that the expenditure authority in this appropriation for administering the municipality taxes would be the amounts in the schedule. Specify that at the end of each fiscal year the unencumbered balance of this appropriation account lapses to the general fund. A separate item under the Department of Revenue would provide expenditure authority of \$140,300 in 2025-26, and \$171,700 in 2026-27, and 2.0 positions starting in 2025-26, to this newly-created appropriation. [For additional information, see "Revenue -- State and Local Finance."]

Given that the additional local sales and use tax authority allowed under these provisions would be subject to referendum, no estimate of an increase in amount of lapses to the general fund

from DOR's county sales tax administration appropriation, resulting from Department's administration of any taxes imposed under these provisions, is included in the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. CURRENT LAW COUNTY SALES TAX RATES

Governor: Provide that a county may impose a county sales and use tax, by the adoption of an ordinance, at a rate of 0.1%, 0.2%, 0.3%, 0.4%, or 0.5%. Under current law, a county may impose a county sales and use tax, by the adoption of an ordinance, at a rate of 0.5%.

Using current law authority, 70 of Wisconsin's 72 counties have adopted a 0.5% sales tax and use tax. Waukesha County and Winnebago County are currently the only counties that do not impose the county sales and use tax. The tax is imposed on the same goods and services that are subject to the state sales tax. The county tax applies to items purchased within the county and to some items purchased in a county without a tax, if they are customarily kept in a county with a tax (this is the "use" tax). The existing county tax is "piggybacked" onto the state sales tax in that the county rate is added to the state rate and is administered, enforced, and collected by the state.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Other Credits

Descriptions of budget provisions related to the property tax and rent rebate (homestead tax credit), earned income tax credit, enterprise zone tax credits, veterans property tax credit, other tax credits, and cigarette and tobacco products tax refunds are provided under "General Fund Taxes - Refundable Tax Credits and Other Payments."

STATE FAIR PARK

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$4,880,600	\$3,054,200	\$3,913,200	\$3,913,200	\$3,913,200	- \$967,400	- 19.8%
PR	<u>41,793,000</u>	<u>81,452,700</u>	<u>43,318,900</u>	<u>43,318,900</u>	<u>43,318,900</u>	<u>1,525,900</u>	3.7
TOTAL	\$46,673,600	\$84,506,900	\$47,232,100	\$47,232,100	\$47,232,100	\$558,500	1.2%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
PR	54.00	54.00	54.00	54.00	54.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$1,194,000	- \$117,000	\$1,077,000

Governor: Adjust funding annually for standard budget adjustments as shown in the following table.

Turnover Reduction	-\$124,400
Full Funding of Cont. Pos. Salary/Fringe	524,800
Overtime	<u>196,600</u>
Total	\$597,000
Biennial Total	\$1,194,000

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover

reduction standard budget adjustment by -\$82,900 annually. Additionally, add \$24,400 annually to reconcile the calculation for full funding of continuing position salaries and fringe benefits to include the fringe add-on for three officers with protective status.

2. PARK OPERATIONS REESTIMATE [LFB Paper 720]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$38,013,000	- \$38,013,000	\$0

Governor: Reestimate State Fair Park general operations by \$17,506,500 in 2025-26 and \$20,506,500 in 2026-27 to reflect current and anticipated annual operations costs.

State Fair Park operations are funded by revenues generated from admissions, parking, and a percentage of sales made by vendors and concessionaires at Park events, primarily the annual Wisconsin State Fair. The Park may expend all monies it receives, subject to approval by the Department of Administration, and amounts budgeted for Park operations reflect the most reliable estimates for a fiscal year. The provision is intended to align budgeted Park operations with anticipated expenditures. State Fair Park base operations funding is budgeted at \$19.5 million; total operations expenditures in 2023-24 were \$32.7 million. The provision would reestimate general operations funding at \$37.6 million in 2025-26 and \$40.6 million in 2026-27, including standard budget adjustments. Park staff expect additional expenditures in the 2025-27 biennium would be primarily related to: (a) safety measures including metal detectors, cameras, and fencing; (b) rides and games on the Wisconsin State Fair midway, known as Spin City; and (c) costs of booking and programming various entertainment options.

Joint Finance/Legislature: Provision not included.

3. DEBT SERVICE REESTIMATES [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$1,826,400	\$859,000	-\$967,400
PR	<u>452,700</u>	<u>- 3,800</u>	<u>448,900</u>
Total	-\$1,373,700	\$855,200	-\$518,500

Governor: Reestimate principal and interest payments on general obligation bonds issued for State Fair Park facilities by -\$842,700 GPR in 2025-26 and by -\$983,700 GPR in 2026-27. Further, reestimate PR-supported principal and interest payments by \$237,200 in 2025-26 and by \$215,500 in 2026-27.

GPR debt service is associated with bonds issued to fund primarily agricultural and other exhibition facilities at State Fair Park, as well as various land acquisitions, certain infrastructure projects, and the Tommy G. Thompson Youth Center. Total GPR debt service payments for State

Fair Park would be budgeted at \$1.6 million in 2025-26 and \$1.5 million in 2026-27. State Fair Park's PR-supported debt service is primarily associated with the Milwaukee Mile racetrack and grandstand, the Wisconsin Exposition Center, and other general facilities improvements. PR-supported debt service is budgeted at \$1.5 million each year in 2025-26 and 2026-27.

Joint Finance/Legislature: Reestimate principal and interest payments on general obligation bonds issued for State Fair Park facilities by an additional \$445,700 GPR in 2025-26 and \$413,300 GPR in 2026-27. GPR-funded debt service is budgeted at \$2.0 million in 2025-26 and \$1.9 million in 2026-27.

Further, reestimate PR-supported principal and interest payments by \$300 in 2025-26 and -\$4,100 in 2026-27. PR-supported debt service remains budgeted at \$1.5 million each year.

STATE TREASURER

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over <u>Base Year Doubled</u>	
						Amount	Percent
PR	\$266,000	\$470,600	\$282,600	\$282,600	\$282,600	\$16,600	6.2%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
PR	1.00	2.00	1.00	1.00	1.00	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENT [LFB Paper 105]

PR	\$7,800

Governor/Legislature: Provide an adjustment to the base of \$3,900 annually for full funding of continuing position salaries and fringe benefits.

2. INCREASED RESOURCES FOR OFFICE [LFB Paper 725]

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	Funding	Position	Funding	Position	Funding	Position
PR	\$188,000	1.00	-\$188,000	- 1.00	\$0	0.00

Governor: Provide \$84,000 in 2025-26, \$104,000 in 2026-27, and 1.0 program and policy analyst project position annually to the Treasurer's administrative expenses PR appropriation. Under current law, the Treasurer's Office must provide services related to the promotion of the unclaimed property program in consultation with the Department of Revenue (DOR). Funding would support salary and fringe benefits and supplies and services costs for the new two-year project position, including \$3,000 of one-time costs in 2025-26. The position would work in

coordination with DOR to connect Wisconsin residents with unclaimed property and to promote the unclaimed property program.

The source of funding would be revenue transferred from DOR's appropriation for unclaimed property claims. Under Chapter 177 of the statutes, property is generally considered to be abandoned or unclaimed if the owner has not been in contact with the holder of the property for one to five years, depending on the type of property, and if the holder of the property has been unable to contact the owner of the property. If a property owner cannot be located by DOR, the value of the property is applied to the owner's account for future claims by the owner or the owner's heirs, and the proceeds of the property are deposited to the Common School Fund. As of June 30, 2024, the balance in the unclaimed property appropriation totaled \$44,700,000.

Joint Finance/Legislature: Provision not included.

3. NETWORK SERVICES FUNDING

PR	\$8,800

Governor/Legislature: Provide \$4,400 annually to the Office's administrative expenses PR appropriation to cover costs for network services (managed transport services). In 2023-24, the Department of Administration's Division of Enterprise Technology identified certain agencies located in the Capitol that were not charged for these services and rectified the error. The provision increases the agency's administrative expenses appropriation to cover the provided services on an ongoing basis. [See also "Legislature," "Lieutenant Governor," and "Secretary of State."]

SUPREME COURT

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$41,321,800	\$43,787,500	\$41,510,600	\$41,510,600	\$41,510,600	\$188,800	0.5%
FED	2,109,400	1,058,500	1,058,500	1,058,500	1,058,500	- 1,050,900	- 49.8
PR	32,189,400	37,577,000	37,117,500	37,117,500	37,117,500	4,928,100	15.3
SEG	<u>679,400</u>	<u>677,900</u>	<u>677,900</u>	<u>677,900</u>	<u>677,900</u>	<u>- 1,500</u>	<u>- 0.2</u>
TOTAL	\$76,300,000	\$83,100,900	\$80,364,500	\$80,364,500	\$80,364,500	\$4,064,500	5.3%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	115.50	123.90	115.50	115.50	115.50	0.00
FED	5.00	5.00	5.00	5.00	5.00	0.00
PR	111.00	115.75	111.00	111.00	111.00	0.00
SEG	<u>1.60</u>	<u>1.60</u>	<u>1.60</u>	<u>1.60</u>	<u>1.60</u>	<u>0.00</u>
TOTAL	233.10	246.25	233.10	233.10	233.10	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Legislature: Adjust funding for standard budget adjustments as shown in the following table.

GPR	\$188,800
FED	- 26,300
PR	728,100
SEG	<u>- 1,500</u>
Total	\$889,100

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Full Funding of Cont. Pos. Salary/Fringe	\$112,600	-\$14,500	\$367,800	-\$500	\$465,400
Full Funding of Lease/Directed Moves	<u>-24,300</u>	<u>1,100</u>	<u>-12,200</u>	<u>-400</u>	<u>-35,800</u>
Total	\$88,300	-\$13,400	\$355,600	-\$900	\$429,600
2026-27					
Full Funding of Cont. Pos. Salary/Fringe	\$112,600	-\$14,500	\$367,800	-\$500	\$465,400
Full Funding of Lease/Directed Moves	<u>-12,100</u>	<u>1,600</u>	<u>4,700</u>	<u>-100</u>	<u>-5,900</u>
Total	\$100,500	-\$12,900	\$372,500	-\$600	\$459,500
Biennial Totals	\$188,800	-\$26,300	\$728,100	-\$1,500	\$889,100

2. OFFICE OF THE MARSHALS OF THE SUPREME COURT [LFB Paper 730]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$2,276,900	8.40	-\$2,276,900	- 8.40	\$0	0.00

Governor: Provide \$1,184,300 in 2025-26, \$1,092,600 in 2026-27, and 8.4 positions annually for the creation of an Office of the Marshals of the Supreme Court to serve as a law enforcement agency, as defined under current law, for the Wisconsin court system. Staff for the office would total 10.0 FTE, including 1.6 GPR positions currently authorized under the appropriation for Supreme Court proceedings general program operations [s. 20.680(1)(a)]. The Office would be under the direction and supervision of the chief marshal of the Supreme Court, and would include the following personnel: (a) 8.0 law enforcement officers (1.0 chief marshal, 1.0 chief deputy marshal, and 6.0 deputy marshals); and (b) 2.0 civilian staff positions (0.4 new and 1.6 existing). Funding would include: (a) \$695,900 in 2025-26 and \$928,100 in 2026-27 for salaries and fringe benefits; and (b) \$488,400 in 2025-26 and \$164,500 in 2026-27 for supplies and services. The law enforcement officers would serve as peace officers with statewide jurisdiction, arresting authority, and permission to carry firearms. The civilian staff would be responsible for administrative functions.

Duties of the Office would include providing police services to the state court system, detecting and preventing crime, and enforcing laws and ordinances. The marshals would have statewide jurisdiction, would be authorized to make arrests, and must agree to accept the duties and requirements of a law enforcement officer and the Law Enforcement Standards Board for officer certification, police pursuit, recruitment, and firearms training as specified under current law. Specify that marshals of the Supreme Court have concurrent police power with other authorized peace officers over any jurisdiction in which the marshals are performing official duties. However, the bill specifies this concurrent power is not to be construed to reduce or lessen the authority of the police power in the communities in which the marshals may be performing their duties. Further, marshals must cooperate with and be responsive to the local police authorities. In addition to providing police services to the state court system, the Office would provide protective services for the Supreme Court justices and their offices, provide security assessments for the justices, judges, and facilities of the state court system, and provide safety and security

support services and advance security planning for circuit court proceedings. According to the Director of State Courts, specific duties may also include providing support in high-risk or high-visibility circuit court proceedings, when requested.

In addition, create an annual GPR appropriation under a newly-created Program 4 under the Supreme Court for the Office [s. 20.680(4)(a)]. Define "marshal of the Supreme Court" to mean an individual employed by the Office of the Marshals of the Supreme Court whose principal duties are detecting and preventing crime and enforcing laws or ordinances of the state. Provide that a marshal of the Supreme Court is a law enforcement officer, a peace officer, and a protective occupation participant in the Wisconsin Retirement System under current law. Specify that each marshal of the Supreme Court who is categorized as a protective service occupation participant must be granted creditable service as a protective occupation participant for all covered service while a marshal of the Supreme Court that was earned on or after the effective date of this provision. Such employees would not be entitled to duty disability benefits under these provisions for an injury or disease occurring before the effective date of these provisions.

As noted above, the Office would also include 1.6 existing positions as additional civilian staff. The existing 1.6 positions have been utilized as a civilian marshal position (1.0) and civilian deputy marshal position (0.6). Neither position has law enforcement powers. According to the Director of State Courts, the marshal has attended the public sittings of the court and has performed the duties assigned by the Chief Justice, the Supreme Court, and the Director of State Courts, while the deputy marshal has assisted in the marshal duties. The 1.6 positions and associated funding (\$148,400 GPR annually) would be transferred from the Supreme Court's program 1 general program operations appropriation to the newly-created program 4 general program operations appropriation. As a result, including the transferred funding amounts, the total cost of the Office would be \$1,332,700 in 2025-26 and \$1,241,000 in 2026-27.

Joint Finance/Legislature: Provision not included.

3. PROGRAM REVENUE AND FEDERAL REESTIMATES

Governor/Legislature: Reestimate Supreme Court appropriations by \$2,100,000 PR and -\$512,300 FED annually.

PR	\$4,200,000
FED	- 1,024,600
Total	\$3,175,400

Specifically, provide \$2,000,000 PR annually in the court information systems appropriation to reflect anticipated consolidated court automation program (CCAP) supplies and services spending levels in the 2025-27 biennium. Reestimated expenditures for CCAP supplies and services would be for the maintenance and support of the following technology costs for the circuit courts: security improvements, performance enhancements to county networks, maintenance and updates to the electronic filing system, and information technology equipment for counties. The base budget for the court information systems appropriation is \$10,470,700 PR.

In addition, provide \$100,000 PR annually to the gifts and grants appropriation to reflect the amount the Director of State Courts received from the Wisconsin Department of Justice as a subgrantee under the federal Services, Training, Officers, and Prosecutors (STOP) Violence Against Women Formula Grant program. The base budget for the gifts and grants appropriation is \$628,500 PR.

Finally, adjust funding by -\$512,300 FED annually in the federal aid appropriation to reflect the amount identified by the Director of State Courts for a grant from the U.S. Department of Health and Human Services Court Improvement Program (CIP). Expenditures for CIP include funding for staff, training events sponsored by CIP, existing contracts with Fox Valley Technical College and the UW-Madison Institute for Research on Poverty, meetings (including room rentals, audio/video equipment, hotel and travel expenses), office supplies, and technological licenses and subscriptions. The base budget for the federal aid appropriation is \$1,054,700 FED.

4. CIRCUIT COURT PAYMENT SUPPORT AND COURT INTERPRETER PROGRAM SUPPORT POSITIONS [LFB Paper 731]

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
PR	\$239,200	1.75	-\$239,200	- 1.75	\$0	0.00

Governor: Provide \$103,600 in 2025-26, \$135,600 in 2026-27, and 1.75 positions annually to support the circuit court costs program. Specifically, funding and position authority would include: (a) a 0.75 program associate position (\$35,000 in 2025-26 and \$45,300 in 2026-27) to support the court interpreter program; and (b) 1.0 financial auditor position (\$68,600 in 2025-26 and \$90,300 in 2026-27). Funding would be budgeted to the central services appropriation, which has a base budget of \$279,800 PR, and is intended for administrative and supportive services for programs administered by the Director of State Courts. The PR is provided from interagency charges to certain other court appropriations, including certain GPR appropriations.

The program associate position would be responsible for data entry and review, maintaining program databases, proctoring the oral and written exam for interpreter certification, and preparing training materials. According to the Director of State Courts, the additional 0.75 position would allow the court interpreter program manager to focus more attention on program related questions, challenges, and additional needs to assist with the interpreter shortage and language access challenges across the state. The financial auditor position would audit the annual cost reports (including interpreter costs) that counties are required to submit to the Director of State Courts Office for the circuit court support payment program. In addition, the financial auditor would identify cost control methods for county circuit court costs, prepare financial reports, and meet statutory timelines for payments to counties. These duties align with s. 758.19(5)(am), which permits the Director of State Courts to audit all financial transactions submitted by counties related to the operation of circuit courts.

Joint Finance/Legislature: Provision not included.

5. TRANSFER OF POSITIONS FOR TREATMENT AND DIVERSION PROGRAMS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$155,600	3.00	- \$155,600	- 3.00	\$0	0.00

Governor: Provide \$155,600 and 3.0 positions in 2026-27 to act as statewide subject-matter experts for counties operating an alternatives to prosecution and incarceration program (referred to as treatment and diversion (TAD) program) and to confirm, in consultation with the Department of Justice, if each county has a qualifying program. The positions may also assist the Department of Justice with reporting requirements on treatment and diversion programs. The positions and incumbent employees holding those positions would be transferred on January 1, 2027, from the Department of Justice to the Supreme Court. Specify that the transferred employees would maintain the same state employment rights and status that they currently enjoy. In addition, specify that none of the transferred employees who have attained permanent status in class are required to serve a probationary period. Funding would be budgeted to the central services appropriation, which has a base budget of \$279,800 PR, and is intended for administrative and supportive services for programs administered by the Director of State Courts. The PR is provided from interagency charges to certain other court appropriations, including certain GPR appropriations. [See "Justice -- Law Enforcement Services" and "Circuit Courts" for additional information on the position and program transfer.]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. SUPPORT FOR NEW CIRCUIT COURT BRANCHES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$64,700	- \$64,700	\$0

Governor: Provide an increase in expenditure authority of \$64,700 in 2026-27 in the continuing court information systems appropriation to support information technology (one-time financing of \$52,500) and computer maintenance supplies and services (\$12,200) for two additional circuit court branches in Brown County. Base funding for the appropriation is \$10,470,700. The appropriation is funded from certain circuit court fees and a portion of the justice information system surcharge, and is intended to fund CCAP and related information technology functions. [See "Circuit Courts."]

Joint Finance/Legislature: Provision not included.

7. CREATING POTENTIAL JUROR LISTS

Governor: Modify statutory provisions pertaining to prospective juror lists to specify that each year, on a date agreed upon with the Director of State Courts Office, each of the following custodians of records related to creating a master list of potential jurors must compile the list maintained by their agency, as allowed by law and any record sharing agreement between the custodian and the Director of State Courts Office: the Elections Commission, Department of Revenue, Department of Workforce Development, and Department of Natural Resources. The Director must establish the format for each list by agreement with the custodian of the list. Each custodian must transmit the list maintained by that custodian without charge to the Courts.

Remove provisions that specify the Director of State Courts may request information or may enter into a record sharing agreement with the custodian of the records (such action would be required under the bill). Specify that the Director of State Courts must use all of the lists, in addition to the list that the Department of Transportation must provide under current law, to create the master list of potential jurors. [See "Transportation -- Motor Vehicles."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. JUDICIAL PRIVACY PROTECTIONS

Governor: Modify statute to expand the definition of "judicial officer" to include Wisconsin's federal district court judges and magistrate judges and U.S. bankruptcy judges for the purposes of the privacy protections created by 2023 Wisconsin Act 235. Under Act 235, judicial officers may request that certain information be protected from public disclosure or removed from public display.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

TOURISM

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$16,660,400	\$76,980,300	\$53,537,700	\$53,537,700	\$53,537,700	\$36,877,300	221.3%
FED	1,570,800	1,666,400	1,666,400	1,666,400	1,666,400	95,600	6.1
PR	18,542,200	608,000	18,542,200	18,542,200	18,542,200	0	0.0
SEG	<u>3,207,000</u>	<u>3,207,000</u>	<u>3,207,000</u>	<u>3,207,000</u>	<u>3,207,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$39,980,400	\$82,461,700	\$76,953,300	\$76,953,300	\$76,953,300	\$36,972,900	92.5%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	33.00	39.00	34.00	34.00	34.00	1.00
FED	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
TOTAL	34.00	40.00	35.00	35.00	35.00	1.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Legislature: Adjust funding annually for standard budget adjustments as shown in the following table.

	Funding	Positions
GPR	\$456,000	- 3.00
FED	<u>95,600</u>	<u>0.00</u>
Total	\$551,600	- 3.00

	<u>GPR</u>	<u>FED</u>	<u>Total</u>
Full Funding of Cont. Pos. Salary/Fringe	\$220,500	\$47,800	\$268,300
Reclassification/Pay Progression	7,800	0	7,800
Full Funding of Lease/Directed Moves	<u>-300</u>	<u>0</u>	<u>-300</u>
Total	\$228,000	\$47,800	\$275,800
Biennial Totals	\$456,000	\$95,600	\$551,600

In addition, reduce authorized GPR positions by 3.00 annually under the removal of

noncontinuing elements standard budget adjustment. The positions are associated with the Office of Outdoor Recreation, and are discussed further under a separate provision.

2. MARKETING FUNDING INCREASES [LFB Paper 735]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Position	Funding	Position	Funding	Position
GPR	\$33,793,700	2.00	-\$2,646,300	- 1.00	\$31,147,400	1.00

Governor: Provide increases of \$28,600,000 in 2025-26 and \$5,193,700 in 2026-27 with 2.0 classified positions in Tourism's biennial GPR marketing appropriation. Tourism has base expenditure authority totaling \$14.3 million in its GPR, tribal gaming PR, and transportation SEG appropriations for marketing activities. This funding supports promotion of the state and its destinations through contract services with advertising agencies, public relations activities, and marketing grants to local entities. Most funding is provided in biennial appropriations, which allows Tourism to utilize funding throughout a fiscal biennium, including carrying unencumbered amounts from the first year of the biennium to the second year of the biennium.

The following table shows Tourism marketing appropriations under the agency base and the bill. Included in the amounts for the 2025-27 biennium are provisions described separately that would: (a) convert most tribal gaming PR to GPR; (b) provide one-time funding in 2025-26 for promoting the development of artistic and creative enterprises in rural areas; (c) provide a 5% increase to supplies and services funding for operations such as travel guide publication and distribution; and (d) transfer funding and administration of contracts for Native American tourism. All funding shown in 2026-27 would continue in the agency base. However, funding provided in the 2025-27 biennium and not expended or encumbered by June 30, 2027, would lapse to the balance of the general fund or transportation fund.

Tourism Marketing Appropriations -- Governor

<u>Fund Source</u>	<u>Base</u>	<u>SB 45/AB 50</u> <u>2025-26</u>	<u>SB 45/AB 50</u> <u>2026-27</u>
GPR	\$3,571,000	\$42,138,200	\$17,731,900
Tribal PR	9,127,100	160,000	160,000
Transportation SEG	<u>1,591,400</u>	<u>1,591,400</u>	<u>1,591,400</u>
Total	\$14,289,500	\$43,889,600	\$19,483,300

Additionally, 2023 Wisconsin Act 19 provided \$20 million in 2023-24 in a continuing appropriation for marketing expenditures; as of the bill's introduction, \$3.0 million remained available to allocate to marketing activities. This funding is available until exhausted.

The Administration indicates additional marketing funding would be intended to support:

(a) higher ongoing costs of advertising, including production costs and costs of administering Tourism's advertising contracts; (b) maintaining the state's travel marketing presence in current major and mid-sized media markets throughout the Midwest; and (c) providing additional support for the Office of Outdoor Recreation and Office of Group Travel within the Department. The Office of Group Travel works to position Wisconsin as a destination for conventions, major sports events, and motorcoach travel by attending trade shows and maintaining contacts with meeting planners, tour operators, and entities that hold rights to sporting events. The Administration intends for the 2.0 positions to be assigned to duties associated with that office. The Office of Outdoor Recreation would have staffing and certain related funding provided under a separate item.

Joint Finance/Legislature: Modify funding to provide \$30,000,000 in 2025-26 in Tourism's general marketing continuing appropriation on a one-time basis. Further, modify the provision to authorize \$1,000,000 in additional base funding for Tourism's general marketing biennial appropriation in 2026-27. Additionally, authorize 1.0 position for the Office of Group Travel, and provide funding of \$62,500 in 2025-26 and \$84,900 in 2026-27 in Tourism's general operations appropriation. In total, the funding is \$1,462,500 higher than the bill in 2025-26 and \$4,108,800 less than the bill in 2026-27 with 1.0 fewer position.

The following table shows Tourism's marketing funding in the 2025-27 biennium, including changes under other provisions. Of the \$59.2 million in marketing funding, \$30 million is available until exhausted and \$29.2 million is available through June 30, 2027.

Tourism Marketing Appropriations -- Act 15

<u>Fund Source</u>	<u>Base</u>	<u>2025-26</u>	<u>2026-27</u>
GPR	\$3,571,000	\$33,387,000	\$4,387,000
Tribal PR	9,127,100	9,127,100	9,127,100
Transportation SEG	<u>1,591,400</u>	<u>1,591,400</u>	<u>1,591,400</u>
Total	\$14,289,500	\$44,105,500	\$15,105,500

3. CONVERT TRIBAL GAMING MARKETING FUNDS TO GENERAL PURPOSE REVENUE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$17,534,200	- \$17,534,200	\$0
PR	<u>- 17,534,200</u>	<u>17,534,200</u>	<u>0</u>
Total	\$0	\$0	\$0

Governor: Convert \$8,767,100 tribal gaming PR marketing funding in each year to GPR. Repeal Tourism's tribal gaming PR marketing appropriation, and repeal requirements that Tourism make expenditures for advertising activities and Joint Effort Marketing grants in equal proportion between its GPR and tribal gaming PR marketing appropriations within each fiscal year. The provision would retain \$160,000 tribal gaming PR each year under Tourism for grants to regional

tourist information centers.

The Administration indicates the provision is part of a reallocation of tribal gaming revenues to other programs intended to benefit tribal communities. [See "Administration -- Tribal Affairs and Division of Gaming."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. ARTS BOARD FUNDING INCREASES [LFB Paper 736]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$6,013,700	- \$5,900,000	\$113,700

Governor: Provide \$2,950,000 each year in additional base funding for Arts Board general operations, and provide \$34,300 in 2025-26 and \$79,400 in 2026-27 in aids for state arts organizations to match potential annual federal grants from the National Endowment for the Arts (NEA). The Arts Board receives annual grants from NEA, which requires at least an equal (dollar-for-dollar) match of state funding. State GPR and tribal gaming PR both for agency operations and for grants to Wisconsin artists and arts organizations counts as eligible match funding. In 2024-25, the Arts Board has match-eligible state funding of \$1,078,000; the awarded state partnership grant from the NEA is \$1,083,000, or \$5,000 more than the budgeted state amount.

The Administration indicates the \$2.95 million additional Arts Board operations funding is intended to be appropriated as aids to arts organizations to increase their programming capacity. (An erratum submitted by the Administration in April of 2025 clarified that intent.) The remaining amounts would provide state funding increases to the Arts Board base budget sufficient to match federal grants, in the event those sources increase by approximately 4% annually over the next biennium.

Joint Finance/Legislature: Retain increases of \$34,300 in 2025-26 and \$79,400 in 2026-27, but delete \$2,950,000 in additional funding for state aid for the arts. The Arts Board has state funding of \$1,126,300 in 2025-26 and \$1,171,400 in 2026-27 that would be eligible to match federal funding from the NEA.

5. OFFICE OF OUTDOOR RECREATION [LFB Paper 737]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding	Position	Funding Positions	
GPR	\$508,000	3.00	- \$508,000	- 1.00	\$0	2.00

Governor: Provide \$254,000 annually, including \$218,000 in salaries and fringe benefits and \$36,000 in supplies and services, with 3.0 permanent classified positions each year for the Office of Outdoor Recreation. The Office of Outdoor Recreation (OOR) is responsible for promoting Wisconsin's outdoor recreational opportunities and connecting businesses in the outdoor recreation industry. 2019 Act 9, 2021 Act 58, and 2023 Act 19 each provided 3.0 two-year project positions and one-time funding in each biennium for OOR operations. Current funding and positions expire on June 30, 2025, and authorized positions are removed under standard budget adjustments. As of February 1, 2025, all 3.0 project positions are filled, and the Administration indicates that incumbents would be anticipated to continue in their positions under the provision.

Joint Finance/Legislature: Modify provision to authorize 2.0 positions for the Office of Outdoor Recreation on a permanent basis. Provide \$184,000 in additional base funding each year for the positions under Tourism's general operations appropriation, and delete \$184,000 each year in marketing funding from Tourism's biennial marketing appropriation.

6. OFFICE OF FILM AND CREATIVE INDUSTRIES

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$453,300	3.00	-\$293,100	- 2.00	\$160,200	1.00

Governor: Provide \$199,300 in 2025-26 and \$254,000 in 2026-27 with 3.0 classified positions to create the Office of Film and Creative Industries (OFCI). The Administration indicates OFCI would be primarily responsible for accreditation of film productions and expenditures under the film production services tax credit and the film production company investment tax credit, both of which the bill would establish. The fiscal effect of establishing OFCI is shown in this entry, and the effects of the tax credit are discussed under "General Fund Taxes -- Refundable Tax Credits and Other Payments."

Film Production Services Credit. The film production services credit would provide: (a) a nonrefundable 25% credit of salary or wages paid to employees of an accredited production for services rendered in the state and paid to state residents; (b) a refundable 25% credit of the production expenditures paid in the state and directly related to the production; and (c) a nonrefundable credit for sales and use taxes paid on tangible personal property and taxable services directly related to the production. Credit-eligible salary or wages would be those directly incurred for the production and occurring for services rendered after December 31, 2025. Credits would be limited to an amount equal to the first \$250,000 in salary and wages paid to each of the claimant's employees, excluding the salary and wages for the two highest-paid employees, if the production had budgeted expenditures of at least \$1,000,000.

To receive accreditation, a production must be a film, video, broadcast advertisement, or television production with salary and wages of at least \$100,000 for a 30-minute production or longer and \$50,000 for shorter productions. A claimant must own the copyright to a production, or be under contract with the copyright owner, and have a viable plan for the production's

distribution. Salaries and wages meeting the threshold would be those paid in the 12 months following the start of principal filming or taping. Any production awarded credits would be required to display an acknowledgement of the credit using a logotype designed by OFCI. Ineligible productions would include news programs, talk shows, sporting events, galas, awards shows, a production with respect to a questionnaire or contest, fund-soliciting productions, sexually explicit depictions, or productions made for institutional, corporate or industrial purposes.

Film Production Company Investment Credit. The film production company investment credit would provide a 25% nonrefundable tax credit for the purchase price of depreciable, tangible personal property, or for the amount expended on acquisition, construction, rehabilitation, remodeling, or repair of real property. Credits would be up to the amount of taxes paid in the first three years the company operates in the state as a film production company. Expenses would be those incurred after December 31, 2025, or real property or projects placed in service after that date. Personal property must have at least 95% of its use attributable to the activities of the production company.

Tourism Responsibilities. To issue an accreditation, an applicant would apply to OFCI for each taxable year that accreditation is desired for a credit claim. OFCI would be responsible for determining the amount of production expenditures, as defined under the bill, and incurred in Wisconsin. [See "General Fund Taxes -- Refundable Tax Credits and Other Payments" for additional detail.] OFCI would be authorized to allocate up to \$10 million in credits each fiscal year, but no more than \$1 million to any single claimant. OFCI would also be required to inform the Department of Revenue (DOR) of any accredited productions, the amount of production expenditures determined, and the amount of credits allocated for the taxable year to which a claim relates.

OFCI would be required to have received from the claimant a written confirmation that the production has retained a certified public accountant located in Wisconsin to conduct periodic audits to ensure compliance with the credit. Beginning April 30, 2027, and annually thereafter, OFCI would be required to report to the Legislature the number of credit applications submitted in the preceding year and credits allocated. The report would also be required to include recommendations and suggestions on improving the efficiency of the program. Additionally, the bill would require the Legislative Audit Bureau to prepare a performance evaluation of the OFCI program to accredit productions.

The bill would require Tourism to promulgate rules to implement the tax credit allocation program. Additionally, OFCI would be authorized to examine claims and forms submitted to Revenue by claimants, to the extent it is necessary to administer the tax credits.

Joint Finance/Legislature: Include provision with the following modifications:

State Film Office. Specify in Chapter 15 of the statutes the creation of a state film office in the Department of Tourism, with a director appointed by the Tourism Secretary. Modify office staffing to include \$68,700 in 2025-26 and \$91,500 in 2026-27 for 1.0 director of the office, rather than 3.0 positions.

Amend credit provisions to specify that various determinations to be made by Tourism are

to be made by the state film office. Specify that the state film office's responsibilities include certification of expenses, in addition to other accreditations. Require the state film office to notify DOR of any credit allocations within 30 days of such a decision, and remove the state film's office authority to examine claims and forms submitted to DOR by claimants.

Film Tax Credits. Provide for the following changes in the film production services and film production company investment credits:

- (a) Reduce the annual maximum allocation of credits from \$10,000,000 to \$5,000,000;
- (b) For each credit, increase the credit percentage for employee salaries, other production expenditures, and production investment expenses from 25% to 30%;
- (c) Prohibit the payment of interest on overpayment for credits certified as refunds;
- (d) Limit the film production services nonrefundable credits so that no claims could be made to the extent salary, wages, or taxes paid are claimed under the refundable credit. Limit the film production company investment credit so that no credit would be allowed for any expenditures used to claim a film production services tax credit.
- (e) Specify that an accredited production includes: (1) scripted, unscripted, reality, or competition productions; and (2) productions with respect to questionnaires or contests.

[For additional information, see "General Fund Taxes -- Refundable Tax Credits and Other Payments."]

[Act 15 Sections: 4, 5, 93, 141, 215, 233 thru 237, and 241 thru 254]

7. RURAL CREATIVE ECONOMY INITIATIVE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$1,000,000	\$0

Governor: Provide \$1,000,000 in 2025-26 under Tourism's general marketing biennial appropriation on a one-time basis for the development of a rural creative economy grant program. The bill does not contain any statutory language that would direct the implementation and operation of the program. The Administration indicates the program is intended to be structured as under previous legislation for a rural creative economy initiative, most recently in 2023 Assembly Bill 449/Senate Bill 448.

As introduced, 2023 AB 449/SB 448 would have authorized the Arts Board to award grants of up to \$50,000 to businesses or organizations that promote or assist goods or services with artistic, cultural, creative, or aesthetic value. Awardees would be in rural areas, which would include: (a) cities, villages, or towns with population less than 20,000; (b) counties with population

less than 25,000; or (c) areas designated by the U.S. Census Bureau as not urbanized. Eligible projects would include: (a) job and business creation and capacity building; (b) workforce training and development; (c) fostering community and sector planning, development, and engagement; and (d) encouraging the growth of products or services with artistic, cultural, creative, or aesthetic qualities.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. NATIVE AMERICAN TOURISM OF WISCONSIN CONTRACT TRANSFER

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	- \$400,000	\$400,000	\$0

Governor: Transfer of the management of Tourism's marketing contract with Native American Tourism of Wisconsin (NATOW) to the Department of Administration (DOA). Further, transfer \$200,000 tribal gaming PR each year for the NATOW contract from Tourism's marketing appropriation to the DOA appropriation for American Indian economic development. Currently, Tourism administers \$200,000 each year under contract with NATOW, a part of the Great Lakes Inter-Tribal Council (GLITC), for marketing tribal destinations and producing promotional materials. The transfer is intended to combine the marketing funding for NATOW programs with existing tribal PR-funded grants to GLITC that are administered by DOA. [See "Administration -- Tribal Affairs and Division of Gaming."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. AGENCY SUPPLIES AND SERVICES FUNDING INCREASE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$400,200	- \$400,200	\$0

Governor: Provide \$200,100 each year in additional funding for Tourism's GPR biennial marketing appropriation. According to the Administration, the amounts represent a 5% increase to supplies and services funding for certain state operations appropriations. The Administration indicates the provision would primarily support costs of printing and distributing travel guides, including through the mail, as well as other administrative costs of Tourism's marketing functions.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. TRIBAL LIAISON POSITION

	Governor		Jt. Finance/Leg.		Net Change	
	<u>(Chg. to Base)</u>		<u>(Chg. to Gov)</u>		<u>Funding Positions</u>	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$160,800	1.00	-\$160,800	- 1.00	\$0	0.00

Governor: Provide \$70,600 in 2025-26 and \$90,200 in 2026-27 and 1.0 position annually to create an agency tribal liaison position. The agency tribal liaison would be responsible for working with Native American tribes and bands on behalf of the agency, as well as coordinating with the Director of Native American Affairs in the Department of Administration. [See "Administration -- Tribal Affairs and Division of Gaming."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. TALIESIN PRESERVATION GRANT

GPR	\$5,000,000

Joint Finance/Legislature: Provide a grant of \$5,000,000 to Taliesin Preservation, Inc. for restoration projects at Taliesin, the former home of Frank Lloyd Wright in Iowa County near Spring Green, in a new continuing appropriation. Funding would support private fundraising for an education center, the restoration of visitor amenities, and the stabilization of certain buildings at the site.

[Act 15 Sections: 38 and 9143(1)]

TRANSPORTATION

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$384,998,400	\$570,353,800	\$372,095,900	\$373,970,900	\$373,970,900	- \$11,027,500	- 2.9%
FED	2,253,076,400	2,540,600,900	2,316,232,900	2,316,232,900	2,316,232,900	63,156,500	2.8
PR	23,066,800	58,513,500	44,365,600	44,365,600	44,365,600	21,298,800	92.3
SEG	4,145,363,800	4,689,089,000	5,051,923,600	5,066,923,600	5,058,898,600	913,534,800	22.0
SEG-L	247,413,200	299,482,200	247,508,800	247,508,800	247,508,800	95,600	0.0
SEG-S	84,163,800	384,795,700	279,795,700	279,795,700	279,795,700	195,631,900	232.4
TOTAL	\$7,138,082,400	\$8,542,835,100	\$8,311,922,500	\$8,328,797,500	\$8,320,772,500	\$1,182,690,100	16.6%
BR		\$631,706,500	\$491,706,500	\$491,706,500	\$491,706,500		

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
FED	886.32	842.32	842.32	842.32	842.32	- 44.00
PR	18.00	27.00	18.00	18.00	18.00	0.00
SEG	2,393.61	2,399.61	2,393.61	2,393.61	2,393.61	0.00
SEG-S	5.00	5.00	5.00	5.00	5.00	0.00
TOTAL	3,302.93	3,273.93	3,258.93	3,258.93	3,258.93	- 44.00

Budget Change Items

Transportation Finance

1. FUND CONDITION STATEMENT [LFB Paper 745]

The following table shows the estimated 2025-27 transportation fund condition statement under Act 15.

	<u>2025-26</u>	<u>2026-27</u>
Unappropriated Balance, July 1	\$161,381,600	\$328,864,500
Revenues		
Motor Fuel Tax	\$1,061,244,200	\$1,055,749,400
Registration and Title Fee Revenues		
Registration Revenues	743,690,300	753,319,900
Title Revenues	267,150,400	286,232,300
Miscellaneous Motor Vehicle Fees	32,684,100	32,792,800
Less Revenue Bond Debt Service	-174,576,400	-194,280,600
Petroleum Inspection Fee One-Cent Deposit	38,160,500	37,962,900
Driver's License Fees	40,935,500	41,746,400
Aeronautical Fees and Taxes	7,132,400	7,391,500
Railroad Property Taxes and Transfers	24,846,400	25,039,400
Miscellaneous Departmental Revenues	9,364,100	9,298,300
Investment Earnings	57,454,800	38,409,500
Electric Vehicle Charging Tax	344,200	464,100
Transfers to the Fund		
One-Time General Fund Transfer	580,000,000	0
Transfer of 0.25% of General Fund Taxes	54,901,100	56,517,700
Electric Vehicle Sales Tax Transfer	28,038,500	28,470,600
OCI Transfer	6,000,000	6,000,000
Petroleum Inspection Fund Unencumbered Balance	15,134,400	15,032,900
Petroleum Inspection Fund Ongoing Transfer	<u>6,258,500</u>	<u>6,258,500</u>
Total Revenues	\$2,798,763,000	\$2,206,405,600
Total Available	\$2,960,144,600	\$2,535,270,100
Appropriations and Reserves		
DOT Appropriations	\$2,595,178,300	\$2,461,994,300
Less Estimated Lapses	-3,000,000	-3,000,000
Compensation and Other Reserves	11,591,700	19,640,500
Other Agency Appropriations	<u>27,510,100</u>	<u>28,097,000</u>
Net Appropriations and Reserves	\$2,631,280,100	\$2,506,731,800
Unappropriated Balance, June 30	\$328,864,500	\$28,538,300

The revenues shown in the table reflect reestimates of existing taxes, fees, transfers, and revenue bond debt service, as well as additional estimated revenues from the following provisions of Act 15, which are summarized in later items: (a) the one-time transfer of \$580.0 million in 2025-26 from the general fund to the transportation fund; (b) additional title revenues from increasing vehicle title and title transfer fees by \$50; (c) additional registration revenues from increasing annual registration fees for heavy vehicles; (d) additional miscellaneous motor vehicle fee revenues from provisions to increase driver's license fees, introduce blackout and retro license plates, and increase license plate issuance fees; (e) creating a transfer of \$6 million annually from moneys lapsed from the Office of the Commissioner of Insurance general operations appropriation to fund the driver education grants program; and (f) increasing the railroad personal property tax

transfer from the local government fund by \$2.5 million annually.

Department of Transportation (DOT) appropriations represent the bulk of the appropriations from the transportation fund. However, appropriations are also made for the following purposes, which are shown in the table, in total, as "Other Agency Appropriations": (a) to the Department of Revenue for the administration of the motor fuel tax, the air carrier and railroad property taxes, and the rental vehicle fee; (b) to the conservation fund to reflect estimated motor fuel taxes paid by users of motorboats, snowmobiles, all-terrain vehicles, and utility-terrain vehicles; (c) railroad terminal tax distributions, which are payments made to local governments where railroad terminal property is located; and (d) payment of reissued checks related to DOT.

2. USE OF REVENUES FROM OTHER FUNDS TO SUPPORT TRANSPORTATION PROGRAMS [LFB Paper 746]

The following table compares the estimated amounts transferred and appropriated from other funds to the transportation fund in the 2023-25 biennium, and the 2025-27 biennium under Act 15. The estimated use of other funds in the 2025-27 biennium is \$1,029.2 million, which is \$9.4 million higher than the amount of \$1,019.8 million transferred and appropriated from other funds in 2023-25.

Under current law, the transportation fund receives annual transfers from the general fund and the petroleum inspection fund. The 2023-25 budget also made appropriations from the general fund to: (a) provide ongoing funding for DOT's mass transit operating assistance program; and (b) provide one-time funding to purchase equipment for the state patrol. Further, the 2023-25 budget provided a one-time transfer from the general fund to the transportation fund of \$555.5 million.

Act 15 also includes the following provisions to use other funds for transportation purposes in the 2025-27 biennium, as summarized in separate items: (a) providing a one-time transfer of \$580.0 million from the general fund in 2025-26; (b) appropriating \$6.3 million GPR in 2025-26 to purchase in-vehicle cameras and body cameras for State Patrol; and (c) appropriating \$0.4 million GPR in 2025-26 and \$1.5 million GPR in 2026-27 for Tier C transit systems.

Use of Other Funds for Transportation Purposes -- Biennial Comparison (\$ in Millions)

	<u>2023-25</u>	<u>Act 15 2025-27</u>	<u>Biennial Change</u>	<u>% Change</u>
General Fund				
<i>Transfers</i>				
Transfer of 0.25% of General Fund Taxes	\$99.8	\$111.4	\$11.6	11.6%
One-Time General Fund Transfer	555.5	580.0	24.5	4.4
Electric Vehicle Sales Tax Transfer	<u>94.4</u>	<u>56.5</u>	<u>-37.9</u>	-40.1
Subtotal	\$749.7	\$747.9	-\$1.8	-0.2%

	<u>2023-25</u>	<u>Act 15 2025-27</u>	<u>Biennial Change</u>	<u>% Change</u>
<i>Appropriations</i>				
Mass Transit Operating Assistance	\$228.7	\$232.3	\$3.6	1.6%
State Patrol Equipment	<u>2.3</u>	<u>6.3</u>	<u>4.0</u>	173.9
Subtotal	\$231.0	\$238.6	\$7.6	3.3%
 Total General Fund	 \$980.7	 \$986.5	 \$5.8	 0.6%
Petroleum Inspection Fund				
Annual Transfer Unencumbered Balance	\$26.6*	\$30.2	\$3.6	13.5%
Ongoing Appropriation Transfer	<u>12.5</u>	<u>12.5</u>	<u>0.0</u>	0.0
Subtotal	\$39.1	\$42.7	\$3.6	9.2%
 Total	 \$1,019.8	 \$1,029.2	 \$9.4	 0.9%

*Includes an estimate for the 2024-25 annual unencumbered PIF balance transfer from DOT's May, 2025, revenue forecast.

Note: Excludes the following: (a) debt service costs on general fund-supported bonds issued for transportation purposes; (b) the direct deposit of one cent of the two-cent petroleum inspection fee to the transportation fund; (c) the annual transfer the local government fund to replace transportation fund revenues for railroad property exempted from tax under 2023 Act 12; and (d) the ongoing transfer to the transportation fund of \$6.0 million annually funded from moneys lapsed from the Office of the Commissioner of Insurance general operations appropriation, which is created under Act 15 to fund the driver education grants program, as summarized in a separate item.

3. ONE-TIME TRANSFER FROM GENERAL FUND TO TRANSPORTATION FUND [LFB Paper 746]

	Jt. Finance (Chg. to Base)	Senate/Leg. (Chg. to JFC)	Net Change
GPR Transfer	\$565,000,000	\$15,000,000	\$580,000,000
SEG-REV	565,000,000	15,000,000	580,000,000

Joint Finance: Provide a one-time transfer of \$565,000,000 in 2025-26 from the general fund to the transportation fund.

Senate/Legislature: Increase the transfer by \$15,000,000 to provide a total one-time transfer from the general fund to the transportation fund of \$580,000,000 in 2025-26.

[Act 15 Section: 9244(1)]

4. **CREATE AN ONGOING GENERAL FUND TRANSFER -- ESTIMATED SALES TAX ON AUTOMOTIVE PARTS, ACCESSORIES, REPAIR AND MAINTENANCE SERVICES, AND TIRES [LFB Paper 746]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Transfer	\$129,197,300	- \$129,197,300	\$0
SEG-REV	129,197,300	- 129,197,300	0

Governor: Transfer \$62,031,700 in 2025-26 and \$67,165,600 in 2026-27 from the general fund to the transportation fund associated with estimated annual sales tax revenue from the sale of automotive parts, accessories, repair and maintenance services, and tires in the state. Beginning on June 30, 2025, in each fiscal year require the Secretary of the Department of Administration (DOA) to transfer from the general fund to the transportation fund an amount calculated by DOA approximating the marginal difference between the sales tax generated from the sale of automotive parts, accessories, repair and maintenance services, and tires in fiscal year 2019-20 and the fiscal year of the transfer. The Administration indicated that it intended for this annual transfer to begin on June 30, 2026. A technical amendment would be needed to reflect this intent.

Joint Finance/Legislature: Provision not included.

5. **CREATE A ONE-TIME TRANSFER FROM THE CONSERVATION FUND FORESTRY ACCOUNT**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG-Transfer	\$25,000,000	- \$25,000,000	\$0
SEG-REV	25,000,000	- 25,000,000	0

Governor: Provide a one-time transfer of \$25,000,000 on July 1, 2026, from the forestry account of the conservation fund to the transportation fund (see also "Natural Resources -- Forestry"). The Administration indicates that these revenues would be used to fund a corresponding recommendation to provide \$25,000,000 SEG to the agricultural roads improvement program in 2026-27, as summarized in a separate item (see "Local Transportation Assistance").

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. INCREASE VEHICLE TITLE FEE [LFB Paper 746]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG-REV	\$269,724,000	- \$153,408,400	\$116,315,600

Governor: Increase estimated revenues to the transportation fund by \$116,816,500 in 2025-26 and \$152,907,500 in 2026-27 associated with an increase in motor vehicle title and title transfer fees of \$120, from \$157 to \$277. Under current law, motor vehicles registered in the state must be titled. DOT issues certificates of title and charges a related fee when: (a) a vehicle owner assumes ownership of a new vehicle, or when a new resident to the state applies to register their vehicle with the state (the title fee); and (b) after ownership of a currently titled vehicle is transferred from one person to another (the title transfer fee).

The title and title transfer fees were last increased in October, 2019, when the fees were increased by \$95 to the current rate of \$157. Under current law, a supplemental fee of \$7.50 is also charged for both title and title transfer transactions, for a total amount due of \$164.50. Under the proposed \$120 increase, the total amount due would be \$284.50. The recommended increase to these fees would become effective on the general effective date of the bill, with the estimated increase in revenue reflecting nine months of collections in 2025-26.

Joint Finance/Legislature: Effective October 1, 2025, increase the motor vehicle title and title transfer fees by \$50, from \$157 to \$207. Estimate additional revenues to the transportation fund of \$49,594,800 in 2025-26 and \$66,720,800 in 2026-27. Under the \$50 increase, the total amount due, including the supplemental fee, will be \$214.50 for each title transaction.

[Act 15 Sections: 342, 343, and 9444(4)]

7. INCREASE REGISTRATION FEES FOR VEHICLES WITH GROSS VEHICLE WEIGHT OVER 6,000 POUNDS [LFB Paper 746]

SEG-REV	\$26,317,500

Joint Finance: Increase the annual vehicle registration fees for trucks, busses, trailers, and other heavy vehicles with a gross weight over 6,000 pounds by 10% for each fee enumerated in statute, effective October 1, 2025. Estimate additional revenues to the transportation fund of \$11,051,600 in 2025-26 and \$15,265,900 in 2026-27.

Senate/Legislature: Specify that each applicable registration fee is increased by 10% rather than individually increasing each fee enumerated in statute. The table below shows the impact on registration fees for heavy vehicles under current law and Act 15.

<u>Vehicle Class</u>	<u>Max. Gross Vehicle Weight (lbs.)</u>	<u>Annual Registration Fee</u>	
		<u>Current Law</u>	<u>Act 15</u>
C	8,000	\$106	\$117
X	10,000	155	171
D	12,000	209	230
E	16,000	283	312
F	20,000	356	392
G	26,000	475	523
H	32,000	609	670
J	38,000	772	850
K	44,000	921	1,014
L	50,000	1,063	1,170
M	54,000	1,135	1,249
N	56,000	1,209	1,330
P	62,000	1,367	1,504
Q	68,000	1,543	1,698
R	73,000	1,755	1,931
S	76,000	2,081	2,290
T	80,000	2,560	2,816

[Act 15 Sections: 341m and 9444(1)]

**8. INCREASE FEE FOR ISSUANCE OR RENEWAL OF
AUTOMOBILE DRIVER'S LICENSE [LFB Paper 746]**

SEG-REV	\$7,481,200

Governor/Legislature: Increase estimated additional revenues to the transportation fund by \$3,206,200 in 2025-26 and \$4,275,000 in 2026-27 associated with an increase in the fee for issuance or renewal of an automobile driver's license of \$8.50, from \$24 to \$32.50, effective October 1, 2025. Under current law, Wisconsin residents must pay a fee of \$24 when applying for a new automobile driver's license or renewing an existing automobile driver's license. The automobile driver's license fee was last increased by \$6 under the 2015-17 budget, from \$18 to \$24. Other fee amounts are charged for issuance or renewal of other types of driver's licenses, such as motorcycle licenses and commercial driver's licenses.

[Act 15 Sections: 344 and 9444(2)]

**9. RAILROAD PERSONAL PROPERTY TAX TRANSFER
[LFB Paper 747]**

SEG Transfer	\$4,902,400
SEG-REV	4,902,400

Joint Finance/Legislature: Increase the railroad personal property tax transfer from the local government fund to the transportation fund by \$2,451,200 annually. 2023 Act 19 (the 2023-25 budget act) created an annual transfer of \$8,000,000 from the local government fund to the transportation fund to compensate the transportation fund for the estimated reduction in railroad property tax revenues that would occur from the repeal of the state personal property tax on railroad property, as enacted under 2023 Act 12. This would increase the transfer to \$10,451,200 annually to more accurately reflect the annual reduction in railroad property tax revenues since Act 12.

[Act 15 Section: 11]

10. ALLOCATION OF FEDERAL HIGHWAY AID SUMMARY [LFB Papers 766, 770, 771, 772, and 773]

Governor: Estimate federal highway formula aid at \$1,105,918,400 in 2025-26 and \$1,118,168,800 in 2026-27, which represents increases of \$144,545,900 in 2025-26 and \$156,796,300 in 2026-27 relative to the 2024-25 appropriation adjusted base. The increased federal highway formula aid in the 2025-27 biennium is due to passage of the Infrastructure Investment and Jobs Act (IIJA) in November, 2021, which authorized higher baseline funding levels for federal highway formula aid than the prior federal transportation reauthorization act. The actual amount of the state's federal highway aid in 2025-27 will be determined on an annual basis under federal transportation appropriation acts of Congress. The estimate reflects uncertainty regarding the amount of federal transportation aid that will be appropriated by the federal government and available to the state in the biennium.

The following table shows the change to the appropriation base recommended by the Governor and the resulting distribution of federal highway formula aid. The change to base amounts shown for DOT's various programs are reflected in separate items related to those programs.

<u>Appropriation</u>	<u>Base</u>	<u>Change to Base*</u>		<u>Governor</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
State Highway Rehabilitation	\$542,122,500	\$0	\$0	\$542,122,500	\$542,122,500
Major Highway Development	192,149,400	38,845,100	47,477,400	230,994,500	239,626,800
Local Transportation Facility Improvement Assistance	72,651,200	82,025,100	85,116,600	154,676,300	157,767,800
Local Bridge Improvement	59,685,600	0	0	59,685,600	59,685,600
Southeast Freeway Megaprojects	49,460,700	0	0	49,460,700	49,460,700
Congestion Mitigation/Air Quality Improvement	10,719,000	4,962,300	5,061,500	15,681,300	15,780,500
Departmental Mgmt. and Ops.	10,272,900	2,322,500	2,261,900	12,595,400	12,534,800
Highway System Mgmt. and Ops.	8,907,300	474,400	466,400	9,381,700	9,373,700
Transportation Alternatives	7,049,300	12,047,500	12,429,400	19,096,800	19,478,700
Administration and Planning	5,062,800	807,400	794,400	5,870,200	5,857,200
Railroad Crossing Improvements	<u>3,291,800</u>	<u>3,061,600</u>	<u>3,188,700</u>	<u>6,353,400</u>	<u>6,480,500</u>
Total	\$961,372,500	\$144,545,900	\$156,796,300	\$1,105,918,400	\$1,118,168,800

*Amounts shown include base funding, adjustments to the base, and standard budget adjustments.

Joint Finance/Legislature: Modify the Governor's recommendations for the allocation of federal highway formula aid as follows: (a) delete the recommended federal funding adjustments for the local transportation facility improvement assistance, congestion mitigation and air quality improvement, transportation alternatives, departmental management and operations, and railroad crossing improvement appropriations; (b) decrease the Department's highway system management and operations FED appropriation by \$6.2 million annually associated with funding for pavement marking activities (total change to base would equal -\$5.8 million annually); and (c) increase the turnover reduction standard budget adjustment from 3% to 5% for all appropriations subject to a 3% turnover rate. These changes are discussed in separate items.

As a result of these changes, estimate the amounts of federal highway formula aid received by the state in the 2025-27 biennium to be \$996.0 million in 2025-26, and \$1,004.4 million in 2026-27. These amounts are greater than the 2024-25 appropriation adjusted base by \$34.6 million in 2025-26 and \$43.1 million in 2026-27. The following table shows the change to the Governor's recommendations under Act 15 and the resulting distribution of federal highway formula aid.

<u>Appropriation</u>	<u>Base</u>	<u>Change to Base*</u>		<u>Joint Finance/Act 15</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>2025-26</u>	<u>2026-27</u>
State Highway Rehabilitation	\$542,122,500	\$0	\$0	\$542,122,500	\$542,122,500
Major Highway Development	192,149,400	38,845,100	47,477,400	230,994,500	239,626,800
Local Transportation Facility Improvement Assistance	72,651,200	0	0	76,651,200	76,651,200
Local Bridge Improvement	59,685,600	0	0	59,685,600	59,685,600
Southeast Freeway Megaprojects	49,460,700	0	0	49,460,700	49,460,700
Congestion Mitigation/Air Quality Improvement	10,719,000	0	0	10,719,000	10,719,000
Departmental Mgmt. and Ops.	10,272,900	878,900	717,200	11,151,800	10,990,100
Highway System Mgmt. and Ops.	8,907,300	-5,786,900	-5,794,900	3,120,400	3,112,400
Transportation Alternatives	7,049,300	0	0	7,049,300	7,049,300
Administration and Planning	5,062,800	668,700	655,700	5,731,500	5,718,500
Railroad Crossing Improvements	<u>3,291,800</u>	<u>0</u>	<u>0</u>	<u>3,291,800</u>	<u>3,291,800</u>
Total	\$961,372,500	\$34,605,800	\$43,055,400	\$995,978,300	\$1,004,427,900

*Amounts shown include base funding, adjustments to the base, and standard budget adjustments.

11. TRANSPORTATION-RELATED BOND SUMMARY

The following table compares the biennial usage of bonds for transportation projects in the 2023-25 biennium, and in the 2025-27 biennium under both the Governor's recommendations and Act 15, by type of bond and program. These projects may be initially financed through a temporary use of cash balances from the respective funds. Eventually, bonds are sold to replenish those balances and this becomes the ultimate financing source for these projects. The amounts shown in the table for transportation revenue bonds (TRBs) reflect both the amount of new bonding authorized and the SEG-S appropriations for expenditure of those bond proceeds for each of the programs shown.

	<u>2023-25</u>	<u>Governor 2025-27</u>	<u>Jt. Finance/Act 15 2025-27</u>
Transportation Fund-Supported Bonds			
<i>Transportation Fund-Supported, General Obligation Bonds</i>			
Southeast Wisconsin Freeway Megaprojects	\$0	\$185,171,300	\$0
State Highway Design-Build Projects	0	92,500,000	92,500,000
Harbor Assistance Program	0	30,000,000	0
Freight Rail Preservation Program	0	5,000,000	0
Major Interstate Bridge Program	<u>352,800,000</u>	<u>0</u>	<u>0</u>
Subtotal	\$352,800,000	\$312,671,300	\$92,500,000
<i>Transportation Revenue Bonds</i>			
Major Highway Development	\$0	\$244,535,200	\$204,535,200
State Highway Rehabilitation	0	65,000,000	0
Administrative Facilities	<u>0*</u>	<u>9,500,000</u>	<u>9,500,000</u>
Subtotal	\$0	\$319,035,200	\$214,035,200
Total Transportation Fund-Supported Bonds	\$352,800,000	\$631,706,500	\$306,535,200
General Fund-Supported Bonds			
<i>General Fund-Supported, General Obligation Bonds</i>			
Southeast Wisconsin Freeway Megaprojects	<u>\$0</u>	<u>\$0</u>	<u>\$185,171,300</u>
Total	\$352,800,000	\$631,706,500	\$491,706,500

*The 2023-25 budget allocated \$18.5 million in existing transportation revenue bond proceeds and SEG-S funding for DOT administrative facilities, but did not authorize any new bonds for this purpose.

12. TRANSPORTATION REVENUE BOND AUTHORIZATION [LFB Papers 771 and 790]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR-TRB	\$319,034,900	- \$104,999,700	\$214,035,200

Governor: Provide transportation revenue bond authority of \$319,034,900, reflecting the planned use of revenue bonds in the 2025-27 biennium. In addition, expand the use of TRBs to allow DOT to issue these bonds for the state highway rehabilitation program. Create a continuing, sum sufficient appropriation to provide DOT the authority to receive and expend TRB proceeds for state highway rehabilitation projects, and permit DOT to provide SEG funds as initial, temporary funding for state highway rehabilitation projects to be financed with TRB proceeds.

The Governor's recommendation would appropriate \$319,035,200 in SEG-S authority, reflecting the following usage of the recommended TRBs, as shown in separate items: (a) \$244,535,200 for the major highway development program; (b) \$65,000,000 for the state highway rehabilitation program; and (c) \$9,500,000 for capital building projects on DOT administrative facilities. [A technical amendment would be needed to provide an additional \$300 in TRB authority to match the amount of bond proceeds to be expended from the SEG-S appropriation increases recommended under the Governor's bill].

Joint Finance/Legislature: Modify the Governor's recommendation as follows: (a) reduce recommended bonding by \$20,000,000 annually for the major highway development program; and (b) delete the \$65,000,000 the recommended bonding and associated provisions for the state highway rehabilitation program. In addition, adopt the \$9,500,000 in recommended bonding for capital building projects on DOT administrative facilities. As a result of these changes, Act 15 authorizes \$204,535,200 in additional revenue bonds for the major highway development program, and \$9,500,000 in additional revenue bonds for DOT administrative facilities.

[Act 15 Section: 275]

13. TRANSPORTATION REVENUE BOND DEBT SERVICE REESTIMATE [LFB Papers 771 and 790]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG-REV	\$11,083,400	- \$6,074,000	\$5,009,400

Governor: Increase estimated transportation fund revenue by \$11,833,500 in 2025-26, and decrease estimated transportation fund revenue by \$750,100 in 2026-27 to reflect changes in the amount of vehicle registration and other pledged revenue needed to pay debt service costs on transportation revenue bonds. Because TRB debt service is first drawn from registration and title fee revenues each year, a decrease in TRB debt service results in additional revenue to the transportation fund. Total transportation revenue bond debt service in 2024-25 is estimated to be \$186,933,200, an amount that would decrease to an estimated \$175,099,700 in 2025-26, and increase to an estimated \$187,683,300 in 2026-27.

The estimated decreases in debt service primarily reflect those amounts needed to pay principal and interest on outstanding TRB debt, although the estimate for 2026-27 also includes \$59,400 in additional debt service associated with the projected issuance of the revenue bonds recommended in the biennium for DOT administrative facilities. The estimates do not include any debt service costs associated with the revenue bonds that would be authorized under the bill for the major highway development and state highway rehabilitation programs. Once fully-issued, estimated debt service costs associated with these bonds would be \$19,622,200 annually for the major highway development program, and \$5,215,800 annually for the state highway rehabilitation program.

Joint Finance/Legislature: Increase estimated transportation fund revenue by \$523,300 in 2025-26 and decrease estimated transportation fund revenue by \$6,597,300 in 2026-27 compared to the Governor's bill to reflect a reestimate of the amount of vehicle registration and other pledged revenue needed to pay debt service costs on transportation revenue bonds. These amounts include a revenue reduction of \$7,175,400 in 2026-27 associated with partial issuance of the \$204.5 million in revenue bonds that would be authorized under the bill for the major highway development program. Total transportation revenue bond debt service in 2024-25 is estimated to be \$185,623,200, and would decrease to \$174,576,400 in 2025-26 and increase to \$194,280,600 in 2026-27 under this reestimate.

14. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS AND HIGH-COST BRIDGE PROJECTS [LFB Papers 106, 770, and 771]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$3,493,300	\$1,551,900	\$5,045,200

Governor: Increase funding by \$11,906,300 in 2025-26 and decrease funding by \$8,413,000 in 2026-27 to fund the estimated debt service associated with transportation fund-supported, general obligation bonds authorized for southeast Wisconsin freeway reconstruction, high-cost bridge, and design-build projects. Base funding for this appropriation of \$90,177,500 would increase to \$102,083,800 in 2025-26 and decrease to \$81,764,500 in 2026-27 under this reestimate.

This debt service reestimate would be associated with the following: (a) an increase of \$11,906,300 in 2025-26 and a decrease of \$8,760,200 in debt service due on existing bonds; (b) an increase in debt service of \$231,500 in 2026-27 for bonds recommended in the bill for the southeast Wisconsin freeway megaprojects program; and (c) an increase in debt service of \$115,700 in 2026-27 for bonds recommended in the bill for design-build projects.

Joint Finance/Legislature: Increase funding by an additional \$623,000 in 2025-26 and \$928,900 in 2026-27 to fund reestimated debt service associated with transportation fund-supported, general obligation bonds for southeast Wisconsin freeway reconstruction, high-cost bridge, and design-build projects. This reestimate includes the following: (a) increases of \$623,000 in 2025-26 and \$1,276,100 in 2026-27 associated with reestimated debt service for existing bonds; (b) a decrease of \$231,500 in estimated debt service in 2026-27 associated with the deletion of the recommended bonds under the Governor's bill for the southeast Wisconsin freeway megaprojects program; and (c) a decrease of \$115,700 in estimated debt service in 2026-27 associated with the bonds authorized for design-build projects. Base funding for this appropriation is \$90,177,500, and would increase to \$102,706,800 in 2025-26 and decrease to \$82,693,400 in 2026-27 under this reestimate.

15. EXISTING TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- CONTINGENT HIGHWAY BONDS [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	-\$628,100	\$41,800	-\$586,300

Governor: Decrease funding by \$1,496,900 in 2025-26 and increase funding by \$868,800 in 2026-27 to fund the estimated debt service associated with transportation fund-supported, general obligation bonds issued to date for state highway rehabilitation and major highway

development projects. The Governor's recommendation would not authorize additional general obligation bonds for these programs. Base funding for this appropriation of \$12,283,400 and would decrease to \$10,786,500 in 2025-26 and increase to \$13,152,200 in 2026-27 under this reestimate.

Joint Finance/Legislature: Increase funding by an additional \$25,700 in 2025-26 and \$16,100 in 2026-27 to fund reestimated debt service associated with transportation fund-supported, general obligation bonds issued to date for state highway rehabilitation and major highway development projects. No new general obligation bonds would be authorized under the bill for these programs. Base funding for this appropriation is \$12,283,400, and would decrease to \$10,812,200 in 2025-26 and increase to \$13,168,300 in 2026-27 under this reestimate.

16. TRANSPORTATION FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE -- OTHER PROJECTS [LFB Papers 106, 764, and 765]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$611,200	- \$715,700	- \$104,500

Governor: Decrease funding by \$6,045,600 in 2025-26 and increase funding by \$6,656,800 in 2026-27 to fund the estimated debt service associated with transportation fund-supported, general obligation bonds authorized for state highway rehabilitation, major highway development, freight rail preservation, and harbor improvement projects, and Department facilities. Combined base funding for these appropriations of \$60,679,500 would decrease to \$54,633,900 in 2025-26 and increase to \$67,336,300 in 2026-27 under this reestimate.

This debt service reestimate would be associated with the following: (a) a decrease of \$6,045,600 in 2025-26 and an increase of \$6,293,000 in 2026-27 in debt service due on existing bonds; (b) an increase in debt service of \$311,800 in 2026-27 for bonds recommended in the bill for the harbor assistance program; and (c) an increase in debt service of \$52,000 in 2026-27 for bonds recommended in the bill for the freight rail preservation program.

Joint Finance/Legislature: Decrease funding by an additional \$146,800 in 2025-26 and \$568,900 in 2026-27 to fund reestimated debt service associated with transportation fund-supported, general obligation bonds for state highway rehabilitation, major highway development, freight rail preservation, and harbor improvement projects, and Department facilities. This reestimate includes the following: (a) decreases of \$146,800 in 2025-26 and \$205,100 in 2026-27 associated with reestimated debt service for existing bonds; (b) a decrease of \$311,800 in estimated debt service in 2026-27 associated with the deletion of recommended bonds under the Governor's bill for the harbor assistance program; and (c) a decrease of \$52,000 in estimated debt service in 2026-27 associated with the deletion of recommended bonds under the Governor's bill for the freight rail preservation program. Combined base funding for these appropriations is \$60,679,500, and would decrease to \$54,487,100 in 2025-26 and increase to \$66,767,400 in 2026-27 under this reestimate.

17. EXISTING GENERAL FUND-SUPPORTED, GENERAL OBLIGATION BOND DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	-\$38,295,400	\$19,111,100	-\$19,184,300

Governor: Decrease funding by \$11,024,900 in 2025-26 and \$27,270,500 in 2026-27 to fund the estimated debt service associated with general fund-supported, general obligation bonds authorized for state highway projects. No new general fund-supported, general obligation bonds would be authorized for transportation purposes under the Governor's recommendation. Base funding for these appropriations of \$77,287,800 would decrease to \$66,262,900 in 2025-26 and increase to \$50,017,300 in 2026-27 under this reestimate.

Joint Finance/Legislature: Increase funding by \$4,494,300 in 2025-26 and \$14,616,800 in 2026-27 to fund reestimated debt service associated with general fund-supported, general obligation bonds authorized for state highway projects. This reestimate includes the following: (a) increases of \$4,432,100 in 2025-26 and \$14,640,700 in 2026-27 to fund estimated debt service on bonds that are authorized for the southeast Wisconsin freeway megaprojects program; and (b) an increase of \$62,200 in 2025-26 and a decrease of \$23,900 in 2026-27 associated with reestimated debt service for existing bonds. Base funding for these appropriations is \$77,287,800, and would decrease to \$70,757,200 in 2025-26 and \$64,634,100 in 2026-27 under this reestimate.

18. TRANSPORTATION-RELATED DEBT SERVICE SUMMARY

This item summarizes transportation fund-supported and general fund-supported debt service on transportation-related bonds under current law and Act 15.

Transportation Fund-Supported. Estimated transportation fund-supported debt service on previously authorized bonds and the new bonds authorized under Act 15 total \$342,582,500 in 2025-26 and \$356,909,700 in 2026-27. Reestimates of debt service on transportation fund-supported bonds are shown in separate entries. The following table provides information on estimated transportation fund-supported debt service as a percentage of gross transportation fund revenue in each year of the 2023-25 biennium, as well as each year of the 2025-27 biennium under Act 15.

Transportation Fund-Supported Debt Service as a Percentage of Gross Transportation Revenue (Excluding Federal Aid, Bond Revenue, and Transfers from Other Funds)
(\$ in Millions)

<u>Fiscal Year</u>	<u>Transportation Fund Debt Service</u>	<u>Gross Transportation Fund Revenue*</u>	<u>Debt Service as as % of Revenue</u>
2023-24	\$348.8	\$2,195.2	15.9%
2024-25	342.4	2,255.0	15.2
2025-26	342.6	2,283.0	15.0
2026-27	356.9	2,288.4	15.6

*Gross transportation fund revenue is shown before the payment of debt service on transportation revenue bonds, and does not contain transfers from other funds, but does include the annual transfer from the local government fund that began in 2024-25.

Note: Debt service and revenue amounts shown for 2023-24 are actual. The amounts for 2024-25 reflect: (a) debt service estimates by the Administration in March, 2025, for transportation revenue bonds and April, 2025, for general obligation bonds; and (b) revenues estimated by DOT in May, 2025. Amounts for 2025-26 and 2026-27 are estimated and reflect debt service on both existing bonds and bonds authorized under Act 15 for the major highway development program.

General Fund-Supported. General fund-supported debt service is not included in the above calculation of transportation fund-supported debt service as a percentage of transportation revenue. A reestimate of debt service on existing general fund-supported bonds issued for transportation purposes (\$70.8 million in 2025-26 and \$64.6 million in 2026-27) is shown in a separate item.

Local Transportation Aid

1. GENERAL TRANSPORTATION AIDS [LFB Paper 750]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$43,106,200	\$9,993,000	\$53,099,200

Governor: Provide the following related to the general transportation aids program:

a. *County Aid.* Increase funding by \$2,937,400 in 2025-26 and \$6,935,500 in 2026-27 to fund a 3.0% increase each year to the calendar year general transportation aid distribution for counties, and to fully fund the 2.0% calendar year 2025 increase provided in 2023 Act 19. The calendar year distribution for counties is currently equal to \$132,276,700. Increase the calendar year distribution for counties to \$136,245,000 for 2026, and to \$140,332,400 for 2027 and thereafter.

b. *Municipal Aid.* Increase funding by \$10,296,500 in 2025-26 and \$22,936,800 in 2026-27 to fund a 3.0% increase each year to the calendar year general transportation aid distribution for municipalities, and to fully fund the 2.0% calendar year 2025 increase provided in 2023 Act 19. The calendar year distribution for municipalities is currently equal to \$415,116,200. Increase the calendar year distribution amount for municipalities to \$427,569,700 in 2026, and to \$440,396,800 in 2027 and thereafter. Increase the mileage aid rate by 3.0% each year (from its current level of \$2,734 per mile) to \$2,816 for calendar year 2026 and \$2,901 per mile for calendar year 2027 and thereafter.

Delete the statutory references to prior calendar year funding amounts for counties and municipalities, as well as the prior year mileage aid rate amounts for municipalities.

Joint Finance/Legislature: Include the 3% annual increase for county and municipal general transportation aids. In addition, provide \$3,298,000 in 2025-26 and \$6,695,000 in 2026-27 to the GTA program's municipal appropriation, and increase the mileage aid rate (from its current level of \$2,734 per mile) to \$2,930 for 2026 and \$3,018 for calendar year 2027, and thereafter. Set calendar year distribution amounts for municipalities to \$434,165,700 in 2026, and to \$447,190,700 in 2027, and thereafter.

[Act 15 Sections: 282 thru 284]

2. EXPRESSWAY POLICING AIDS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$16,274,400	\$21,725,600	\$38,000,000

Governor: Provide \$7,688,000 in 2025-26 and \$8,586,400 in 2026-27 for expressway policing aids payments to Milwaukee County. This would increase funding from \$1,023,900 in base funding to \$8,711,900 in 2025-26 and \$9,610,300 in 2026-27. Under current law, Milwaukee County is the only Wisconsin county in which the county sheriff's office, rather than the State Patrol, is responsible for patrolling the expressways. Typically, State Patrol, as law enforcement officers, have specific statutory authority to enforce specific state statutes that apply to state highways and to, wherever possible assist local law enforcement in the regulation of traffic and the prevention of accidents on public highways. However, the statutes specify that the Milwaukee County Sheriff is required to police the County's expressways. The state provides "expressway policing aids" to reimburse Milwaukee County for costs related to this mandate. Since 2009-10, the expressway policing aids appropriation has received \$1,023,900 in base funding.

Joint Finance/Legislature: Provide a total increase of \$18,000,000 in 2025-26 and \$20,000,000 in 2026-27 to the Department's expressway policing aids appropriation. This would increase existing base funding of \$1,023,900 in this appropriation, to \$19,023,900 in 2025-26 and \$21,023,900 in 2026-27.

3. TRANSIT OPERATING ASSISTANCE [LFB Paper 751]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$7,201,900	- \$7,201,900	\$0

Governor: Provide \$1,192,400 in 2025-26 and \$6,009,500 in 2026-27 to increase mass transit operating assistance to each tier of mass transit systems for both calendar year 2026 and calendar year 2027. Specify that the increase in funding would be distributed as follows: (a) \$667,900 in 2025-26 and \$3,366,100 in 2026-27 for Tier A-1 (Milwaukee County); (b) \$175,500 in 2025-26 and \$884,500 in 2026-27 for Tier A-2 (Madison); (c) \$254,800 in 2025-26 and \$1,284,000 in 2026-27 for Tier B transit systems (systems serving a population of 50,000 or more that are not in Tiers A-1 or A-2); and (d) \$94,200 in 2025-26 and \$474,900 in 2026-27 for Tier C transit systems (systems serving areas with population between 2,500 and 50,000). The additional funding provided under the bill would increase mass transit operating aids by 4.0% annually for Tier A-1, Tier A-2, and Tier B transit systems, and by approximately 7.0% annually for Tier C systems. The Administration indicates that the intent is to increase transit operating aids by 4% annually, which would occur for Tier C if the increase in funding provided in the following item (See "Tier C Transit Operating Assistance") is included in the 4% annual increase calculation.

The statutory calendar year distribution amounts would be changed to reflect the annual increase in mass transit operating assistance to each tier of mass transit systems for both calendar year 2026 and calendar year 2027. Delete the statutory references to prior calendar year funding amounts for each tier of transit systems.

Joint Finance/Legislature: Provision not included.

4. TIER C TRANSIT OPERATING ASSISTANCE [LFB Paper 751]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Senate/Leg. (Chg. to JFC)	Net Change
GPR	\$5,031,400	- \$5,031,400	\$1,875,000	\$1,875,000

Governor: Provide \$1,006,300 in 2025-26 and \$4,025,100 in 2026-27 to increase mass transit operating assistance to Tier C transit systems for calendar year 2026, and thereafter. The additional funding would provide Tier C transit systems with \$9,423,700 for calendar year 2026, and thereafter. Under current law, the calendar year distribution amount for Tier C is set at \$5,398,600. Tier C provides funding for smaller bus and shared-ride taxi systems that serve urbanized areas having a population of at least 2,500 and less than 50,000. Delete the statutory references to prior calendar year funding amounts.

The Department states that the additional funding for Tier C systems reflects changes in the definition of urbanized area boundaries resulting from the 2020 decennial census. DOT states that three cities and two counties previously within Tier B (systems that service populations between

50,000 and 200,000), have been reclassified as Tier C systems as a result of the most recent census. In addition, DOT notes that three new transit agencies have been added to the funding distribution for Tier C within the last five years.

Under this provision, Tier B funding levels and Tier B calendar year distribution amounts would remain unchanged, despite five systems migrating from Tier B to Tier C associated with the 2020 census. As a result, the remaining systems in Tier B would have the same funding level available for fewer systems in the tier.

Joint Finance: Provision not included.

Senate/Legislature: Provide a total increase of \$375,000 in 2025-26 and \$1,500,000 in 2026-27 in mass transit operating assistance to Tier C transit systems. The additional funding would provide Tier C transit systems with \$6,898,600 for calendar year 2026, and thereafter. Set the statutory 2026 calendar year distribution amount for Tier C at \$6,898,600, and thereafter. Delete the statutory references to prior calendar year funding amounts for Tier C transit systems.

[Act 15 Section: 277n]

5. TRANSIT OPERATING ASSISTANCE — TIER DEFINITION CHANGES

Governor: Specify that the current statutory definition for Tier A-1 (Milwaukee County) be modified to include an urban mass transit system with operating expenditures of \$100,000,000 or more. Specify that the current statutory definition for Tier A-2 (Madison) be modified to include an urban mass transit system with operating expenses of \$30,000,000 to \$100,000,000. The Department states that these statutory changes would reflect the anticipated increases in annual operating costs for these systems in future years. Under current law, a Tier A-1 system is defined as an urban mass transit system having annual operating expenses of \$80,000,000 or more, and a Tier A-2 system is defined as a system having annual operating expenses in excess of \$20,000,000 but less than \$80,000,000.

Specify that the current statutory definition of Tier B and Tier C be modified to change the population basis from the 2010 federal decennial census to the most recent decennial census. Under current law, Tier B is defined as an urban mass transit system operating within an urbanized area having a population as shown in the 2010 federal decennial census of at least 50,000, and Tier C is defined as an urban mass transit system operating within an area having a population as shown in the 2010 federal decennial census of less than 50,000.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. TRANSIT CAPITAL ASSISTANCE GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$20,000,000	- \$20,000,000	\$0

Governor: Provide \$20,000,000 in 2025-26 to a new, continuing GPR appropriation under DOT for transit capital assistance grants. Require DOT to administer a transit capital assistance grant program and award grants to eligible applicants for the replacement of public transit vehicles. Specify that DOT would be required to establish criteria for awarding grants under the transit capital assistance grant program. Define "eligible applicant" to mean a local public body in an urban area that is served by an urban mass transit system incurring an operating deficit. Specify that "public transit vehicle" would mean any vehicle used for providing transportation service to the general public that is eligible for replacement as an eligible mitigation action established under the Volkswagen settlement transit grant program administered by the Department of Administration.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. PARATRANSIT AIDS [LFB Paper 752]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,512,500	- \$824,900	\$687,600

Governor: Provide \$687,500 in 2025-26 and \$825,000 in 2026-27 for paratransit aid. This would increase funding from \$3,437,600 in base funding to \$4,125,100 in 2025-26 and \$4,262,600 in 2026-27. This funding would provide a 20% increase in paratransit aids in 2025-26, with an additional 3.3% increase in 2026-27. The Administration indicates that its intent is to provide a 20% increase in funding in each year for paratransit aids. This would require providing an additional \$687,500 in 2026-27, in addition to the amounts provided under the bill, and would result in total funding of \$4,950,100 in 2026-27.

Under current law, DOT is required to provide paratransit aid to assist eligible urban mass transit operating assistance recipients with the provision of paratransit service required under the Americans with Disabilities Act. In awarding the paratransit grants to eligible urban mass transit systems, the Department must: (a) maximize the level of paratransit service provided by those systems; and (b) give priority to eligible applicants for the maintenance of paratransit service provided on July 1, 2011.

Joint Finance/Legislature: Modify the Governor's recommendation to provide \$343,800 annually for a 10% increase to funding for paratransit aids in the first year of the 2025-27 biennium. This would increase base funding from \$3,437,600 to \$3,781,400 in 2025-26 and thereafter.

8. SENIORS AND INDIVIDUALS WITH DISABILITIES -- COUNTY ASSISTANCE
[LFB Paper 753]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$4,947,200	- \$4,947,200	\$0

Governor: Provide \$1,591,800 in 2025-26 and \$3,355,400 in 2026-27 for county assistance in the provision of seniors and individuals with disabilities specialized transportation services. This would increase funding from \$15,977,800 in base funding to \$17,569,600 in 2025-26 and \$19,333,200 in 2026-27. This would provide a 10% annual increase in the county assistance appropriation.

Joint Finance/Legislature: Provision not included.

9. SENIORS AND INDIVIDUALS WITH DISABILITIES -- SPECIALIZED ASSISTANCE PROGRAM [LFB Paper 753]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$201,400	- \$201,400	\$0

Governor: Provide \$95,900 in 2025-26 and \$105,500 in 2026-27 for the seniors and individuals with disabilities specialized assistance program. This would increase funding from \$1,070,500 in base funding to \$1,166,400 in 2025-26 and \$1,176,000 in 2026-27. State specialized assistance funding supplements federal section 5310 funding (enhanced mobility of seniors and individuals with disabilities program) to aid eligible applicants in Wisconsin's rural and small urban areas with transit capital and operating projects that serve seniors and individuals with disabilities.

Joint Finance/Legislature: Provision not included.

10. TRIBAL ELDERLY TRANSPORTATION GRANT PROGRAM [LFB Paper 753]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$135,100	- \$135,100	\$0

Governor: Increase funding by \$43,600 in 2025-26 and \$91,500 in 2026-27 to the 11 federally-recognized Wisconsin tribes for the provision of transportation service to tribal elders on and off tribal reservations. This would increase funding from \$435,600 in base funding to \$479,200 in 2025-26 and \$527,100 in 2026-27. Funding for the program is transferred from DOA's Indian gaming appropriation, to which gaming revenues are deposited, to DOT's grant appropriation. Any

increase in Indian gaming receipts not otherwise credited to agency appropriation accounts are deposited in the general fund. Therefore, an increase in funding for DOT's tribal elderly transportation grant program will result in a decrease in monies deposited in the state's general fund (see "Department of Administration -- Tribal Affairs and Division of Gaming" for the general fund fiscal effect).

Joint Finance/Legislature: Provision not included.

11. EMPLOYMENT TRANSPORTATION ASSISTANCE [LFB Paper 754]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$532,800	- \$532,800	\$0

Governor: Provide \$166,500 in 2025-26 and \$366,300 in 2026-27 to the Department's transportation employment and mobility continuing appropriation to provide a 20% annual increase in funding. This would increase base level funding for the appropriation from \$832,600 to \$999,100 in 2025-26 and \$1,198,900 in 2026-27. Under current law, DOT may award grants from this appropriation to public and private organizations for the development and implementation of demand management, ridesharing, and job access and employment transportation assistance programs. Currently, the Wisconsin employment transportation assistance program (WETAP) is funded from this appropriation. WETAP is an annual competitive grant program that combines both state and federal funding for transit systems and organizations that assist low-income individuals in getting to work.

Under current law, the Department of Workforce Development (DWD) is appropriated \$464,800 GPR annually for employment transit assistance grants. Although not statutorily required, DWD typically transfers all funding appropriated for the employment transit grants program to DOT to jointly fund WETAP. The additional funding provided to DOT under the bill would increase funding to the WETAP program to \$1,463,900 in 2025-26 and \$1,663,700, if combined with the funding provided to DWD.

Joint Finance/Legislature: Provision not included.

12. LIFT BRIDGE AIDS -- RACINE STREET BRIDGE IN MENASHA

SEG	\$531,800

Joint Finance/Legislature: Provide \$265,900 annually to the existing appropriation for lift bridge aids, which provides aid payments to municipalities to assist with their costs of maintaining and operating lift bridges located on connecting highways. Allow the existing lift bridge aids appropriation to also be used for the City of Menasha lift bridge, rather than just for lift bridges on connecting highways, to assist with the costs of maintaining and operating the City's Racine Street lift bridge.

[Act 15 Sections: 39, 290, and 291]

13. COUNTY FOREST ROAD AID [LFB Paper 755]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$30,700	- \$15,300	\$15,400

Governor: Provide \$10,100 in 2025-26 and \$20,600 in 2026-27 to the appropriation for county forest road aids, which makes payments to counties for the improvement of public roads located in county forests. This would increase program funding by approximately 3.2% annually, from \$320,600 in base funding to \$330,700 in 2025-26 and \$341,200 in 2026-27. Under current law, the rate per mile provided to counties eligible for these aid payments is \$351 per mile. Increase the mileage aid rate by approximately 3% each year (from its current level of \$351 per mile) to \$361 in calendar year 2026, and \$373 in calendar year 2027, and each year thereafter.

Joint Finance/Legislature: Modify the recommendation to provide \$7,700 annually for the county forest road aids program, to increase base level funding for the program from \$320,600 to \$328,300. Convert the funding source for county forest road aids annual appropriation from the transportation fund to the forestry account of the conservation fund. This would provide an increase of \$7,700 annually in addition to base program funding of \$320,600 annually, in order to fully-fund the existing county forest road aid rate of \$351 per mile. Decrease SEG expenditures from the transportation fund by \$320,600 annually.

[Act 15 Section: 40]

Local Transportation Assistance

1. LOCAL ROADS IMPROVEMENT PROGRAM [LFB Paper 760]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$2,175,900	- \$2,175,900	\$0

Governor: Provide the following increases to the local roads improvement program (LRIP): (a) \$579,700 in 2025-26 and \$597,100 in 2026-27 for the formula allocation component of the program; and (b) \$492,200 in 2025-26 and \$506,900 in 2026-27 for the discretionary grants component of the program. LRIP provides grants to reimburse counties, towns, and municipalities (cities and villages) for projects to complete capital improvements on existing local roads. Grants may cover up to 50% of the total cost of a project. The program's adjusted base funding level is \$19,323,400 for the formula allocation component and \$16,405,100 for the discretionary grants component.

The Administration indicates that it intended to provide a 3% increase in the base level of funding for the program in each year of the biennium. To reflect this intent, an amendment would be needed to provide an additional increase of \$579,700 in 2026-27 (\$1,176,800 in total) for the formula allocation component of the program, and an additional increase of \$492,200 in 2026-27 (\$999,100 in total) for the discretionary grants component of the program.

Specify the annual statutory amounts to be allocated to each category of local units of government under the discretionary grants component in the 2025-27 biennium as follows: (a) \$6,015,400 in 2025-26 and \$6,195,900 in 2026-27 for counties; (b) \$6,590,000 in 2025-26 and \$6,787,600 for towns; and (c) \$4,291,900 in 2025-26 and \$4,420,700 in 2026-27 for municipalities.

Joint Finance/Legislature: Provision not included.

2. LOCAL ROADS IMPROVEMENT PROGRAM -- DISCRETIONARY SUPPLEMENTAL GRANTS [LFB Paper 760]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$100,000,000	- \$100,000,000	\$0
SEG	<u>0</u>	<u>100,000,000</u>	<u>100,000,000</u>
Total	\$100,000,000	\$0	\$100,000,000

Governor: Provide one-time funding of \$100,000,000 GPR in 2025-26, and convert the existing SEG appropriation for LRIP supplemental grants (LRIP-S) to a GPR appropriation. LRIP-S is administered in similar fashion as the LRIP program, distributing grants to local units of government for capital improvements on existing roads. However, LRIP-S grants may cover up to 90% of the total cost of a project, compared to a match rate of 50% for the core LRIP program. Specify that LRIP-S funding in 2025-26 be distributed to local units of government in the same proportion as the LRIP discretionary grants component (35.6% to counties, 39.0% to towns, and 25.4% to villages and cities). LRIP-S was provided with \$100 million SEG in each of the past two biennia and \$90 million GPR in the 2019-21 biennium.

Joint Finance/Legislature: Modify the Governor's recommendation to provide \$100,000,000 SEG to the existing LRIP-S SEG appropriation, rather than funding the program with GPR. Specify that LRIP-S funding in 2025-26 be distributed to local units of government in the same proportion as the LRIP discretionary grants component (35.6% to counties, 39.0% to towns, and 25.4% to villages and cities).

[Act 15 Section: 289]

3. LOCAL ROADS IMPROVEMENT PROGRAM -- DEFOREST INTERCHANGE AND ONTARIO RESIDENTIAL ROAD [LFB Paper 761]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$0	\$4,000,000	\$4,000,000

Governor: Specify that, notwithstanding limitations on the amount and use of aids or eligibility requirements under the LRIP-S program, the Department award the following grants from its LRIP-S appropriation in the 2025-27 biennium: (a) \$6,000,000 to the Village of DeForest (Dane County) for improvements to the I-39/CTH V interchange; and (b) \$500,000 to the Village of Ontario (Vernon County) for residential street development. These provisions would reduce the amount of funding available in the LRIP-S program for other local road projects in the 2025-27 biennium.

Joint Finance/Legislature: Provide \$4,000,000 in 2025-26 to LRIP-S, and specify that, notwithstanding limitations on the amount and use of aids or eligibility requirements of the program, DOT award a grant of \$4,000,000 to the Village of DeForest for improvements to the I-39/CTH V interchange. Delete the recommended grant requirement for the Village of Ontario project.

[Act 15 Sections: 46 and 9144(9)]

4. LOCAL ROADS IMPROVEMENT PROGRAM -- WASHBURN COUNTY UNDERPASS

SEG	\$1,900,000

Joint Finance/Legislature: Provide \$1,900,000 in 2025-26 to the LRIP-S program for the purpose of making a one-time grant to Washburn County for construction of an underpass beneath State Highway 53 to connect the Wild Rivers State Trail to services and facilities. Specify that the grant made be notwithstanding limitations on the amount and use of aids or eligibility requirements under the LRIP-S program.

[Act 15 Sections: 46 and 9144(1)]

5. AGRICULTURAL ROADS IMPROVEMENT PROGRAM [LFB Paper 762]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$25,000,000	- \$25,000,000	\$0
SEG	<u>25,000,000</u>	<u>125,000,000</u>	<u>150,000,000</u>
Total	<u>\$50,000,000</u>	<u>\$100,000,000</u>	<u>\$150,000,000</u>

Governor: Provide \$25,000,000 GPR in 2025-26 and \$25,000,000 SEG in 2026-27 for the agricultural roads improvement program (ARIP). The GPR funding would be provided from a newly-created continuing GPR appropriation and the SEG funding would be provided from the

program's existing SEG continuing appropriation. The Administration indicates that the \$25 million SEG recommended for the program in 2026-27 would be funded with a \$25 million transfer to the transportation fund from the forestry account of the conservation fund (see "Transportation Finance"). While the bill specifies that the transfer from the forestry account would be a one-time transfer, the \$25 million SEG provided to the program in 2026-27 would be included in base level program funding for the 2027-29 budget.

ARIP was created under 2023 Act 13 and provided with one-time funding of \$150 million SEG in the 2023-25 biennium, with the limitation that DOT could not award a grant under the program after June, 23, 2026 or reimburse any costs under the program after June 23, 2028. The bill would specify that these limitations would only apply to the moneys appropriated to the program in the 2023-25 fiscal biennium. Further, it would specify that, from the moneys appropriated in the 2025-27 fiscal biennium, the Department may not award ARIP grants after three years after the effective date of the bill, or reimburse any ARIP project costs after five years after the effective date of the bill. Finally, specify that all laws pertaining to the ARIP program would not apply after five years after the effective date of the bill.

ARIP provides grants to reimburse units of local government for up to 90% of the total cost of eligible agricultural road projects. Agricultural roads are defined as highways that are functionally classified as local roads or minor collectors that provide access to agricultural lands or facilities used for the production of agricultural goods, and are used by at least one agricultural producer. To be eligible for program funding, the road must have been subject to a posted weight limitation either for at least one month during the previous year, or due to structural deficiencies.

Joint Finance/Legislature: Modify the Governor's recommendation to provide \$150,000,000 SEG in 2025-26 to ARIP. Retain the limitation dates for grant awards, funding reimbursements, and the applicability of all laws pertaining to the ARIP program included under the Governor's recommendation.

[Act 15 Sections: 285 thru 288]

6. LOCAL BRIDGE AND CULVERT IMPROVEMENT PROGRAM [LFB Paper 762]

Governor: Require the Department, during the 2025-27 fiscal biennium, to designate 10% of the \$150 million in total funding appropriated to the LRIP-S and ARIP programs for grants for improvements to bridges and culverts identified as being in poor or worse condition under the local bridge and culvert assessment program. Require the Department to establish criteria for evaluating the suitability of grant applications. Specify that if the Department does not receive sufficient complete grant applications for local bridge and culvert improvements in the 2025-27 fiscal biennium, any moneys set aside from the LRIP-S and ARIP programs that are not used for this purpose would again be available to those programs.

The local bridge and culvert assessment program was created under the 2023-25 budget and funded with \$12,500,000 SEG. The program will complete one-time assessments of all bridges and culverts in the state that are located on local roadways and are between six and 20 feet in length. Under the program, all eligible structures will be inspected and assigned a rating on a nine-

point scale using the national bridge inspection standards rating system. DOT anticipates that the majority of eligible structures will be inspected in calendar year 2025. Under this recommendation, \$15 million of the \$150 million in total funding recommended for the LRIP-S and ARIP programs would be designated for local bridge and culvert improvement grants.

Joint Finance/Legislature: Modify the Governor's recommendation by designating that 20% of the funding appropriated to the ARIP program (\$30 million of the \$150 million in total funding provided to the program) could be used for grants to local governments for improvements to local bridges and culverts identified as being in poor or worse condition.

[Act 15 Sections: 48, 278, and 279]

7. RAILROAD BRIDGES IN COLUMBIA COUNTY

SEG	\$100,000

Joint Finance/Legislature: Provide \$100,000 in 2025-26 from the local government fund, and create an annual SEG appropriation from the local government fund for Columbia County railroad bridge repairs. Require DOT to make a one-time grant of \$100,000 to Columbia County in 2025-26, and require the County to distribute this funding to the appropriate local governments for repairs to railroad bridges at the following locations: (a) County Highway A in the Town of Courtland; (b) Inglehart Road in the Town of Scott; and (c) Sterk Road in the Town of Scott.

[Act 15 Sections: 42 and 9144(2)]

8. VILLAGE OF WARRENS PROJECT

	Jt. Finance/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
SEG	\$25,000	- \$25,000	\$0

Joint Finance/Legislature: Provide \$25,000 in 2025-26 and create a continuing appropriation from the local government fund for a street project in the Village of Warrens. Require DOT to award a one-time grant of \$25,000 to the Village of Warrens not later than June 30, 2027, for costs incurred by the village for improvements to Zeda Street.

Veto by Governor [C-8]: Delete provision.

[Act 15 Vetoed Sections: 17 (as it relates to s. 20.395(2)(fw)), 49, and 9144(5)]

9. LOCAL TRAFFIC CALMING GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$60,000,000	- \$60,000,000	\$0

Governor: Provide \$60,000,000 in 2025-26 to establish a local traffic calming grants program. Create a continuing appropriation for the program, and require the Department to award grants to counties, cities, villages and towns for infrastructure projects that are eligible for funding under the federal transportation alternatives program (TAP) and are designed to reduce the speed of vehicular traffic. Specify that the Department shall prescribe the form, nature, and extent of information that shall be contained in applications for grants, and shall establish criteria for evaluating applications and awarding grants. Eligible TAP project types include construction and planning of on-road and off-road bicycle, pedestrian, and other non-motorized vehicle facilities, viewing areas such as overlooks and turnouts, and safe routes to schools.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. HARBOR ASSISTANCE PROGRAM [LFB Paper 763]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$0	\$30,000,000	\$30,000,000
BR-SEG	<u>30,000,000</u>	<u>- 30,000,000</u>	<u>0</u>
Total	\$30,000,000	\$0	\$30,000,000

Governor: Authorize \$30,000,000 in transportation fund-supported, general obligation bonds for the harbor assistance program, which provides grants for capital improvements to harbors on the Great Lakes or the Mississippi River system. A separate provision would specify that DOT shall prioritize awarding harbor assistance grants to municipalities containing shipbuilders, with the intention of awarding a grant of \$15,000,000 to the Menominee harbor, as summarized in a separate item. If that project is awarded funding, \$15,000,000 would remain available in the harbor assistance program for competitive harbor grants, which would be \$5,000,000 less than the \$20,000,000 provided for competitive harbor grants in the 2023-25 budget. Base program funding of \$651,000 SEG annually also exists to help fund project costs (\$487,500 annually) and administrative costs (\$163,500).

Joint Finance/Legislature: Modify the Governor's recommendation to provide \$30,000,000 SEG to the harbor assistance program, rather than funding the program with transportation fund-supported, general obligation bonds. A separate provision to award \$15,000,000 of these funds for the Menominee harbor project is shown in a separate item. If that project is awarded funding, \$15,000,000 in funding would remain available in the harbor assistance program for competitive harbor grants.

11. HARBOR ASSISTANCE PROGRAM -- PORT OF GREEN BAY

SEG	\$20,000,000

Joint Finance/Legislature: Provide \$20,000,000 to the harbor assistance program in 2025-26, and specify that DOT shall award a grant to Brown County for port development in the 2025-27 fiscal biennium. Specify that the amount of the grant shall be \$20,000,000 or the total cost of

the project, whichever is less, and require that the grant be made notwithstanding the rules and requirements of the harbor assistance program.

[Act 15 Sections: 44 and 9144(8)]

12. HARBOR ASSISTANCE PROGRAM -- MENOMINEE HARBOR [LFB Paper 763]

Governor: Specify that when making harbor assistance program grant awards in the 2025-27 biennium, DOT shall give priority to municipalities in which a shipbuilder in the state is conducting operations. The Administration indicates that this provision was included with the intent of awarding a grant of \$15,000,000 for a project to dredge the Menominee harbor.

Joint Finance/Legislature: Modify the Governor's recommendation to specify that, in the 2025-27 biennium, DOT shall expend not more than \$15,000,000 from the harbor assistance program for the Menominee harbor dredging project. Further, specify that this provision does not apply unless contributions to the project are also provided by the U.S. Army Corps of Engineers and the State of Michigan.

[Act 15 Sections: 44 and 9144(7)]

13. HARBOR ASSISTANCE PROGRAM -- FUEL PIPELINE IN MILWAUKEE COUNTY [LFB Paper 764]

Joint Finance/Legislature: Require DOT to award a grant of \$10,000,000 to entities for the purpose of assisting in the construction of a fuel pipeline extension from the Mitchell International Airport to the Port of Milwaukee. Specify that this requirement does not apply unless DOT is awarded federal funds for the project, and require that the grant be made notwithstanding the eligibility criteria of the harbor assistance program.

2023 Act 19 (the 2023-25 biennial budget) provided \$10,000,000 SEG to the harbor assistance program, and specified that these funds be used to award a grant in the 2023-25 biennium for a fuel pipeline extension project from the Mitchell Airport to the Port of Milwaukee. The Act also specified that this provision would not apply unless DOT received grant under the federal Port Infrastructure Development Program (PIDP) for the project. However, a PIDP grant has not been provided for the project. This provision would modify the Act 19 language to allow the \$10 million in state funds to be released if any federal funding is provided for the project.

[Act 15 Sections: 358 and 359]

14. HARBOR ASSISTANCE PROGRAM -- USE OF NON-STATE FUNDS FOR PUBLIC FERRY SERVICES [LFB Paper 763]

Joint Finance: Allow DOT to receive and use nonstate funding for assistance to Wisconsin-based publicly-owned ferry systems.

Senate/Legislature: Provision not included.

15. HARBOR ASSISTANCE PROGRAM -- HARBOR CENTRE MARINA IN THE CITY OF SHEBOYGAN [LFB Paper 763]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$3,000,000	- \$3,000,000	\$0

Governor: Provide \$3,000,000 in 2025-26 to the harbor assistance program continuing appropriation for a grant to the City of Sheboygan. Require DOT, notwithstanding eligibility requirements for the harbor assistance program, to award a harbor assistance grant to the City of Sheboygan for the construction of an educational facility at the Harbor Centre Marina. Specify that the amount of the grant shall be \$3,000,000 or the total cost of the project, whichever is less.

Joint Finance/Legislature: Provision not included.

16. FREIGHT RAIL PRESERVATION PROGRAM [LFB Paper 765]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR-SEG	\$5,000,000	- \$5,000,000	\$0

Governor: Authorize \$5,000,000 in transportation fund-supported, general obligation bonds for the freight rail preservation program, which provides grants for the purpose of preserving and improving freight rail service in the state. The amount authorized would be \$8,000,000 less than the \$13,000,000 provided to the program in the 2023-25 biennium. Estimated transportation fund-supported debt service of \$52,000 in 2026-27 associated with partial issuance of the recommended bonds is shown under a separate item (see "Transportation Finance"). Once fully-issued, estimated annual debt service costs associated with these bonds would be \$1,043,200.

Joint Finance/Legislature: Provision not included.

17. FREIGHT RAIL PRESERVATION PROGRAM -- RAIL CROSSING FOR SOUTHERN BRIDGE IN BROWN COUNTY

SEG	\$30,000,000

Joint Finance/Legislature: Provide one-time funding of \$30,000,000 in 2025-26 to the freight rail preservation program, and specify that DOT may expend up to \$30,000,000 in the 2025-27 biennium to commence a project to construct a grade-separated rail crossing at the location where the south bridge connector project crosses the easternmost rail line west of the Fox River in the City of De Pere.

[Act 15 Sections: 43 and 9144(6)]

18. LOCAL TRANSPORTATION FACILITY IMPROVEMENT ASSISTANCE PROGRAM FEDERAL FUNDING ALLOCATION [LFB Paper 766]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$167,141,700	- \$167,141,700	\$0
SEG-L	<u>41,785,500</u>	<u>- 41,785,500</u>	<u>0</u>
Total	\$208,927,200	- \$208,927,200	\$0

Governor: Provide \$82,025,100 FED and \$20,506,300 SEG-L in 2025-26, and \$85,116,600 FED and \$21,279,200 SEG-L in 2026-27 for the Department's local transportation facility improvement assistance appropriations, which are used to award grants of federal funds to local units of government for transportation projects. The federal funding increases are associated with the additional amount of estimated annual federal funding expected from the federal highway formula amounts authorized under the IJA, while the additional SEG-L reflects the federal requirement that grant recipients provide a 20% match on the total cost of an awarded project.

Of this funding, the Department indicates that \$65,168,300 FED and \$16,292,100 SEG-L in 2025-26, and \$67,922,700 FED and \$16,980,700 SEG-L in 2026-27 would be allocated to DOT's surface transportation program, which provides grants to local units of government primarily for projects to rehabilitate local roads. The remaining funding of \$16,856,800 FED and \$4,214,200 SEG-L in 2025-26, and \$17,193,900 FED and \$4,298,500 SEG-L in 2026-27 would be provided from the federal carbon reduction program, which was created under IJA with the goal of reducing carbon dioxide emissions from on-road highway sources. The Department indicates that these funds could be awarded for several eligible activities, including projects to replace street lighting and traffic control devices with energy-efficient alternatives, projects to deploy advanced transportation and congestion management technologies, and public transportation projects.

The recommended funding would increase the adjusted base funding for DOT's local transportation facility improvement assistance appropriations from \$72,651,200 FED to \$154,676,300 FED in 2025-26 and \$157,767,800 FED in 2026-27, and from \$43,898,600 SEG-L to \$64,404,900 SEG-L in 2025-26 and \$65,177,800 SEG-L in 2026-27.

Joint Finance/Legislature: Provision not included.

19. TRANSPORTATION ALTERNATIVES PROGRAM FEDERAL FUNDING ALLOCATION [LFB Paper 766]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$24,476,900	- \$24,476,900	\$0
SEG-L	<u>6,119,300</u>	<u>- 6,119,300</u>	<u>0</u>
Total	\$30,596,200	- \$30,596,200	\$0

Governor: Provide \$12,047,500 FED and \$3,011,900 SEG-L in 2025-26, and \$12,429,400

FED and \$3,107,400 SEG-L in 2026-27 for the DOT transportation alternatives program (TAP). TAP provides grants to local governments for a variety of non-motorized vehicle transportation projects. Eligible activities include construction and planning of on-road and offroad bicycle, pedestrian, and other non-motorized vehicle facilities, viewing areas such as overlooks and turnouts, and safe routes to school projects. The federal funding increase is associated with the additional amount of estimated annual federal funding expected from the federal highway formula aid amounts authorized under the IIJA, while the SEG-L increase reflects the federally-required 20% local match from grant recipients. The recommended funding would increase the adjusted base funding for the program from \$7,049,300 FED to \$19,096,800 FED in 2025-26 and \$19,478,700 FED in 2026-27, and from \$2,012,300 SEG-L to \$5,024,200 SEG-L in 2025-29 and \$5,119,700 SEG-L in 2026-27.

Joint Finance/Legislature: Provision not included.

20. CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM FEDERAL FUNDING ALLOCATION [LFB Paper 766]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$10,023,800	- \$10,023,800	\$0
SEG-L	<u>2,506,000</u>	<u>- 2,506,000</u>	<u>0</u>
Total	\$12,529,800	- \$12,529,800	\$0

Governor: Provide \$4,962,300 FED and \$1,240,600 SEG-L in 2025-26, and \$5,061,500 FED and \$1,265,400 SEG-L in 2026-27 for the DOT congestion mitigation and air quality improvement (CMAQ) program. CMAQ provides grants using federal funds for projects designed to reduce transportation-related air pollution or reduce traffic congestion. Under federal law, CMAQ funds may only be used in counties that are classified as non-attainment or maintenance areas for ozone, carbon monoxide, or particulate matter pollution. In Wisconsin these counties are Door, Kenosha, Kewaunee, Manitowoc, Milwaukee, Ozaukee, Racine, Sheboygan, Walworth, Washington, and Waukesha. The federal funding increase is associated with the additional amount of estimated annual federal funding expected from the federal highway formula aid amounts authorized under the IIJA, while the additional SEG-L reflects the federally-required 20% local match from grant recipients. The recommended funding would increase the adjusted base funding for the program from \$10,719,000 FED to \$15,681,300 FED in 2025-26 and \$15,780,500 FED in 2026-27, and from \$3,124,700 SEG-L to \$4,365,300 SEG-L in 2025-26 and \$4,390,100 SEG-L in 2026-27.

Joint Finance/Legislature: Provision not included.

21. RAILROAD CROSSING IMPROVEMENT PROGRAM FEDERAL FUNDING ALLOCATION [LFB Paper 766]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$6,250,300	- \$6,250,300	\$0
SEG-L	<u>1,562,600</u>	<u>- 1,562,600</u>	<u>0</u>
Total	\$7,812,900	- \$7,812,900	\$0

Governor: Provide \$3,061,600 FED and \$765,400 SEG-L in 2025-26, and \$3,188,700 FED and \$797,200 SEG-L in 2026-27 for the DOT railroad crossing improvement program, which improves the safety of railroad crossings with projects such as the installation of railroad gates and signal lights. The federal funding increase is associated with the additional amount of estimated annual federal funding expected from the federal highway formula aid amounts authorized under the IIJA, while the additional SEG-L reflects additional matching funds from local project sponsors. The recommended funding would increase the adjusted base funding for the program from \$3,291,800 FED to \$6,353,400 FED in 2025-26 and \$6,480,500 FED in 2026- 27. No base level SEG-L funding is currently provided to the program.

Joint Finance/Legislature: Provision not included.

22. PASSENGER RAIL OPERATIONS ASSISTANCE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$15,206,400	- \$15,206,400	\$0

Governor: Provide \$5,125,700 in 2025-26 and \$10,080,700 in 2026-27 to the Department's passenger rail service appropriation. This would increase funding from \$7,318,100 in base funding to \$12,443,800 in 2025-26 and \$17,398,800 in 2026-27. The Administration indicates that the additional funding would be used to support passenger rail operations and ongoing expansion feasibility studies in the state.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

23. AVIATION CAREER EDUCATION PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$124,000	- \$124,000	\$0

Governor: Provide \$62,000 annually to the DOT aviation career education (ACE) program,

which provides training and apprenticeship opportunities associated with aviation careers for economically disadvantaged youth. The ACE program was created under the 1999-01 budget, and has been funded at \$178,800 annually since 2013-14. The recommended funding would increase the program's annual funding level to \$240,800. DOT reports that prior to 2021, ACE interns earned a pay rate of \$8.50 an hour. However, to remain competitive with other employment options, the Department incrementally increased interns' pay rate over three-year period to \$10.75 in 2023. To fund this pay increase, the Department reduced the number of ACE interns from 35 to 25. The Department indicates that the recommended funding would allow the Department to resume enrolling 35 ACE interns each year.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

24. STATE INFRASTRUCTURE BANK PROGRAM

SEG-L	\$95,600

Governor/Legislature: Provide one-time funding authority of \$95,600 in 2025-26 to the state infrastructure bank (SIB) program, which makes loans to assist communities to complete highway and transit capital projects. The SIB program is administered from the transportation infrastructure loan fund, which is distinct from the transportation fund. SIB loans are made by the Department and repaid with interest into the fund. The Department indicates that the additional expenditure authority would release \$95,600 in surplus investment earnings that have accumulated in the transportation infrastructure fund that could be used for the SIB program.

25. LOCAL PROGRAM MODIFICATIONS

Governor: Make a statutory modification to increase the award ceiling for transportation economic assistance (TEA) grants from \$5,000 to \$15,000 per job created or retained. The TEA program provides grants to units of local government for projects to improve road, rail, harbor, and airport facilities when the project is a component of an economic development project that creates or retains jobs in the state. Under current law, the amount of a TEA grant is capped at the lower of the following: (a) 50% of the total estimated cost of the transportation improvement project; or (b) an amount equal to \$5,000 per job created or retained resulting directly from the economic development project. DOT indicates that this grant amount per job threshold was last increased in 1997.

In addition, for the state infrastructure bank program, make a statutory modification to allow that if the Department finds that special circumstances exist, the Department may award to an eligible applicant to the program for a loan or other assistance totaling \$100,000 or more a grant for the purpose of engaging a certified public accountant to make any certifications or attestations required by the Department as a condition of receiving the loan or other assistance.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

26. REPEAL 2017 ACT 368 LOCAL TRANSPORTATION PROJECT PROVISIONS

Governor: Repeal the following 2017 Act 368 local transportation program requirements: (a) the requirement that DOT notify a political subdivision of whether the aid provided to each subdivision includes federal moneys and which project components must be paid for with federal moneys, if any; (b) the requirement that any local project funded in whole or in part with state funds under the surface transportation urban and rural programs, or under the local bridge program, be let through competitive bidding and by contract to the lowest responsible bidder; and (c) the requirement that for any local project meeting both of the following criteria, DOT may not require a local government to comply with any portion of the Department's facilities development manual other than design standards: (1) the project proposal is reviewed and approved by a professional engineer or by the highway commissioner for the county in which the project will be located; and (2) the project is conducted by a political subdivision with no expenditure of federal money. Repeal the definitions of a local bridge, local roads, political subdivision, and a project created under Act 368 associated with the above provisions.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

27. AIRPORT IMPROVEMENT PROGRAM -- LAKELAND AIRPORT

SEG	\$195,500

Joint Finance/Legislature: Provide \$195,500 in 2025-26 to the airport improvement program, and require DOT to award a grant of \$195,500 to Lakeland Airport in the Town of Arbor Vitae in Vilas County for repair and improvement of taxiways and runways, and installation of an approach lighting system. Specify that the grant be made in the 2025-27 fiscal biennium, notwithstanding state requirements on matching funds for the airport improvement program.

[Act 15 Sections: 45 and 9144(4)]

State Highway Program

1. STATE HIGHWAY IMPROVEMENT PROGRAM SUMMARY

The following tables compare funding for state highway improvement programs under 2024-25 adjusted base with each year of the 2025-27 biennium under both the Governor's recommendations and Act 15. Since the state highway improvement programs receive both current revenues (SEG and FED) and bond proceeds, the tables show the 2024-25 SEG and FED appropriation base, plus the amount of bonding that was allocated in 2024-25. As shown in the tables, Act 15 provides the same overall funding level as the Governor's recommendations, including the same amount of FED, but makes a reduction in bonding compared to the Governor,

while providing an equivalent increase in SEG funding.

**State Highway Improvement Program Summary --
Base Funding to 2025-27 Governor's Recommendation Comparison**

Fund Source	2024-25 Base Plus Bonds	Governor ¹		Change to Base Plus Bonds Doubled	
		<u>2025-26</u>	<u>2026-27</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$638,583,400	\$682,327,200 ²	\$870,654,100	\$275,814,500	21.6%
FED	783,732,600	822,577,700	831,210,000	86,322,500	5.5
Bonds	<u>176,400,000</u>	<u>294,758,500</u>	<u>292,448,000</u>	<u>234,406,500</u>	66.4
Total	\$1,598,716,000	\$1,799,663,400	\$1,994,312,100	\$596,543,500	18.7%

**State Highway Improvement Program Summary --
Base Funding to 2025-27 Joint Finance/Act 15 Comparison**

Fund Source	2024-25 Base Plus Bonds	Joint Finance/Act 15 ¹		Change to Base Plus Bonds Doubled	
		<u>2025-26</u>	<u>2026-27</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$638,583,400	\$734,827,200 ²	\$923,154,100	\$380,814,500	29.8%
FED	783,732,600	822,577,700	831,210,000	86,322,500	5.5
Bonds	<u>176,400,000</u>	<u>242,258,500</u>	<u>239,948,000</u>	<u>129,406,500</u>	36.7
Total	\$1,598,716,000	\$1,799,663,400	\$1,994,312,100	\$596,543,500	18.7%

¹ Amounts shown include base funding, adjustments to the base, and standard budget adjustments for the state highway rehabilitation program.

² Amounts shown do not include funding provided to the state highway rehabilitation program in 2025-26 to construct sound barriers in Milwaukee County, as shown in a separate item.

The following tables compare total funding for state highway improvement programs in the 2023-25 biennium with funding in the 2025-27 biennium under both the Governor's recommendations and Act 15. The first pair of tables shows total funding for all state highway improvement programs, while the second table provides a breakdown of funding for each individual program.

**State Highway Improvement Program Summary --
2023-25 to 2025-27 Governor's Recommendation Comparison**

<u>Fund Source</u>	<u>2023-25</u>	<u>Governor 2025-27 ¹</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
SEG	\$1,564,207,700 ²	\$1,552,981,300 ³	-\$11,226,400	-0.7%
FED	1,576,357,100 ⁴	1,653,787,700	77,430,600	4.9
Bonds	<u>352,800,000</u>	<u>587,206,500</u>	<u>234,406,500</u>	66.4
Total	\$3,493,364,800	\$3,793,975,500	\$300,610,700	8.6%

**State Highway Improvement Program Summary --
2023-25 to 2025-27 Joint Finance/Act 15 Comparison**

<u>Fund Source</u>	<u>2023-25</u>	<u>Jt. Finance/Act 15 2025-27 ¹</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
SEG	\$1,564,207,700 ²	\$1,657,981,300 ³	\$93,773,600	6.0%
FED	1,576,357,100 ⁴	1,653,787,700	77,430,600	4.9
Bonds	<u>352,800,000</u>	<u>482,206,500</u>	<u>129,406,500</u>	36.7
Total	\$3,493,364,800	\$3,793,975,500	\$300,610,700	8.6%

¹ Amounts shown include base funding, adjustments to the base, and standard budget adjustments for the state highway rehabilitation program.

² Does not include \$7.0 million SEG provided to the state highway rehabilitation program in 2023-24 to construct sound barriers in Milwaukee County.

³ Does not include funding provided to the state highway rehabilitation program in 2025-26 to construct sound barriers in Milwaukee County, as shown in a separate item.

⁴ Includes \$37.9 million FED appropriated under 2023-24 DOT federal plan. Does not include \$1.05 billion awarded from the federal INFRA grant program in January, 2024 for the Blatnik Bridge project, a joint Minnesota-Wisconsin project, for which Minnesota is the lead agency.

**State Highway Improvement Program Summary --
2023-25 to 2025-27 Governor's Recommendation Comparison**

<u>Fund Source</u>	<u>2023-25</u>	<u>Governor 2025-27 ¹</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
State Highway Rehabilitation				
SEG	\$1,149,611,300 ²	\$1,460,638,700 ³	\$311,027,400	27.1%
FED	1,113,684,400 ⁴	1,084,245,000	-29,439,400	-2.6
Trans. Revenue Bond Proceeds	<u>0</u>	<u>65,000,000</u>	<u>65,000,000</u>	N.A.
Subtotal	\$2,263,295,700	\$2,609,883,700	\$346,588,000	15.3%
Major Highway Development				
SEG	\$210,068,600	\$75,769,400	-\$134,299,200	-63.9%
FED	381,839,700	470,621,300	88,781,600	23.3
Trans. Revenue Bond Proceeds	<u>0</u>	<u>244,535,200</u>	<u>244,535,200</u>	N.A.
Subtotal	\$591,908,300	\$790,925,900	\$199,017,600	33.6%
SE Wis. Freeway Megaprojects				
SEG	\$157,327,800	\$16,573,200	-\$140,754,600	-89.5%
FED	80,833,000	98,921,400	18,088,400	22.4
Gen. Ob. Bonds (SEG)	<u>0</u>	<u>185,171,300</u>	<u>185,171,300</u>	N.A.
Subtotal	\$238,160,800	\$300,665,900	\$62,505,100	26.2%
Design-Build Projects				
Gen. Ob. Bonds (SEG)	0	92,500,000	92,500,000	N.A.
Major Interstate Bridge⁵				
SEG	\$47,200,000	\$0	-\$47,200,000	-100.0%
Gen. Ob. Bonds (SEG)	<u>352,800,000</u>	<u>0</u>	<u>-352,800,000</u>	-100.0
Subtotal	\$400,000,000	\$0	-\$400,000,000	-100.0%
Total	\$3,493,364,800	\$3,793,975,500	\$300,610,700	8.6%

**State Highway Improvement Program Summary --
2023-25 to 2025-27 Joint Finance/Act 15 Comparison**

<u>Fund Source</u>	<u>2023-25</u>	<u>Jt. Finance/Act 15 2025-27 ¹</u>	<u>Biennial Change in Resources</u>	<u>% Change</u>
State Highway Rehabilitation				
SEG	\$1,149,611,300 ²	\$1,525,638,700 ³	\$376,027,400	32.7%
FED	<u>1,113,684,400</u>	<u>1,084,245,000</u>	<u>-29,439,400</u>	-2.6
Subtotal	\$2,263,295,700	\$2,609,883,700	\$346,588,000	15.3%
Major Highway Development				
SEG	\$210,068,600	\$115,769,400	-\$94,299,200	-44.9%
FED	381,839,700	470,621,300	88,781,600	23.3
Trans. Revenue Bond Proceeds	<u>0</u>	<u>204,535,200</u>	<u>244,535,200</u>	N.A.
Subtotal	\$591,908,300	\$790,925,900	\$199,017,600	33.6%
SE Wis. Freeway Megaprojects				
SEG	\$157,327,800	\$16,573,200	-\$140,754,600	-89.5%
FED	80,833,000	98,921,400	18,088,400	22.4
Gen. Ob. Bonds (GPR)	<u>0</u>	<u>185,171,300</u>	<u>185,171,300</u>	N.A.
Subtotal	\$238,160,800	\$300,665,900	\$62,505,100	26.2%
Design-Build Projects				
Gen. Ob. Bonds (SEG)	0	92,500,000	92,500,000	N.A.
Major Interstate Bridge⁵				
SEG	\$47,200,000	\$0	-\$47,200,000	-100.0%
Gen. Ob. Bonds (SEG)	<u>352,800,000</u>	<u>0</u>	<u>-352,800,000</u>	-100.0
Subtotal	\$400,000,000	\$0	-\$400,000,000	-100.0%
Total	\$3,493,364,800	\$3,793,975,500	\$300,610,700	8.6%

¹ Amounts shown include base funding, adjustments to the base, and standard budget adjustments for the state highway rehabilitation program.

² Does not include \$7.0 million SEG provided to the state highway rehabilitation program in 2023-24 to construct sound barriers in Milwaukee County.

³ Does not include funding provided to the state highway rehabilitation program in 2025-26 to construct sound barriers in Milwaukee County, as shown in a separate item.

⁴ Includes \$37.9 million FED appropriated under 2023-24 DOT federal plan.

⁵ Does not include \$1.05 billion awarded from the federal INFRA grant program in January, 2024 for the Blatnik Bridge project, a joint Minnesota-Wisconsin project, for which Minnesota is the lead agency.

2. STATE HIGHWAY REHABILITATION PROGRAM [LFB Paper 770]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	- \$12,449,600	\$1,959,000	- \$10,490,600
SEG	266,474,500	66,509,200	332,983,700
SEG-S	<u>65,000,000</u>	<u>-65,000,000</u>	<u>0</u>
Total	\$319,024,900	\$3,468,200	\$322,493,100

Governor: Make the following changes to state highway rehabilitation program funding: (a) increases of \$39,073,800 SEG in 2025-26 and \$227,400,700 SEG in 2026-27; (b) decreases of \$6,272,900 FED in 2025- 26 and \$6,176,700 FED in 2026-27; and (c) an increase of \$65,000,000 SEG-S in 2025-26. The additional SEG-S reflects the Governor's recommendation to allow transportation revenue bonds (TRBs) to be issued for the state rehabilitation program and authorize \$65 million in TRBs for the program in the 2025-27 biennium, as summarized in a separate item (see "Transportation Finance").

This would increase adjusted base level program funding by \$319,024,900 to provide a total funding level of \$2,609,883,700 in the 2025-27 biennium (including standard budget adjustments of \$4,670,000 SEG annually, \$6,272,900 FED in 2025-26, and \$6,176,700 FED in 2026-27, which are summarized in a separate item). The following tables compare state highway rehabilitation program funding in the 2025-27 biennium under the Governor's recommendation with the program's adjusted base funding level, as well as the program's funding level in the 2023-25 biennium.

State Highway Rehabilitation Program -- Base Funding to 2025-27 Governor's Recommendation Comparison

<u>Fund Source</u>	<u>2024-25 Base Plus Bonds</u>	<u>Governor ¹</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$592,412,100	\$636,155,900 ²	\$824,482,800	\$275,814,500	23.3%
FED	542,122,500	542,122,500	542,122,500	0	0.0
Rev. Bond Proceeds	<u>0</u>	<u>32,500,000</u>	<u>32,500,000</u>	<u>65,000,000</u>	N.A.
Total	\$1,134,534,600	\$1,210,778,400	\$1,399,105,300	\$340,814,500	15.0%

¹ Amounts shown include base funding, adjustments to the base, and standard budget adjustments.

² Does not include \$19.5 million SEG recommended for the state highway rehabilitation program in 2025-26 to construct sound barriers on I-894 in Milwaukee County.

**State Highway Rehabilitation Program --
2023-25 to 2025-27 Governor's Recommendation Comparison**

<u>Fund Source</u>	<u>2023-25 Biennium</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial Total</u>
SEG	\$565,071,100 ¹	\$584,540,200	\$1,149,611,300
FED	<u>577,070,600 ²</u>	<u>536,613,800</u>	<u>1,113,684,400</u>
Total	\$1,142,141,700	\$1,121,154,000	\$2,263,295,700

<u>Fund Source</u>	<u>Governor -- 2025-27 Biennium ³</u>		
	<u>2025-26</u>	<u>2026-27</u>	<u>Biennial Total</u>
SEG	\$636,155,900 ⁴	\$824,482,800	\$1,460,638,700
FED	542,122,500	542,122,500	1,084,245,000
Rev. Bond Proceeds	<u>32,500,000</u>	<u>32,500,000</u>	<u>65,000,000</u>
Total	\$1,210,778,400	\$1,399,105,300	\$2,609,883,700

Biennial Change in Resources	\$346,588,000
% Change in Resources	15.3%

¹ Does not include \$7.0 million SEG provided to the state highway rehabilitation program in 2023-24 to construct sound barriers on I-894.

² Includes \$37.9 million FED appropriated under 2023-24 DOT federal plan.

³ Amounts shown include base funding, adjustments to the base, and standard budget adjustments.

⁴ Does not include \$19.5 million SEG recommended for the state highway rehabilitation program in 2025-26 to construct sound barriers on I-894 in Milwaukee County.

Joint Finance/Legislature: Provide the same level of funding as the Governor's recommendation for the state highway rehabilitation program by making the following modifications: (a) delete the recommendation to authorize \$65,000,000 in TRBs for the state highway rehabilitation program, and instead provide an additional \$65,000,000 SEG to the program; and (b) provide an additional \$754,600 SEG and \$979,800 FED annually to the program to offset the increase in the turnover reduction standard budget adjustment from 3% to 5% that was adopted by the Joint Committee on Finance under budget motion #6.

The following tables compare state highway rehabilitation program funding in the 2025-27 biennium under Act 15 with the program's adjusted base funding level, as well as the program's funding level in the 2023-25 biennium.

**State Highway Rehabilitation Program --
Base Funding to 2025-27 Joint Finance/Act 15 Comparison**

<u>Fund Source</u>	<u>2024-25 Base Plus Bonds</u>	<u>Joint Finance/Act 15 ¹</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$592,412,100	\$668,655,900 ²	\$856,982,800	\$340,814,500	28.8%
FED	<u>542,122,500</u>	<u>542,122,500</u>	<u>542,122,500</u>	<u>0</u>	0.0
Total	\$1,134,534,600	\$1,210,778,400	\$1,399,105,300	\$340,814,500	15.0%

¹ Amounts shown include base funding, adjustments to the base, and standard budget adjustments.

² Does not include \$9.1 million funding provided to the state highway rehabilitation program in 2025-26 to construct sound barriers on I-41 and I-894 in Milwaukee County, as shown in a separate item.

**State Highway Rehabilitation Program --
2023-25 to 2025-27 Joint Finance/Act 15 Comparison**

<u>Fund Source</u>	<u>2023-25 Biennium</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial Total</u>
SEG	\$565,071,100 ¹	\$584,540,200	\$1,149,611,300
FED	<u>577,070,600 ²</u>	<u>536,613,800</u>	<u>1,113,684,400</u>
Total	\$1,142,141,700	\$1,121,154,000	\$2,263,295,700

<u>Fund Source</u>	<u>Joint Finance/Act 15 -- 2025-27 Biennium ³</u>		
	<u>2025-26</u>	<u>2026-27</u>	<u>Biennial Total</u>
SEG	\$668,655,900 ⁴	\$856,982,800	\$1,525,638,700
FED	<u>542,122,500</u>	<u>542,122,500</u>	<u>1,084,245,000</u>
Total	\$1,210,778,400	\$1,399,105,300	\$2,609,883,700

Biennial Change in Resources	\$346,588,000
% Change in Resources	15.3%

¹ Does not include \$7.0 million SEG provided to the state highway rehabilitation program in 2023-24 to construct sound barriers on I-894.

² Includes \$37.9 million FED appropriated under 2023-24 DOT federal plan.

³ Amounts shown include base funding, adjustments to the base, and standard budget adjustments.

⁴ Does not include \$9.1 million in funding provided to the state highway rehabilitation program in 2025-26 to construct sound barriers in I-41 and I-894 in Milwaukee County, as shown in a separate item.

3. STATE HIGHWAY REHABILITATION PROGRAM -- SOUND BARRIERS IN MILWAUKEE COUNTY [LFB Paper 770]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$19,500,000	- \$10,400,000	\$9,100,000

Governor: Provide one-time funding of \$19,500,000 in 2025-26 to the state highway rehabilitation program, and require that DOT allocate this funding in the 2025-27 fiscal biennium for the construction of sound barriers on interstate 894 between 27th Street and 76th Street in Milwaukee County, located in the City of Greenfield. The 2023-25 budget previously provided \$7,000,000 to install sound barriers on interstate 894 between Loomis Road and 76th Street. This provision would provide additional funding for the project and extend the project corridor eastward to 27th Street.

Joint Finance/Legislature: Modify the Governor's recommendation by providing one-time funding of \$9,100,000 SEG in 2025-26 to the state highway rehabilitation program, and require that DOT allocate this funding in the 2025-27 fiscal biennium for the construction of sound barriers along the following interstate corridors in Milwaukee County: (a) interstate 894 between 76th Street and 92nd Street; and (b) interstate 41, from 500 feet north of Beloit Road to West Howard Avenue. This provision would fund sound barriers on a different portion of the interstate compared to the Governor's recommendation.

Veto by Governor [C-12]: Delete the requirement for DOT to construct sound barriers at the specific locations identified on I-894 and I-41. As a result, Act 15 requires DOT to allocate the \$9.1 million for the construction of sound barriers along any section in I-894 or I-41 in Milwaukee County.

[Act 15 Sections: 50 and 9144(3)]

[Act 15 Vetoed Sections: 9144(3)]

4. MAJOR HIGHWAY DEVELOPMENT PROGRAM [LFB Paper 771]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$86,322,500	\$0	\$86,322,500
SEG	0	40,000,000	40,000,000
SEG-S	<u>244,535,200</u>	<u>- 40,000,000</u>	<u>204,535,200</u>
Total	\$330,857,700	\$0	\$330,857,700

Governor: Provide the following increases to the major highway development program: (a) \$38,845,100 FED in 2025-26 and \$47,477,400 FED in 2026-27; and (b) \$123,422,800 SEG-S in 2025-26 and \$121,112,400 SEG-S in 2026-27. The additional SEG-S reflects the Governor's recommendation to authorize \$244,535,200 in transportation revenue bonds for the major highway

development program, as shown in a separate item (see "Transportation Finance").

This would increase base level program funding by \$330,857,700 to provide a total funding level of \$790,925,900 in the 2025-27 biennium. The following tables compare major highway development program funding in the 2025-27 biennium under the Governor's recommendation with the program's adjusted base funding level, as well as the program's funding level in the 2023-25 biennium.

**Major Highway Development Program --
Base Funding to 2025-27 Governor's Recommendation Comparison**

<u>Fund Source</u>	<u>2024-25 Base Plus Bonds</u>	<u>Governor</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$37,884,700	\$37,884,700	\$37,884,700	\$0	0.0%
FED	192,149,400	230,994,500	239,626,800	86,322,500	22.5
Rev. Bond Proceeds	<u>0</u>	<u>123,422,800</u>	<u>121,112,400</u>	<u>244,535,200</u>	N.A.
Total	\$230,034,100	\$392,302,000	\$398,623,900	\$330,857,700	71.9%

**Major Highway Development Program --
2023-25 to 2025-27 Governor's Recommendation Comparison**

<u>Fund Source</u>	<u>2023-25 Biennium</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial Total</u>
SEG	\$172,241,000	\$37,827,600	\$210,068,600
FED	<u>190,027,500</u>	<u>191,812,200</u>	<u>381,839,700</u>
Total	\$362,268,500	\$229,639,800	\$591,908,300

<u>Fund Source</u>	<u>Governor -- 2025-27 Biennium</u>		
	<u>2025-26</u>	<u>2026-27</u>	<u>Biennial Total</u>
SEG	\$37,884,700	\$37,884,700	\$75,769,400
FED	230,994,500	239,626,800	470,621,300
Rev. Bond Proceeds	<u>123,422,800</u>	<u>121,112,400</u>	<u>244,535,200</u>
Total	\$392,302,000	\$398,623,900	\$790,925,900
Biennial Change in Resources			\$199,017,600
% Change in Resources			33.6%

Joint Finance/Legislature: Provide the same level of funding as the Governor's recommendation for the major highway development program by making a reduction of \$20,000,000 SEG-S annually, and instead providing an additional \$20,000,000 SEG annually.

Act 15 also reduces the recommended authorization of transportation revenue bonds for the program by \$40,000,000, from \$244,535,200 to \$204,535,200. Estimated debt service associated with the partial issuance of these bonds in the biennium is \$7,175,400 in 2026-27. The bonding authorization and debt service costs are shown under separate items (see "Transportation Finance"). Once fully-issued, estimated reductions in transportation fund revenue associated with debt service costs from these bonds would be \$16,412,500 annually.

The following tables compare major highway development program funding in the 2025-27 biennium under Act 15 with the program's adjusted base funding level, as well as the program's funding level in the 2023-25 biennium.

**Major Highway Development Program --
Base Funding to 2025-27 Joint Finance/Act 15 Comparison**

<u>Fund Source</u>	<u>2024-25 Base Plus Bonds</u>	<u>Joint Finance/Act 15</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$37,884,700	\$57,884,700	\$57,884,700	\$40,000,000	52.8%
FED	192,149,400	230,994,500	239,626,800	86,322,500	22.5
Rev. Bond Proceeds	<u>0</u>	<u>103,422,800</u>	<u>101,112,400</u>	<u>204,535,200</u>	N.A.
Total	\$230,034,100	\$392,302,000	\$398,623,900	\$330,857,700	71.9%

**Major Highway Development Program --
2023-25 to 2025-27 Joint Finance/Act 15 Comparison**

<u>Fund Source</u>	<u>2023-25 Biennium</u>		
	<u>2023-24</u>	<u>2024-25</u>	<u>Biennial Total</u>
SEG	\$172,241,000	\$37,827,600	\$210,068,600
FED	<u>190,027,500</u>	<u>191,812,200</u>	<u>381,839,700</u>
Total	\$362,268,500	\$229,639,800	\$591,908,300

<u>Fund Source</u>	<u>Joint Finance/Act 15 -- 2025-27 Biennium</u>		
	<u>2025-26</u>	<u>2026-27</u>	<u>Biennial Total</u>
SEG	\$57,884,700	\$57,884,700	\$115,769,400
FED	230,994,500	239,626,800	470,621,300
Rev. Bond Proceeds	<u>103,422,800</u>	<u>101,112,400</u>	<u>204,535,200</u>
Total	\$392,302,000	\$398,623,900	\$790,925,900
Biennial Change in Resources			\$199,017,600
% Change in Resources			33.6%

The following table shows projected major highway development project costs in the 2025-27 biennium, as well the anticipated year that the mainline will open to traffic for each project, as indicated by DOT in its February, 2025, report to the Transportation Projects Commission (TPC). The table also includes the I-39/90/94 project, which was enumerated under Act 15, and the USH 51 (STH 30-I-39/90/94) reconstruction project. These projects were not included in DOT's February, 2025, report because they were recently approved by the TPC its December, 2024, meeting. Including these two projects, the Department projects \$853.8 million in total costs for the major highway development program in the biennium. Act 15 provides \$790.9 million in additional funding to the major highway development program, while DOT also indicates that it has \$62.9 million in carryover program funding available from the 2023-25 biennium. Combined, these funds would be sufficient to fund the anticipated project costs shown in the table.

Anticipated Major Highway Development Projects Under Act 15

<u>Highway</u>	<u>Location</u>	<u>County</u>	<u>Mainline Open</u>	<u>2025-27 Cost (\$ in Millions)*</u>
I-41	STH 96 - Scheuring Rd	Brown & Outagamie	2029	\$584.6
USH 51	I-39/90 - USH 12/18	Dane	2029	123.0
I-39/90	Bridges over Wisconsin River	Columbia	2027	3.4
I-43	Silver Spring Dr - STH 60	Milwaukee & Ozaukee	2025	1.6
STH 15	STH 76 - New London	Outagamie	Open	1.1
I-39/90	USH 12 - Illinois Border	Dane & Rock	Open	0.1
USH 51	STH 30 - I-39/90/94	Dane	**	12.5
I-39/90/94	USH 12 (Madison) - USH 12 (Wis. Dells)	Columbia, Dane, Juneau & Sauk	***	<u>127.5</u>
Total				\$853.8

*Estimated costs in the 2025-27 biennium, inflated to year of expenditure dollars, are taken from DOT's February, 2025 report to the TPC.

**The I-39/90/94 project is enumerated under Act 15, as shown in a separate item. DOT anticipates \$127.5 million in costs for the project in the 2025-27 biennium.

***The USH 51 project was approved by the TPC at its December, 2024 meeting, and did not require enumeration. DOT anticipates \$12.5 million in costs for the project in the 2025-27 biennium.

5. MAJOR HIGHWAY DEVELOPMENT PROGRAM -- ENUMERATION OF THE I-39/90/94 RECONSTRUCTION PROJECT FROM MADISON TO WISCONSIN DELLS [LFB Paper 771]

Governor/Legislature: Enumerate the I-39/90/94 reconstruction project from Madison to Wisconsin Dells as a major highway development project. Define the project to extend approximately 67 miles in Dane, Columbia, Sauk, and Juneau Counties from USH 12/18 in Madison to USH 12/STH 16 in Wisconsin Dells, including I-39 from I-90-94 to Levee Road near the City of Portage, and including all interchanges and work on adjacent roadways necessary for completion of the project.

In addition, create an exemption for the I-39/90/94 reconstruction project from the statutory requirement that DOT may not purchase land, easements, or development rights located more than

one-quarter mile of a highway associated with a state highway project. DOT indicates that this recommendation is primarily related to the environmental mitigation work associated with the project.

The I-39/90/94 reconstruction project will add a general-purpose lane in each direction through a majority of the freeway corridor, reconstruct several interchanges, add collector-distributor and auxiliary lanes in several locations, widen the freeway shoulder to 12 feet, and complete environmental mitigation work. The project's December, 2024, federal record of decision estimated the project's total cost to be \$3.7 billion in current-year 2024 dollars, or \$6.0 billion in inflation-adjusted, year of expenditure dollars.

Major highway development projects must be enumerated in the statutes if they expand capacity in at least one of the following ways: (a) construct a new highway of 2.5 miles or more in length; (b) relocate 2.5 miles or more of existing roadway; (c) add one or more lanes at least five miles in length; or (d) improve 10 miles or more of an existing divided highway to freeway standards. Because the I-39/90/94 project will add lanes along a large portion of the 67-mile corridor, the project was required to be enumerated in statute before construction could begin. DOT anticipates \$127.5 million in costs associated with the project in the 2025-27 biennium (see Major Highway Development Program item).

[Act 15 Sections: 274 and 281]

6. MAJOR HIGHWAY DEVELOPMENT PROGRAM -- I-94 CORRIDOR STUDY IN WAUKESHA COUNTY

	Senate/Leg. (Chg. to Base)	Veto (Chg. to Leg.)	Net Change
SEG	\$8,000,000	- \$8,000,000	\$0

Senate/Legislature: Provide \$8,000,000 in 2025-26 to the major highway development program, and require DOT to, no later than the end of June, 2027, commence the preparation of an environmental impact statement or environmental assessment for a project to improve and expand I-94 in Waukesha County between the intersection of County Highway SS and the Jefferson County border, including all interchanges and work on local roads necessary for the completion of the project. In addition, specify that if the study is completed before the June, 2027, deadline, DOT may commence engineering and design work for the corridor.

Veto by Governor [C-13]: Delete provision.

[Act 15 Vetoed Sections: 17 (as it relates to s. 20.395(3)(bq)) and 9144(10)]

7. SOUTHEAST WISCONSIN FREEWAY MEGAPROJECTS [LFB Paper 772]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
BR-GPR	\$0	\$185,171,300	\$185,171,300
BR-SEG	<u>185,171,300</u>	<u>- 185,171,300</u>	<u>0</u>
Total	\$185,171,300	\$0	\$185,171,300

Governor: Authorize \$185,171,300 in transportation fund-supported, general obligation bonds for the southeast Wisconsin freeway megaprojects program. This would increase base level program funding by \$185,171,300 to provide a total funding level of \$300,665,900 in the 2025-27 biennium, which would be used to fund anticipated costs in the biennium for the I-94 East-West reconstruction project in Milwaukee. The I-94 East-West project was enumerated in statute in the 2021-23 budget, and has received \$82.0 million in the 2021-23 biennium and \$238.2 million in the 2023-25 biennium. The project has a total estimated cost of \$1.74 billion in inflation-adjusted, year of expenditure dollars, and an estimated completion date of 2032.

Joint Finance/Legislature: Provide the same level of funding as the Governor's recommendation for the southeast Wisconsin freeway megaprojects program by authorizing \$185,171,300 in general fund-supported, general obligation bonds, rather than transportation fund-supported, general obligation bonds. Estimated debt service associated with the partial issuance of these bonds in the biennium is \$4,432,100 GPR in 2025-26 and \$14,640,700 GPR in 2026-27, as shown in a separate item (see "Transportation Finance"). Once fully-issued, debt service costs associated with these bonds are estimated to be \$14,858,700 GPR annually.

The following tables compare southeast Wisconsin freeway megaprojects program funding in the 2025-27 biennium under Act 15 with the program's adjusted base funding level, as well as the program's funding level in the 2023-25 biennium.

Southeast Wisconsin Freeway Megaprojects Program -- Base Funding to 2025-27 Joint Finance/Act 15 Comparison

<u>Fund Source</u>	<u>2024-25 Base Plus Bonds</u>	<u>Joint Finance/Act 15*</u>		<u>Change to Base Plus Bonds Doubled</u>	
		<u>2025-26</u>	<u>2026-27</u>	<u>Amount</u>	<u>% Change</u>
SEG	\$8,286,600	\$8,286,600	\$8,286,600	\$0	0.0%
FED	49,460,700	49,460,700	49,460,700	0	0.0
Gen. Ob. Bonds (GPR)	<u>0</u>	<u>92,585,700</u>	<u>92,585,600</u>	<u>185,171,300</u>	N.A.
Total	\$57,747,300	\$150,333,000	\$150,332,900	\$185,171,300	160.3%

**Southeast Wisconsin Freeway Megaprojects Program --
2023-25 to 2025-27 Joint Finance/Act 15 Comparison**

<u>Fund Source</u>	<u>2023-25 Biennium</u>		<u>Biennial Total</u>
	<u>2023-24</u>	<u>2024-25</u>	
SEG	\$149,100,400	\$8,227,400	\$157,327,800
FED	<u>31,573,300</u>	<u>49,259,700</u>	<u>80,833,000</u>
Total	\$180,673,700	\$57,487,100	\$238,160,800

<u>Fund Source</u>	<u>Joint Finance/Act 15 -- 2025-27 Biennium*</u>		<u>Biennial Total</u>
	<u>2025-26</u>	<u>2026-27</u>	
SEG	\$8,286,600	\$8,286,600	\$16,573,200
FED	49,460,700	49,460,700	98,921,400
Gen. Ob. Bonds (GPR)	<u>92,585,700</u>	<u>92,585,600</u>	<u>185,171,300</u>
Total	\$150,333,000	\$150,332,900	\$300,665,900
Biennial Change in Resources			\$62,505,100
% Change in Resources			26.2%

[Act 15 Section: 101]

8. STATE HIGHWAY DESIGN-BUILD PROJECTS [LFB Paper 770] BR-SEG \$92,500,000

Governor/Legislature: Authorize \$92,500,000 in transportation fund-supported, general obligation bonds for projects utilizing the design-build method under the state highway rehabilitation, major highway development, and southeast Wisconsin freeway megaprojects programs. No estimated debt service costs are expected in the 2025-27 biennium from the partial issuance of these bonds in the biennium. Once fully-issued, debt service costs associated with these bonds are estimated to be \$7,422,500 SEG annually.

The 2019-21 budget established a pilot program for design-build projects, defined as a project for which design, engineering, construction, and related services are procured through a single contract, and specified that the Department can provide up to \$250 million to award a maximum of six contracts for design-build projects. Subsequently, the 2021-23 budget provided \$20 million in transportation fund-supported, general obligation bonds for design-build projects. The Department completed its first design-build project in 2023 to reconstruct a culvert on STH 125 in Outagamie County, and is nearing completion of a second design-build project to replace the STH 130 bridge over the Wisconsin River in Richland County.

DOT anticipates that it will use the \$92.5 million in additional bonds to assist in the completion of three new design-build projects: (a) the replacement of two overpasses on

southbound I-94 at the "cranberry interchange" where I-90 and I-94 meet in Monroe County; (b) a pavement and bridge rehabilitation project on USH 51 and STH 29 in Marathon County; and (c) the replacement of the two eastbound and two westbound bridges on I-94 over the Crawfish and Rock Rivers in Jefferson County. The Department indicates that all three of these design-build projects would be completed under the state highway rehabilitation program.

[Act 15 Section: 100]

9. STATE HIGHWAY MAINTENANCE -- HIGHWAY SYSTEM MANAGEMENT AND OPERATIONS [LFB Paper 773]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$0	- \$12,350,000	- \$12,350,000
SEG	<u>35,000,000</u>	<u>- 32,594,200</u>	<u>2,405,800</u>
Total	\$35,000,000	- \$44,944,200	- \$9,944,200

Governor: Provide \$15,000,000 in 2025-26 and \$20,000,000 in 2026-27 to the DOT highway system management and operations appropriation. This component of the Department's state highway system maintenance program funds non-routine traffic operations and system management activities on the state trunk highway system, including pavement parking activities, installation, replacement, or maintenance of highway signs, traffic control signals, and highway lighting. The program also funds the state traffic operations center support, bridge maintenance and operation, and purchasing deicing salt for winter maintenance. The recommended funds would be provided in addition to adjusted base level funding of \$106.7 million SEG and \$9.4 million FED annually. The Administration indicates that the additional funding would be used for pavement marking activities, purchasing deicing salt, and implementing a wrong-way driver mitigation program.

Joint Finance/Legislature: Modify the Governor's recommendation by making the following changes to base funding for DOT's highway system management and operations appropriations: (a) increases of \$127,700 SEG in 2025-26 and \$2,278,100 SEG in 2026-27; and (b) decreases of \$6,175,000 FED annually. Of this funding, increases of \$813,800 SEG in 2025-26 and \$2,964,200 SEG in 2026-27 are provided for purchasing deicing salt, while decreases of \$686,100 SEG and \$6,175,000 FED annually are associated with changes in federal pavement marking requirements.

10. STATE HIGHWAY MAINTENANCE -- ROUTINE MAINTENANCE [LFB Paper 774]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$20,000,000	\$10,000,000	\$30,000,000

Governor: Provide \$6,600,000 in 2025-26 and \$13,400,000 in 2026-27 to the DOT routine maintenance activities appropriation. This component of the Department's state highway maintenance program provides funding for a wide variety of activities related to the upkeep of state highways and highway right-of-way through contracts with counties and private contractors, as well as DOT staff. Specific activities include preventative maintenance of highways and bridges, corrective maintenance to fix urgent problems such as road washouts, and routine maintenance activities such as plowing, salting, mowing, and minor pavement repairs. The recommended funds would be provided in addition to base level funding of \$192.3 million annually. The Administration indicates that the additional funding would be provided to county highway departments for their work to perform maintenance activities on the state highway system.

Joint Finance/Legislature: Provide an additional \$5,000,000 annually to the DOT routine maintenance activities appropriation. This would result in a total increase in funding of \$11,600,000 in 2025-26 and \$18,400,000 in 2026-27 for routine maintenance activities.

11. STATE HIGHWAY MAINTENANCE -- I-94 FREEWAY SIGNS IN RACINE COUNTY

SEG	\$70,000

Joint Finance/Legislature: Provide \$70,000 in 2025-26 to the DOT highway system management and operations appropriation, and require the Department to erect and maintain two directional signs along eastbound and westbound I-94 at the County Highway K interchange in Racine County displaying the words "The Prairie School" and "Wind Point Lighthouse."

Veto by Governor [C-7]: Delete the requirement for DOT to erect and maintain the two signs, but retain the additional \$70,000 SEG in 2025-26 for the DOT highway system management and operations appropriation.

[Act 15 Vetoed Sections: 280]

12. CAR-KILLED DEER PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,538,500	- \$1,538,500	\$0

Governor: Provide \$758,600 in 2025-26 and \$779,900 in 2026-27 to DOT's departmental management and operations appropriation. The Administration indicates that this funding would be used to fund a car-killed deer program, which would reimburse local units of government for contracts to remove deer carcasses from Wisconsin highways.

Prior to the 2017-19 budget, the Department of Natural Resources operated a program to remove and dispose car-killed deer on state highways. The 2017-19 budget act transferred this program to DOT, and specified that DOT shall contract with counties, municipalities, or private entities for the removal and disposal of deer killed by vehicles on state trunk highways. In an

October 28, 2024, report to the Joint Committee on Finance, the Department indicated that it budgeted \$787,700 for its car-killed animal program from its routine maintenance activities appropriation in 2024-25. This provision would provide additional funding to DOT's departmental management and operations appropriation for this purpose, which could free up funding in DOT's routine maintenance activities appropriation for other purposes. DOT's routine maintenance appropriation primarily provides funding to counties and private contractors to complete a variety of maintenance activities on the state trunk highway system.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. REPEAL 2017 ACT 368 FEDERAL FUNDING LIMITATIONS ON STATE HIGHWAY PROJECTS

Governor: Repeal the provisions of 2017 Act 368 that require that for certain state highway projects on which the Department expends federal moneys, it must expend federal moneys on not less than 70% of the aggregate project components eligible for federal funding each fiscal year. Under current law, this requirement applies to the following project types: (a) southeast Wisconsin freeway megaprojects; (b) major highway development projects; and (c) state highway rehabilitation projects with a total cost of less than \$10 million. Repeal related provisions that allow DOT to submit a passive review request for waiver of these requirements.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. COST THRESHOLD FOR TRANSPORTATION PROJECT CONTRACTS REQUIRING APPROVAL OF THE GOVERNOR

Governor: Under current law, DOT must attain approval from the Governor to enter into contracts for transportation projects that exceed certain statutory contract cost thresholds. Enact the following increases to existing statutory cost thresholds: (a) from \$3,000 to \$100,000 for engineering, consulting, surveying, or other specialized services; (b) from \$1,000 to \$250,000 for highway improvements; (c) from \$5,000 to \$100,000 for direct labor and materials related to improvements performed by counties and municipalities; (d) from \$5,000 to \$100,000 for contracts with railroads and public utility companies to complete work affecting, altering, rearranging, or relocating railroad and utility property; and (e) from \$10,000 to \$100,000 for emergency repair work on state trunk highways.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. WORK ZONE SAFETY PILOT PROGRAM

SEG	\$600,000

Joint Finance/Legislature: Provide \$600,000 in 2025-26, and create a continuing SEG appropriation for a work zone safety pilot program. Require DOT to establish a pilot program to test

the effectiveness of enhanced highway work zone safety measures. Specify that under the program the Department shall designate not more than 10 projects on two-lane highways to participate in enhanced highway work zone safety measures and any number of additional projects to serve as control projects, and that the Department shall collect data on the effectiveness of the enhanced projects in comparison with control projects. Require DOT to prepare a report evaluating the impact of the enhanced measures on worker safety in comparison to control projects by April 30, 2027.

[Act 15 Sections: 52, 270, and 273]

16. WORK ZONE SAFETY EDUCATIONAL PROGRAM

SEG	\$120,000

Joint Finance/Legislature: Provide one-time funding of \$60,000 annually, and create a continuing SEG appropriation for a work zone safety educational program. Require DOT to award a grant to a private organization for the development of a work zone safety course that a student can complete over the internet.

[Act 15 Sections: 51, 271, and 272]

17. EXEMPTION FROM LOCAL ZONING REQUIREMENTS FOR BORROW SITES AND MATERIAL DISPOSAL SITES

Joint Finance/Legislature: Exempt borrow sites and material disposal sites from local zoning requirements for construction site erosion control and storm water management activities. Under current law, these sites are exempt from other general local zoning statutes.

[Act 15 Section: 277]

Motor Vehicles

1. MODERNIZATION OF DMV SOFTWARE SYSTEM [LFB Paper 775]

	Governor (Chg. to Base)	Jt. Finance (Chg. to Gov)	Senate/Leg. (Chg. to JFC)	Net Change
SEG	\$14,800,000	- \$8,640,000	\$7,000,000	\$13,160,000

Governor: Provide \$7,800,000 in 2025-26 and \$7,000,000 in 2026-27 to the Division of Motor Vehicles (DMV) general operations appropriation to fund the modernization of DMV software systems. The Division utilizes several software programs to perform essential functions including providing customers with driver's licenses and vehicle registrations, processing revenue, sharing information with external agencies, and storing data and files including customers' personally

identifiable information. DOT indicates that DMV's current software systems are dated, inefficient, and subject to cybersecurity risks. The 2023-25 budget provided ongoing funding of \$3 million in lease funding for a similar purpose. The Department states that the recommended funding would be used to replace DMV's software systems and establish a 15-year master lease to fund the system upgrade.

Joint Finance: Modify the Governor's recommendation to instead provide \$3,080,000 annually for the modernization of DMV software systems.

Senate/Legislature: Provide an additional \$3,500,000 annually for the modernization of DMV software systems. As a result, Act 15 provides \$6,580,000 annually in total additional funding for this purpose.

2. ISSUANCE OF LICENSE PLATES [LFB Paper 776]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$14,786,700	- \$10,267,200	\$4,519,500
SEG-REV	0	21,466,600	21,466,600

Governor: Provide \$7,005,000 SEG in 2025-26 and \$7,781,700 SEG in 2026-27 to the DMV general operations appropriation to cover the ongoing costs of issuing license plates. 2021 Act 163 required DOT to replace all primary vehicle license plates that are 10 years or older by 2032 and required all plates issued be covered with a more expensive prismatic sheeting. DOT estimates that in order meet the 2032 deadline for replacing license plates, the Department must issue 435,000 "replacement" license plates each year. The Department also issues approximately 952,000 "standard" license plates for newly titled new and used automobiles, trucks, motorcycles, and other vehicle types that are required to meet the Act 163 sheeting requirements.

2023 Act 19 provided the Department with \$3,168,000 annually, which was primarily provided to meet the Act 163 requirements for replacing older plates. Subsequently, the Department indicates postage and handling costs associated with issuance of the plates have increased and production costs associated with the Act 163 requirements are higher than was expected. A portion of the recommended funding would be used to cover these higher costs and allow the Department to meet the 2032 deadline for replacing plates. In addition, the Department indicates that the funding would primarily assist with the higher costs of issuing, non-replacement, standard plates using the more expensive prismatic sheeting required under Act 163.

Joint Finance/Legislature: Modify the Governor's recommendation to provide \$1,935,000 SEG in 2025-26 and \$2,584,500 SEG in 2026-27 to cover the ongoing costs of issuing license plates. In addition, introduce a fee of \$6.00 per plate (\$12.00 per set of two plates) that will be charged to customers who receive a newly-issued, non-replacement license plate. This provision will result in additional estimated revenue to the transportation fund of \$8,568,000 SEG-REV in 2025-26 and \$11,424,000 SEG-REV in 2026-27. Further, increase the fee for replacing license plates that are lost, destroyed, illegible, or required to be replaced under the DOT license plate

replacement program from \$4.00 per plate to \$6.00 per plate. This provision will result in additional estimated revenue to the transportation fund of \$623,400 SEG-REV in 2025-26 and \$831,200 SEG-REV in 2026-27. The intent was that both fees be first effective on October 1, 2025. However, the creation of the \$6 per plate fee for issuance of new registration plates is indicated in statute to begin with plates issued on October 1, 2026. The October 1, 2025, date will be included in technical legislation being prepared by the Legislative Reference Bureau.

[Act 15 Sections: 329, 338 thru 340, and 9444(3)]

**3. INTRODUCTION OF SPECIAL LICENSE PLATES --
BLACKOUT AND RETRO PLATES [LFB Paper 777]**

SEG	\$5,528,300
SEG-REV	16,655,400

Governor/Legislature: Provide \$1,860,900 SEG in 2025-26 and \$3,667,400 SEG in 2026-27 to introduce two new special license plates in the state: (a) a "blackout" plate with white letters on a black background; and (b) a "retro" plate featuring black letters on a yellow background. Similar to many existing special license plates, the Department would collect a \$15 issuance fee when the plates are initially issued, and a special license plate fee of \$25 annually when registering vehicles with the plates. Estimate additional revenues to the transportation fund of \$4,607,300 SEG-REV in 2025-26 and \$12,048,100 SEG-REV in 2026-27 associated with the proposed issuance and special plate fees. Revenues would be lower in 2025-26 because DOT plans to begin issuing the new plates in January, 2026. The Department estimates that the revenues would cover the costs to issue the plates, with any surplus revenues being available to the transportation fund.

[Act 15 Sections: 330 thru 337]

**4. MOTOR VEHICLE EMISSION INSPECTION AND MAINTENANCE PROGRAM
[LFB Paper 778]**

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$659,400	- \$659,400	\$0

Governor: Provide \$329,700 annually to the DOT motor vehicle emission inspection and maintenance program, which conducts mandatory inspections of vehicles in seven southeastern Wisconsin counties (Kenosha, Milwaukee, Ozaukee, Racine, Sheboygan, Washington and Waukesha) to ensure they comply with emission standards set by the Department of Natural Resources. DOT administers the program through a contract with a private firm, and testing may be performed at any of 165 approved motor vehicle service stations. Vehicle owners do not pay a fee for an initial emissions test, while the contractor reimburses testing facilities \$2 per test conducted. The Administration indicates that the additional recommended funding is needed to fully-fund DOT's contract for the program. This would increase base level funding for the program from \$3,193,300 to \$3,523,000 annually.

Joint Finance/Legislature: Provision not included.

5. DRIVER EDUCATION GRANTS [LFB Paper 779]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$12,000,000	-\$12,000,000	\$0
SEG	<u>0</u>	<u>12,000,000</u>	<u>12,000,000</u>
Total	\$12,000,000	\$0	\$12,000,000
GPR-REV	-\$12,000,000	\$0	-\$12,000,000
SEG-REV	<u>0</u>	<u>12,000,000</u>	<u>12,000,000</u>
Total	\$0	\$0	\$0

Governor: Provide \$6,000,000 PR annually to DOT's driver education grants program. Convert the Department's existing SEG appropriation for the program to a PR appropriation and specify that the appropriation be credited with up to, but not exceeding, \$6,000,000 in moneys lapsed from the Office of the Commissioner of Insurance (OCI) general operations appropriation in a fiscal year. OCI's general operations appropriation is funded from revenues collected from various insurance industry fees and assessments, and lapses any surplus revenues net of OCI's expenditures and a reserve equal to 10% of these expenditures to the general fund each year. Over the past five years, the appropriation has lapsed approximately \$33 million annually to the general fund. The Governor's recommendation would use \$6,000,000 of these surplus revenues to fund the driver education grants program each year. The estimate of 2025-27 general fund revenues under the bill includes a reduction of \$6,000,000 GPR-REV annually associated with this provision.

2023 Act 19 created an appropriation and provided \$6 million in 2024-25 for a new DOT driver education grants program. 2023 Act 86 created rules and requirements for the program, specifying that DOT may provide grants to cover the cost of a driver education course for individuals who satisfy income eligibility criteria for the federal free or reduced-price lunch program.

Joint Finance/Legislature: Modify the Governor's recommendation to instead provide \$6,000,000 SEG annually to the existing driver education grants program SEG appropriation, rather than funding the program with PR. To fund this provision, create an ongoing transfer to the transportation fund of all moneys lapsed from OCI's general operations appropriation, but not to exceed \$6,000,000 in a fiscal year. This would result in an increase of \$6,000,000 SEG-REV annually for the transportation fund, and a decrease of \$6,000,000 GPR-REV annually for the general fund.

[Act 15 Sections: 12 and 55]

6. PROGRAM REVENUE REESTIMATES

PR	\$20,734,000

Governor/Legislature: Provide increases of \$10,367,000 PR annually for Division of Motor Vehicles (DMV) program revenue appropriations to more accurately reflect annual fee collections. Increase estimated annual revenues from credit card, debit card, and electronic payment convenience fees, and reestimate annual revenues for payments to 13 special group license plate entities, as shown in the table below.

Program Revenue Reestimates

<u>Appropriation</u>	<u>Annual Amounts</u>		
	<u>Adjusted Base</u>	<u>Total Funding</u>	<u>Funding</u>
Convenience fees	\$118,400	\$8,650,000	\$8,531,600
Special Group License Plates			
Wisconsin Trout Unlimited	0	21,000	21,000
Baseball plate licensing fees	5,000	290,000	285,000
Issuance of certain special plates	5,000	1,060,000	1,055,000
Boy Scouts of America National Foundation	5,000	10,400	5,400
Whitetails Unlimited	5,000	43,000	38,000
Wisconsin Rocky Mountain Elk Foundation	5,000	18,000	13,000
Wisconsin Organization of Nurse Executives	5,000	36,500	31,500
Milwaukee Bucks Foundation	5,000	20,000	15,000
Midwest Athletes Against Childhood Cancer	5,000	18,000	13,000
Wisconsin Women's Health Foundation	0	13,500	8,500
Donate Life Wisconsin	0	300,000	300,000
Wisconsin Law Enforcement Memorial, Inc.	0	25,000	25,000
National Law Enforcement Officers Memorial Fund	0	25,000	25,000
Annual Total	\$158,400	\$10,525,400	\$10,367,000
Biennial Total	\$316,800	\$21,055,800	\$20,734,000

7. AUTOMATIC VOTER REGISTRATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$494,000	- \$494,000	\$0

Governor: Provide \$477,200 in 2025-26 and \$16,800 in 2026-27 to the Division of Motor Vehicles general operations appropriation to assist in the initial implementation of automatic voter registration. Modify current law relating to the voter record matching program between the Elections Commission and DOT, to include a requirement that DOT electronically transfer Department records related to the verification of voter eligibility for regular driver license and identification card holders, including: (a) the full name of each individual who holds a current driver license or identification card; (b) such persons' name history, current address and address history, date of birth, and driver license or identification card number; (c) a copy of each proof of citizenship document that such persons used to obtain a driver license or identification card; and (d) a statement from the Department indicating that it verified such persons' citizenship. Specify that DOT's agreement with the Elections Commission related to its voter record matching program include a provision to electronically provide these voter eligibility-related records on a continuous basis, not less than weekly, notwithstanding various current law restrictions related to the disclosure of personally identifiable information maintained by the Department. Require DOT, for each of these items of information, to provide the most recent date that the item of information was provided or obtained. Under the bill, the Elections Commission would be required to facilitate the registration of all eligible voters in the state. This information sharing provision would assist

the Elections Commission in fulfilling this requirement. [See "Elections Commission."]

Require that DOT's application and renewal forms used by applicants for obtaining driver licenses and identification cards inform the applicant of the Department's duty to make the relevant personally identifiable information contained in the application available to the Elections Commission for voter eligibility verification and registration purposes. Specify that these applications and renewal forms would be required to provide the applicant an opportunity to elect not to have this information made available to the Elections Commission for these purposes. Provide that if an applicant elects not to make available the information required for the purposes of voter registration and eligibility verification, the Department would be prohibited from making this information available to the Elections Commission for these purposes. Specify that this provision would not preclude the Department from sharing this information with the Elections Commission for the current law purposes of proving residency or for any other purpose other than automatic voter registration.

Notwithstanding current law requirements related to the existing voter record matching program and restrictions on the disclosure of personally identifiable information, require DOT to enter into and begin transferring information under a revised voter record matching agreement with the Elections Commission administrator no later than the first day of the ninth month after the effective date of this provision.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. REAL ID NON-COMPLIANT DRIVER LICENSES AND IDENTIFICATION CARDS FOR UNDOCUMENTED PERSONS [FOR PURPOSES OTHER THAN VOTING]

Governor: Extend eligibility to receive REAL ID non-compliant driver licenses and identification cards to undocumented persons. Under current law, in processing driver license or identification card applications or renewals that are REAL ID non-compliant, DOT is required to verify the following: (a) an identification document that includes the applicant's photograph or both the applicant's full legal name and date of birth; (b) documentation showing the applicant's date of birth if not provided in (a); (c) documentation showing the applicant's name and address of principal residence; and (d) proof of the applicant's social security number or verification that the applicant is not eligible for a social security number. Make the following related changes to the current law driver license and identification card application, issuance, and renewal processes for REAL ID non-compliant credentials:

a. *Proof of Citizenship or Legal Presence.* Provide that current law driver license and identification card valid documentary proof requirements and requirements related to the person's legal presence in the United States would not apply to REAL ID non-compliant licenses and identification cards. Specify that when processing, issuing, or renewing a REAL ID non-compliant driver license or identification card, the Department may not include any question, or require any proof or documentation, as to whether the applicant is a citizen or national of the United States or lawfully present in the United States, despite existing requirements that DOT examine personally

identifiable information and other biometric data in order to determine if an applicant is entitled by law to obtain these credentials. Exempt REAL ID non-compliant licenses and identification cards from being required to expire on the date that the license holder's legal presence in the United States expires. Specify that in lieu of required documentation showing the applicant's date of birth, name, and principal address, an applicant for a REAL ID non-compliant driver license or identification card may provide any documentation deemed acceptable to the Department.

b. *Applicants without a Social Security Number.* Specify that if a driver license or identification card applicant does not have a social security number and the application is for a REAL ID non-compliant license or card, the application must include a statement made or subscribed under oath, or affirmation that they do not have a social security number, in a manner prescribed by DOT with the assistance of the Department of Children and Families. Provide that any license that is issued or renewed in reliance on such a statement would be invalid if the statement is false. Specify that in lieu of current documentation requirements, the applicant could provide an individual taxpayer identification number, a foreign passport, or any other documentation deemed acceptable by DOT. Specify that the Department would not need to verify that an applicant is not eligible for a social security number. Under current law, a similar requirement exists for applicants for, or renewals of, a driver license or identification card that requires the applicant to state under oath the reason why they do not have a social security number.

Specify that the following current law requirements would not apply to an application for, or renewal of, a REAL ID non-compliant driver license or identification card: (a) the requirement that DOT verify driver license and identification card application information and that the Department direct applicants to investigate and resolve social security number discrepancies prior to issuance; (b) the requirement that DOT cancel a driver license or identification card regardless of expiration date, if the Department receives information from a local, state, or federal government agency that the holder no longer satisfies the requirements (including those related to legal presence) for issuance; and (c) the requirement that DOT may not accept any foreign document other than an official passport to satisfy personal identification documentation. Prohibit DOT from disclosing to any person the fact that an applicant has provided verification of not having a social security number in applying for a REAL ID non-compliant driver license or identification card, except to the Elections Commission for administering its voter records matching program.

Require that any applicant issued a REAL ID non-compliant driver license or identification card who does not provide a verified social security number during the license application process receive a license marked, "Not valid for voting purposes. Not evidence of citizenship or immigration status." Specify that DOT would have the discretion, at the time of renewal, as to whether to take an applicant's photograph and administer an eyesight exam, so long as both actions occur at least once every eight years. Provide that any identification cards without a verified social security number would expire every two years and that an original or reinstated card would be valid for a period of two years from the applicant's next birthday occurring after issuance. Specify that a renewed card would be valid for a period of two years from the card's last expiration date.

c. *Discrimination.* Prohibit discrimination on the basis of a person's status as a holder or a non-holder of a REAL ID non-compliant license and add this license status as prohibited basis

for discrimination in public or private employment, transportation with a motor carrier, automobile insurance, housing, receipt of rental or housing assistance, acquiring a mortgage, real estate practices, and businesses that provide motorist services that are identified on DOT's specific signage program. Include nondiscrimination on the basis of being a holder or non-holder of a noncitizen limited-term license on the list of written assurances that businesses must provide to DOT in order to be identified as a motorist service on DOT specific information signs. Permit the real estate examining board to revoke, suspend, or limit the broker's license of any licensee, or reprimand the licensee, if it finds the licensee has discriminated on the basis of a person's status as a holder or non-holder of a REAL ID non-compliant license. In addition, prohibit discrimination in housing on the basis of a person's receipt of rental or housing assistance, and discrimination in public and private employment based on individuals' gender expression and gender identity.

d. *Insurance.* Specify that no person may operate a motor vehicle with a REAL ID noncompliant license, unless the owner or operator of the vehicle has in effect a motor vehicle liability policy with respect to the vehicle being operated.

e. *Effective Date, Initial Applicability, and Statutory References.* These provisions would first take effect on the first day of the fourth month beginning after publication of the bill and would first apply to driver license and identification card applications received by the Department on this date. Renumber various statutory sections and amend statutory cross references as necessary to accomplish the recommended modifications.

A driver license issued under these provisions would continue to be subject to current law driver knowledge and skills requirements applicable for licensing. A REAL ID non-compliant credential is not valid for certain federal purposes, such as air travel.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. IDENTIFICATION CARD RECEIPTS FOR VOTING PURPOSES -- VALID PERIOD

Governor: Extend the period for which identification card receipts issued by DOT for the purposes of voting remain valid as a temporary identification card from 60 days to 180 days. Under current law, the Department may not charge a fee to an applicant for the initial issuance, renewal, or reinstatement of an identification card (or temporary receipt) if the applicant is a U.S. citizen who will be at least 18 years of age on the date of the next election and the applicant requests that the identification card be provided without charge for voting purposes. Because identification cards may be used for voting and are mailed to applicants, DOT provides those card applicants who are also eligible voters with a temporary receipt that may be used for voting purposes. The fee for identification cards issued for purposes other than voting is \$28 (\$18 for the card itself, plus a \$10 issuance fee).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. DATA TRANSMISSION TO FEDERAL COURTS FOR JURY SELECTION

Governor: Require DOT to annually transmit lists of residents' personally identifiable information without charge to the clerks of courts for the federal district courts located within the state to be used for identification of jurors. Under current law, the Department is required to compile a list including the name, address, county, date of birth, race, gender, identification number and renewal date of each person residing in the state who is licensed as a motor vehicle operator, or who has received an identification card number and social security number. The Department is required to transmit the list and information without charge to the Office of the Director of State Courts each year on a date agreed upon with the office. Specify that if the Department does not secure a record sharing agreement with the clerk of court for a district court that requires the clerk of court to keep prospective jurors' identification numbers, renewal dates, and social security numbers confidential and secure from unauthorized access, the Department must redact that information from the list transmitted to the clerk of that district court. [A separate provision would also require other state agencies to share residents' personally identifiable information with the Director of State Courts (see "Supreme Court").]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. IGNITION INTERLOCK DEVICE REQUIREMENT FOR OPERATING WHILE INTOXICATED OFFENSES

Governor: Expand the following operating privilege restrictions to include all first time operating while intoxicated (OWI) violations regardless of the offender's blood alcohol concentration (BAC): (a) that the offender's operating privilege be restricted to vehicles that are equipped with an ignition interlock device; or (b) that the offender participate in 24-7 sobriety program or frequent sobriety testing program. Under current law, a court can order one or both of these restrictions if the person had a BAC of 0.15 or more at the time of their first offense, or if the person has one or more prior OWI convictions, suspensions, or revocations. Applicable offenses include operating of a vehicle under the influence of an intoxicant or other drug, injuring another person while operating a vehicle under the influence of an intoxicant, and homicide by intoxicated use of a vehicle or firearm. Specify that this provision first apply to violations committed on the effective date of the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

State Patrol

1. DATA STORAGE FOR IN-VEHICLE VIDEO CAMERAS [LFB Paper 785]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,980,300	- \$1,326,700	\$2,653,600

Governor: Provide \$3,980,300 in 2025-26 to the Division of State Patrol general fund equipment appropriation to fund data storage costs for in-vehicle video cameras. State Patrol currently operates 320 in-vehicle dash video cameras, which were purchased in 2023-24 and have a useful life of five years. The recommendation would fund a three-year contract to provide cloud data storage for the cameras, replacing the transportable hard drives that are currently used for storage, and also provide maintenance for the cameras through their projected end of useful life in 2027-28.

Joint Finance/Legislature: Modify the Governor's recommendation to instead provide \$2,653,600 in 2025-26 to State Patrol's general fund equipment appropriation to initiate a two-year contract to fund data storage costs for State Patrol's existing in-vehicle cameras.

2. UPGRADED TASERS [LFB Paper 785]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,437,200	- \$2,437,200	\$0

Governor: Provide \$2,437,200 in 2025-26 the Division of State Patrol general fund equipment appropriation to fund the one-time purchase of 500 tasers for State Troopers. The Department indicates that its current inventory of tasers was purchased in 2015 and 2016, and that the model is now obsolete. The recommended funding would be used to purchase 500 new tasers, and also fund a five-year support contract for the devices.

Joint Finance/Legislature: Provision not included.

3. STATE TROOPER OVERTIME [LFB Paper 786]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$4,211,200	- \$4,211,200	\$0

Governor: Provide \$2,105,600 annually to the Division of State Patrol general operations

appropriation to fund overtime pay for Wisconsin State Troopers. Troopers earn overtime wages of 1.5 times their regular hourly pay when they work more than 40 hours a week, including for unscheduled activities such as crash responses, intoxicated driver arrests, severe weather events, and sick leave coverage for other officers. DOT indicates that State Patrol's current overtime budget has been funded at \$1.0 million annually since 2015-16, while actual overtime expenditures over the past six years have exceeded this allocation by between \$1.4 million and \$2.0 million annually.

Joint Finance/Legislature: Provision not included.

4. **BODY-WORN CAMERAS AND STAFFING FOR OPEN RECORDS REQUESTS** [LFB Paper 785]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding Positions		Funding Positions	
GPR	\$0	0.00	\$3,628,200	0.00	\$3,628,200	0.00
SEG	<u>4,195,900</u>	<u>6.00</u>	<u>- 4,195,900</u>	<u>- 6.00</u>	<u>0</u>	<u>0.00</u>
Total	\$4,195,900	6.00	- \$567,700	- 6.00	\$3,628,200	0.00

Governor: Provide \$3,628,200 SEG in 2025-26 for the one-time purchase of 320 body-worn cameras for State Troopers. In addition, provide 6.00 FTE, \$247,600 SEG in 2025-26, and \$320,100 SEG in 2026-27 to hire additional staff to complete expected open records requests. DOT indicates that the recommended positions would be necessary to process data and respond to open records requests from the additional body-worn cameras. The recommended funding and positions would be provided to the Division of State Patrol general operations appropriation.

Joint Finance/Legislature: Modify the Governor's recommendation to provide \$3,628,200 GPR in 2025-26 to the State Patrol general fund equipment appropriation to fund the one-time purchase of 320 body-worn cameras for state troopers, rather than providing SEG funding for this purpose. Delete the recommendation to provide additional positions and funding for open records requests. Modify the State Patrol GPR equipment appropriation to provide the amounts in the schedule for State Patrol equipment, to allow the appropriation to be used for this purpose.

[Act 15 Section: 53]

5. **MICROWAVE RADIO NETWORK** [LFB Paper 787]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$2,507,000	- \$2,507,000	\$0

Governor: Provide \$1,253,500 annually to the Division of State Patrol general operations appropriation to upgrade 59 communications links on the statewide microwave radio network. DOT operates and maintains a system of 70 communications towers and 92 network locations

throughout the state, which provides telephone and internet connectivity for DOT and other state agencies, and also serves as the backbone for the Wisconsin Interoperable System for Communications (WISCOM), a radio system that allows emergency responders to communicate across jurisdictions. DOT indicates that the recommendation would fund the first two years of a seven-year, \$8.8 million master lease to upgrade communications links on the network that are at the end of their useful life.

Joint Finance/Legislature: Provision not included.

6. PUBLIC PROTECTIVE SERVICES HEARING PROTECTION PROGRAM

Joint Finance/Legislature: Provide \$2,600,000 GPR to the Joint Committee on Finance supplemental appropriation in 2025-26 for the public protective services hearing protection program, and create a continuing GPR appropriation for the program. Require DOT to provide hearing protection devices to law enforcement and fire protective agencies in the state at no charge. Create a DOT continuing GPR appropriation for the purposes of providing grants under program. The fiscal effect of this item is shown under "Program Supplements".

[Act 15 Section: 54]

Departmentwide

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding Positions		Funding	Positions	Funding Positions	
FED	\$2,912,000	- 44.00	- \$3,237,400	0.00	- 325,400	- 44.00
PR	564,800	0.00	0	0.00	564,800	0.00
SEG	36,941,800	0.00	- 8,278,200	0.00	28,663,600	0.00
SEG-S	96,700	0.00	0	0.00	96,700	0.00
Total	\$40,515,300	- 44.00	- \$11,515,600	0.00	\$28,999,700	- 44.00

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>SEG-S</u>	<u>Total</u>
2025-26					
Turnover Reduction	-\$1,959,000	\$0	-\$5,233,500	\$0	-\$7,192,500
Full Funding of Cont. Pos. Salary/Fringe	2,557,000	12,100	19,718,800	8,800	22,296,700
Overtime	978,100	256,900	4,184,800	0	5,419,800
Night and Weekend Differential	20,800	0	399,300	0	420,100
Full Funding of Lease/Directed Moves	<u>0</u>	<u>13,300</u>	<u>506,600</u>	<u>44,700</u>	<u>564,600</u>
Total	\$1,596,900	\$282,300	\$19,576,000	\$53,500	\$21,508,700
2026-27					
Turnover Reduction	-\$1,959,000	\$0	-\$5,233,500	\$0	-\$7,192,500
Removal of Noncontinuing Elements	-281,800	0	0	0	-281,800
Full Funding of Cont. Pos. Salary/Fringe	2,557,000	12,100	19,718,800	8,800	22,296,700
Overtime	978,100	256,900	4,184,800	0	5,419,800
Night and Weekend Differential	20,800	0	399,300	0	420,100
Full Funding of Lease/Directed Moves	<u>0</u>	<u>13,500</u>	<u>-1,703,600</u>	<u>34,400</u>	<u>-1,655,700</u>
Total	\$1,315,100	\$282,500	\$17,365,800	\$43,200	\$19,006,600
Biennial Totals	\$2,912,000	\$564,800	\$36,941,800	\$96,700	\$40,515,300

In addition, reduce authorized FED positions by 44.00 in 2026-27 under the removal of noncontinuing elements standard budget adjustment.

Joint Finance/Legislature: Modify funding for standard budget adjustments as follows: (a) an annual reduction of \$1,431,000 FED and \$3,489,100 SEG to reflect an increase to the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate; (b) a reduction of \$650,000 SEG annually under the removal of noncontinuing elements standard budget adjustment associated with one-time funding that was provided in the 2023-25 budget for DOT communications towers; and (c) a reduction of \$187,700 FED annually associated with turnover reduction for the State Patrol general operations federal appropriation.

2. DOT ADMINISTRATIVE FACILITIES -- CAPITAL BUILDING PROJECTS [LFB Paper 790] SEG-S - \$9,000,000

Governor/Legislature: Decrease expenditure authority for capital building projects on DOT administrative facilities by \$4,500,000 annually. DOT's capital building SEG-S continuing appropriation expends the transportation revenue bond proceeds of bonds issued to finance capital improvements to the Department's various facilities. In the 2023-25 biennium, the Department was provided \$9,250,000 annually, or \$18,500,000 in the biennium, to expend revenue bond proceeds for these purposes. This recommendation would decrease annual expenditure authority from that base level of \$9,250,000 to \$4,750,000 annually, for a total spending level of \$9,500,000 in the biennium. The table below lists the anticipated projects that would be included in DOT's capital building budget and completed using these funds.

The bill also contains a corresponding recommendation to authorize \$9,500,000 in transportation revenue bonds to fund these projects. Estimated debt service of \$59,400 in 2026-27 associated with partial issuance of these bonds in the biennium is shown under a separate item (see "Transportation Finance"). Once fully-issued, estimated annual debt service costs associated with these bonds would be \$762,400.

<u>Location</u>	<u>Project</u>	<u>Amount</u>
State Patrol Academy, Tomah	HVAC Replacement	\$2,000,000
State Patrol Academy, Tomah	Bathroom Remodeling and Window Replacement	800,000
State Patrol Headquarters, DeForest	HVAC Replacement	600,000
Multiple Statewide Locations	Small Projects: Roofing, Generators, HVAC & Electrical	<u>6,100,000</u>
Total		\$9,500,000

3. DOT ADMINISTRATIVE FACILITIES -- MAINTENANCE [LFB Paper 790]

SEG	\$1,500,000

Governor: Provide \$500,000 in 2025-26 and \$1,000,000 in 2026-27 to DOT's departmental management and operations appropriation for maintenance of DOT facilities. Funding for maintenance of DOT facilities, including DMV customer service centers and a variety of other buildings, is provided from DOT's departmental management and operations appropriation. The recommended funding would be used to replace flooring at DMV customer service centers, complete parking lot, sidewalk, and exterior grounds upgrades, install lighting improvements, perform HVAC maintenance and upgrades, and fulfill various other maintenance needs.

Joint Finance/Legislature: Modify the Governor's recommendation to instead provide one-time funding of \$1,500,000 SEG in 2025-26 for maintenance of DOT facilities.

4. DEPARTMENTAL MANAGEMENT AND OPERATIONS FEDERAL FUNDING ALLOCATION [LFB Paper 766]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
FED	\$2,846,900	- \$2,846,900	\$0

Governor: Provide \$1,372,900 in 2025-26 and \$1,474,000 in 2026-27 to DOT's departmental management and operations appropriation. This funding increase is associated with the additional amount of estimated annual federal funding expected from the federal highway formula amounts authorized under the IIJA. DOT indicates that it would allocate the additional funding to its highway research program, which conducts research to improve DOT operations, including discovering better ways to design, build, and reconstruct the state's highways. The recommended funding would increase the adjusted base funding level for the departmental management and operations, federal funds appropriation from \$10,272,900 to \$11,645,800 in 2025-26 and \$11,746,900 in 2026-27, excluding funding for standard budget adjustments (shown in a separate item).

Joint Finance/Legislature: Provision not included.

5. TRANSFER ADMINISTRATIVE ATTACHMENT OF THE OFFICE OF THE COMMISSIONER OF RAILROADS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$1,432,800	6.00	-\$1,432,800	- 6.00	\$0	0.00

Governor: Transfer the administrative attachment of the Office of the Commissioner of Railroads (OCR) from the Public Service Commission (PSC) to DOT. OCR is responsible for ensuring public safety at railroad crossings in the state by approving projects to install, improve, and close railroad crossings, and regulating railroad crossing warning devices. Under current law, OCR exercises its powers and duties independently of PSC, but forwards all personal and biennial budget requests to PSC. These administrative attachment functions would be transferred to DOT.

Transfer OCR's existing FED and PR appropriations and 2025-27 adjusted base of \$716,400 PR annually and 6.00 PR positions from PSC to DOT. OCR collects program revenue, which funds OCR operations, by charging railroad carriers for the office's activities to investigate carriers' books, accounts, and practices. In addition, repeal the following requirements: (a) that at least 14 days before submitting to PSC any personnel or budget request that affects any appropriation of DOT, OCR shall notify the DOT secretary; and (b) that the PSC chairperson and commissioners may not have a financial interest in a railroad or water carrier. [This item is also shown under "Public Service Commission"].

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. FUNDING AND POSITIONS FOR THE OFFICE OF THE COMMISSIONER OF RAILROADS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	\$580,000	3.00	-\$580,000	- 3.00	\$0	0.00

Governor: Provide the Office of the Commissioner of Railroads with additional expenditure authority of \$255,700 in 2025-26 and \$324,300 in 2026-27, and three additional positions beginning in 2025-26. The Administration indicates that the recommended positions, and \$205,700 in 2025-26 and \$274,300 in 2026-27 would be used to increase and expand railroad crossing inspections in the state, while the remaining \$50,000 annually would be used to cover increased supplies and services costs associated with administration of railroad crossing safety inspections.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

UNIVERSITY OF WISCONSIN SYSTEM

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$2,693,265,200	\$3,384,817,500	\$2,781,716,200	\$2,728,716,200	\$2,728,716,200	\$35,451,000	1.3%
FED	3,786,247,800	3,786,247,800	3,787,247,800	3,787,247,800	3,787,247,800	1,000,000	0.0
PR	9,326,690,000	9,332,449,700	9,332,302,100	9,332,302,100	9,332,302,100	5,612,100	0.1
SEG	<u>83,500,400</u>	<u>83,631,400</u>	<u>83,500,400</u>	<u>83,500,400</u>	<u>83,500,400</u>	<u>0</u>	0.0
TOTAL	\$15,889,703,400	\$16,587,146,400	\$15,984,766,500	\$15,931,766,500	\$15,931,766,500	\$42,063,100	0.3%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	17,697.49	17,911.49	17,697.49	17,697.49	17,697.49	0.00
FED	5,791.48	5,791.48	5,791.48	5,791.48	5,791.48	0.00
PR	14,598.88	14,598.88	14,598.88	14,598.88	14,598.88	0.00
SEG	<u>151.55</u>	<u>151.55</u>	<u>151.55</u>	<u>151.55</u>	<u>151.55</u>	<u>0.00</u>
TOTAL	38,239.40	38,453.40	38,239.40	38,239.40	38,239.40	0.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

GPR	\$63,658,000

Governor/Legislature: Adjust funding annually for standard budget adjustments as shown in the following table.

Full Funding of Cont. Pos. Salary/Fringe	\$31,361,000
Full Funding of Lease/Directed Moves	<u>468,000</u>
Total	\$31,829,000
Biennial Total	\$63,658,000

2. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$77,358,600	\$4,151,600	- \$73,207,000
PR	<u>5,759,700</u>	<u>- 147,600</u>	<u>5,612,100</u>
Total	- \$71,598,900	\$4,004,000	- \$67,594,900

Governor: Modify funding by -\$41,511,200 GPR and \$9,116,800 PR in 2025-26 and -\$35,847,400 GPR and -\$3,357,100 PR in 2026-27 to reestimate debt service costs.

Joint Finance/Legislature: Reestimate debt service by \$2,588,700 GPR in 2025-26 and \$1,562,900 GPR in 2026-27 and -\$103,700 PR in 2025-26 and -\$43,900 PR in 2026-27.

3. SUPPLIES AND SERVICES 5% INCREASE

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$444,400	- \$444,400	\$0
PR	<u>131,000</u>	<u>- 131,000</u>	<u>0</u>
Total	\$575,400	- \$575,400	\$0

Governor: Provide \$222,200 GPR and \$65,500 SEG annually to increase the following UW System sum certain appropriation's supplies and services funding by 5%: \$112,400 GPR annually for the UW freshwater collaborative (base funding of \$2,514,600); \$47,700 GPR annually for the Tommy G. Thompson Center on Public Leadership (base funding of \$1,550,500); \$62,100 GPR annually for the State Laboratory of Hygiene general program operations (base funding of \$12,975,400); \$12,800 SEG annually from the critical hospital assessment fund for the rural physician residency assistance program (base funding of \$874,800); and \$52,700 SEG annually from the universal service fund for UW System campus telecommunications services (base funding of \$1,054,800).

Joint Finance/Legislature: Provision not included.

4. FUNDING INCREASE

Governor: Increase the University System's largest GPR (general program operations) appropriation over the 2024-25 adjusted base by \$703.2 million (\$354.9 million in 2025-26 and \$348.3 million in 2026-27). The funding would support a variety of programs that generally mirror the System's 2025-27 budget submission. These items, and the recommended funding for each, is listed below in items #5 thru #10. Although specific funding is shown for each initiative, because the amounts are included in one appropriation, the UW System has the flexibility to modify the resources for each program. Of the total amount, \$390,626,000 is placed on the unallotted reserve line in the budget system to allow UW System maximum flexibility to determine how the funds would be allocated.

Joint Finance/Legislature: See below.

5. OPERATIONS AND OUTREACH [LFB Paper 795]

	Governor		Jt. Finance/leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$308,343,900	34.00	- \$308,343,900	- 34.00	\$0	0.00

Governor: Provide \$130,146,100 in 2025-26 and \$178,197,800 in 2026-27 in the UW System's largest GPR appropriation to expand student access to UW System institutions. The Department of Administration indicates that the provided funding is intended for the following:

	<u>Salaries</u>	<u>Fringe</u>	<u>Unallotted Reserve</u>	<u>Total</u>	<u>Positions</u>
2025-26					
Operational Increase	\$0	\$0	\$81,948,800	\$81,948,800	0.0
Tuition Share of 5%/4% Wage Adjustment	19,953,300	3,144,000	0	23,097,300	0.0
Merit-Based Salary Adjustments	10,362,700	1,637,300	0	12,000,000	0.0
Dual Enrollment Programs	600,000	231,200	6,418,800	7,250,000	12.0
Student Outreach and Recruitment	375,000	144,500	2,480,500	3,000,000	5.0
Direct Admissions Program	100,000	38,500	1,361,500	1,500,000	2.0
Welcome Back Wisconsin	0	0	600,000	600,000	0.0
Improving Transfer Pathways	541,400	208,600	0	750,000	15.0
Total	\$31,932,400	\$5,404,100	\$92,809,600	\$130,146,100	34.0
2026-27					
Operational Increase	\$0	\$0	\$109,948,800	\$109,948,800	0.0
Tuition Share of 5%/4% Wage Adjustment	36,680,300	5,818,700	0	42,499,000	0.0
Merit-Based Salary Adjustments	10,362,700	1,637,300	0	12,000,000	0.0
Dual Enrollment Programs	600,000	231,200	6,418,800	7,250,000	12.0
Student Outreach and Recruitment	375,000	144,500	2,480,500	3,000,000	5.0
Direct Admissions Program	100,000	38,500	1,361,500	1,500,000	2.0
Welcome Back Wisconsin	0	0	1,250,000	1,250,000	0.0
Improving Transfer Pathways	541,400	208,600	0	750,000	15.0
Total	\$48,659,400	\$8,078,800	\$121,459,600	\$178,197,800	34.0
Biennial Total	\$80,591,800	\$13,482,900	\$214,269,200	\$308,343,900	34.0

a. **Operational Increase.** Additional funding to all system campuses to offset increased inflationary costs of goods and services, backfill the universities' share of pay plan increases from 2018-19 to 2021-22, and provide ongoing support for general operations.

b. **Tuition Share of Wage Adjustment.** Funding for the tuition share of a 5% wage adjustment on July 1, 2025, and an additional 4% wage adjustment on July 1, 2026, for UW System's faculty, academic staff, university staff, and limited appointments. Traditionally, GPR has funded approximately 70% of general wage adjustment costs while tuition funds 30% of costs. The funding provided would fund the tuition share of wage adjustment costs and merit pay increases. (Funding for the GPR portion of general wage adjustments for UW System employees, totaling \$58,460,900 GPR in 2025-26 and \$107,568,100 GPR in 2026-27, is provided under "Compensation Reserves.")

c. **Merit-Based Salary Adjustments.** Funding for the tuition share of merit-based salary increases and other market-based compensation salary increases to attract and retain high performing faculty, particularly at campuses outside of UW-Madison, where average salaries are below those of peer institutions. UW indicates the increase would raise starting salaries to be more competitive and provide funds for merit and market-based increases.

d. **Dual Enrollment Programs.** Dual enrollment programs allow high school pupils to earn college credit, either by enrolling in courses on college campuses or by enrolling in college level courses taught in high schools by college professors. Funding would develop additional capacity for high school students to access dual enrollment programs. The positions would include 12 dual enrollment program director positions. UW estimates the funding would expand the program to an additional 15,000 students. In 2023-24, 15,588 high school students took dual enrollment courses through UW System institutions.

e. **Student Outreach and Recruitment.** Funding would support student outreach and recruitment, including marketing materials and state and regional travel to additional outreach locations. The positions would include 3.0 admissions and recruitment coordinators, 1.0 assistant director of admissions, and 1.0 multimedia designer beginning in 2025-26.

f. **Direct Admissions Program.** The direct admission program provides eligible Wisconsin high school graduates with guaranteed undergraduate admission to a UW System institution. The funding and positions would support implementation and expansion of the program including outreach and coordination between high schools and participating universities as well as technology, publication, and mailing costs. Under 2023 Act 95, UW is required to offer guaranteed admission to Wisconsin high school pupils based on their class ranking. Pupils who finish in the top 5% of their class are guaranteed admission to UW-Madison, while pupils who finish in the top 10% of their class are guaranteed admission to other UW institutions. Direct admission is another, UW-initiated program in which participating universities (all of the UW institutions except UW-Madison, UW-La Crosse, and UW-Eau Claire) offer admission to qualified pupils based on their grades and coursework at the end of their junior year without pupils needing to submit an application or standardized test scores or pay an application fee. Under the program, approximately 350 participating public and private high schools in the state provide data directly to UW to make admissions decisions.

g. **Welcome Back Wisconsin.** Funding would be used for recruitment of non-traditional students, particularly Wisconsin residents with some college but no degree, and resources to help support returning students. Funding could also be used to waive or reduce outstanding balances for students who left college without earning a credential, and whose outstanding tuition or fees balance is preventing them from returning to higher education.

h. **Improving Transfer Pathways.** Funding would support students transferring into and within the UW System, including developing curricular pathways and technology to improve transfer planning and enrollment. UW System data indicates approximately 10,000 students per year transfer to UW universities from Wisconsin technical colleges, out-of-state colleges, private colleges, or other locations. The positions would include advisors, student success professionals, recruiters, and enrollment specialists to support transfer students' transitions, learning success, and outcomes.

Joint Finance/Legislature: Provision not included.

6. STUDENT FINANCIAL AID

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$128,970,000	- \$128,970,000	\$0

Governor: Provide \$56,360,000 in 2025-26 and \$72,610,000 in 2026-27 for financial aid efforts including: (a) \$11,860,000 in 2025-26 and \$28,110,000 in 2026-27 for an expansion of the tuition promise initiative outside of UW-Madison; (b) \$42,000,000 annually for veteran tuition remission and support services; and (c) \$2,500,000 annually to expand the tribal educational promise initiative to campuses outside of UW-Madison.

a. **Tuition Promise Expansion.** Funding would provide a program similar to UW-Madison's Bucky's Promise program to all UW universities.

The Bucky's Tuition Promise program at UW-Madison was implemented beginning in fall, 2018, and provides scholarships and grants to cover tuition and segregated fees for students whose household adjusted gross income is \$65,000 or less (\$60,000 under the original program). Incoming freshmen are eligible for eight consecutive semesters (four years) and transfer students are eligible for four consecutive semesters (two years). Eligible students are required to file a Federal Application for Federal Student Aid (FAFSA) by UW-Madison's December 1 priority enrollment deadline. Aid is provided after other student aid, such as grants and scholarships, are applied, resulting in a student's net cost of zero for tuition and fees. UW System provided funding for one cohort of an expanded Wisconsin tuition promise program for resident students whose household adjusted gross income is \$62,000 or less and who enrolled in fall, 2023. UW System estimates 5,000 students would receive assistance through the proposed expanded tuition program in the first two years.

b. **Veteran Tuition Remission.** Funding would reimburse universities for statutorily-required tuition and fee remissions that are provided to veterans and eligible family members and provide additional support to veterans.

Under current law, the UW System Board of Regents (and technical college district boards) must remit 100% of tuition and fees, less any amount paid under the federal Post-9/11 G.I. Bill, for up to 128 credits or eight semesters, whichever is longer, to eligible veterans. Veterans who are eligible for benefits under the federal Post-9/11 G.I. Bill are required to use those benefits before accessing state tuition and fee remissions. The federal Post-9/11 G.I. Bill provides education benefits, including the direct payment of tuition and fees, a monthly housing allowance, and an annual books and supplies stipend, to veterans who served at least 90 days of active duty (or 30 days in the case of a service-related disability) after September 10, 2001. In addition, the UW System Board of Regents (and each technical college district board) must remit 100% of tuition and fees, less any amount paid under the federal Post-9/11 G.I. Bill, to the spouse, unremarried surviving spouse, and children of eligible veterans. The Montgomery G.I. Bill provides a monthly stipend to veterans who are enrolled as students, which can be used for tuition, books and supplies, and living expenses. Veterans whose stipend under the Montgomery G.I. Bill or certain other federal education programs would have exceeded the amount of the monthly

housing allowance provided under the Post-9/11 G.I. Bill (adjusted to reflect the annual books and supplies stipend) are reimbursed by the institution attended for the difference in those benefits.

A GPR appropriation under the Higher Educational Aids Board (HEAB) has been provided to reimburse, in part, the UW Board of Regents and technical college district boards for remissions provided to veterans, for remissions provided to the children and spouses of certain veterans, and for reimbursement/supplemental payments made to veterans, children, and spouses. In fall, 2023, UW-System institutions provided remissions to 3,795 students under veterans and related veteran family member remission programs.

c. **Tribal Educational Promise Expansion.** Funding would expand UW-Madison's tribal promise program to all UW campuses to fully fund tuition and segregated fees for enrolled members of a recognized tribal nation in Wisconsin.

The Wisconsin Tribal Education Promise program at UW-Madison was announced in December, 2023, and first offered to all eligible students enrolling for an on-campus program for fall, 2024, including continuing students, new freshmen, and transfer students. To be eligible, students must be a Wisconsin resident, be pursuing their first undergraduate degree, and be verified as an enrolled member of any one of the eleven federally-recognized American Indian Tribes in Wisconsin. The program covers tuition and fees for eligible students. Aid is provided after other student aid, such as grants and scholarships, are applied, resulting in a student's net cost for tuition and fees of zero. In the first year of the program, 73 undergraduate students participated.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. INNOVATIVE TECHNOLOGIES [LFB Paper 796]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$104,285,000	14.00	-\$104,285,000	- 14.00	\$0	0.00

Governor: Provide \$87,585,000 in 2025-26 with 7.0 positions and \$16,700,000 in 2026-27 with 14.0 positions for UW System to invest in innovative technologies such as new curriculum and classroom applications, online programs, and subject areas such as artificial intelligence (AI). The Department of Administration indicates that the provided funding is intended for the following:

	<u>Salaries</u>	<u>Fringe</u>	<u>Unallotted Reserve</u>	<u>Total</u>	<u>Positions</u>
2025-26					
AI Research and Infrastructure	\$0	\$0	\$72,625,000	\$72,625,000	0.0
AI Curriculum	0	0	5,000,000	5,000,000	0.0
Dairy Hub	0	0	3,500,000	3,500,000	0.0
AI Faculty	1,414,700	545,300	700,000	2,660,000	7.0
Freshwater Collaborative	0	0	2,500,000	2,500,000	0.0
Online Collaborative Programs	<u>0</u>	<u>0</u>	<u>1,300,000</u>	<u>1,300,000</u>	<u>0.0</u>
Total	\$1,414,700	\$545,300	\$85,625,000	\$87,585,000	7.0
2026-27					
AI Research and Infrastructure	\$0	\$0	\$0	\$0	0.0
AI Curriculum	0	0	5,000,000	5,000,000	0.0
Dairy Hub	0	0	2,500,000	2,500,000	0.0
AI Faculty	3,103,800	1,196,200	1,400,000	5,700,000	14.0
Freshwater Collaborative	0	0	3,500,000	3,500,000	0.0
Online Collaborative Programs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Total	\$3,103,800	\$1,196,200	\$12,400,000	\$16,700,000	14.0
Biennial Total	\$4,518,500	\$1,741,500	\$98,025,000	\$104,285,000	14.0

a. **AI Research and Infrastructure.** One-time funding of \$72,625,000 in 2025-26 would be provided for infrastructure resources such as servers and research facilities at all UW System campuses to facilitate the use of AI in research and teaching.

b. **AI Curriculum Development.** Funding would be utilized for AI curriculum development, teaching methods, and professional development, including convening representatives from various disciplines to establish systemwide discipline-specific AI learning goals.

c. **Dairy Hub.** Funding would be used to expand the existing Dairy Hub, a collaboration between UW-Madison, UW-Platteville, and UW-River Falls to use research and development to support Wisconsin's dairy community. The Hub focuses on four priority areas: (1) stewarding land and water resources; (2) enriching human health and nutrition; (3) ensuring animal health and welfare; and (4) growing farm businesses and communities.

Under 2019 Act 9, \$1,000,000 GPR in 2019-20 and \$7,800,000 GPR in 2020-21 was provided in the Joint Committee on Finance supplemental appropriation for release to the UW System upon request and approval by the Committee for a UW System Dairy Initiative (Innovation Hub). On October 2, 2019, the Committee approved the UW System's request for release of the funds, including the specification that the \$7.8 million GPR in fiscal year 2020-21 be ongoing.

d. **AI Faculty.** Funding would be used to recruit seven AI faculty in each year of the biennium in such areas as computer science, data sciences, mathematics and statistics, engineering and robotics, machine learning, natural language processing, computer vision, and cognitive sciences. Funding would be used for salaries and for research startup funds.

e. **Freshwater Collaborative.** Funding would provide continued support to the Freshwater Collaborative, a training and research initiative that connects all UW campuses, plus government agencies, businesses, nonprofits, and community members, with the goal of making

Wisconsin a leader in water sciences and training students for water-related careers. In addition to research, the collaborative offers students water-related courses, field experiences, lab and technical experiences, and internships.

2021 Act 58, the 2021-23 biennial budget act, provided \$2.5 million GPR in 2021-22 and \$2.5 million in 2022-23 in the Joint Committee on Finance supplemental appropriation for release to the UW System upon request and approval by the Committee for the UW Freshwater Collaborative. The Act also created a new, continuing appropriation under the UW System for the Freshwater Collaborative to which funding would be transferred upon release by the Committee. The funding was released on February 1, 2022, and continues at \$2.5 million annually.

Joint Finance/Legislature: Provision not included.

8. STUDENT SUPPORT [LFB Paper 797]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$83,638,000	159.00	-\$83,638,000	-159.00	\$0	0.00

Governor: Provide \$41,819,000 and 159.00 positions annually for talent development. The Department of Administration indicates that the provided funding is intended for the following:

	<u>Salaries</u>	<u>Fringe</u>	<u>Unallotted Reserve</u>	<u>Total</u>	<u>Positions</u>
Student Mental Health	\$4,080,000	\$1,572,400	\$5,347,600	\$11,000,000	57.0
Student Retention and Support	4,800,000	1,849,900	3,250,100	9,900,000	87.0
Career Readiness	975,000	375,800	4,399,200	5,750,000	15.0
Teacher Loan Forgiveness	0	0	5,250,000	5,250,000	0.0
Continuing Education	0	0	5,000,000	5,000,000	0.0
Discussion Project	0	0	2,500,000	2,500,000	0.0
High Impact Practices	0	0	1,700,000	1,700,000	0.0
Prior Assessment	0	0	719,000	719,000	0.0
Total	\$9,855,000	\$3,798,100	\$28,165,900	\$41,819,000	159.0
Biennial Total	\$19,710,000	\$7,596,200	\$56,331,800	\$83,638,000	159.0

a. **Student Mental Health.** In addition to staff salaries and fringe, funding would also support telehealth services, counseling, telepsychiatry, an online wellness platform, and 24/7 peer and crisis support services. The additional 57.0 positions would be counselors, increasing counseling staff to meet the recommended 1:1,000 counselors-to-student ratio. Of the new counselors, 11 would provide direct support to student athletes.

b. **Student Retention and Support.** Funding would support 60.0 academic advisors to improve the ratio of advisors to students; 13.0 student affairs assistant directors/financial aid

assistant directors (one per campus) to support students who have aged out of the foster care system; 13.0 associate director/director of academic advising positions (one per campus) to connect students to on and off-campus resources to address their basic needs; and 1.0 disability services director position to assure compliance with the Americans with Disabilities Act's digital accessibility requirements.

c. **Career Development.** Funding would support scholarships and financial aid for student experiential learning and internships that would otherwise be unpaid or not affordable, and outreach to private sector entities to create new student opportunities. Funding would also be used for professional development for career services professionals and faculty and new technology for career exploration and readiness skills development. Additionally, funding would be available for faculty and staff for initiatives that increase employer engagement and support student career readiness.

d. **Teacher Loan Forgiveness.** Funding would support a teacher loan forgiveness program which would provide loans to students enrolled in programs leading to a teacher's license. Loans would be forgiven after four years of teaching post-graduation.

e. **Continuing Education.** Funding would support ongoing relationships with regional employers, expand training in employer-chosen, on-demand online seminars, and fund reskilling and upskilling programming.

f. **Discussion Project.** Funding would support continuing to offer the Discussion Project civil dialogue training professional development series at the School of Education at UW-Madison, which provides faculty and staff training on using research-based techniques to design and implement equitable, inclusive, and engaging classroom discussion.

g. **High Impact Practices (HIP).** High impact practices are evidence-based teaching, learning and research practices that increase student engagement, promote student success, develop transferrable skills (such as critical thinking and problem solving), and contribute to gains in retention and degree completion. Funding would support HIP programming such as service learning, undergraduate research, and student internships.

h. **Prior Learning Assessments.** Funding would support reviewing, improving and expanding prior learning assessment activities at UW System campuses, which involve evaluating college-level learning attained outside of a university setting, such as through industry-based training, to potentially award credit for such activities.

Joint Finance/Legislature: Provision not included.

9. MERIT AND MARKET-BASED COMPENSATION [LFB Paper 798]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$56,000,000	- \$2,000,000	\$54,000,000

Governor: Provide \$28,000,000 (\$23,575,900 salary and \$4,424,100 fringe in 2025-26 and \$23,576,000 salary and \$4,424,000 fringe in 2026-27) annually for merit-based salary increases and other market-based compensation salary increases to attract and retain high performing faculty, particularly at campuses outside of UW-Madison.

According to data from the American Association of University Professors 2023-24 Annual Report on the Economic Status of the Profession, outside of UW-Madison, average salaries of full-time, nine-month faculty at all other UW System campuses are below the national average for public comprehensive universities (with the exception of assistant professors at UW-Eau Claire where average salaries were slightly above the national average), and average salaries at UW-Milwaukee are also below the national average of public doctoral universities. According to UW System, the additional funding would allow institutions to raise starting salaries to be more competitive as well as provide for limited merit and market-based salary increases.

Joint Finance: Provide \$27,000,000 GPR annually and create an annual appropriation in UW System for compensation to attract faculty in high-demand fields of study. Specify that UW System must submit to the Joint Committee on Employment Relations (JCOER) a proposal for the use of this funding under s. 230.12(3)(e)1 of the statutes.

Senate/Legislature: Include Joint Finance provision. In addition, specify that the Board may only expend money appropriated under this appropriation for purposes approved by JCOER. Further, specify that the Board of Regents may not expend money from this appropriation unless the Board has submitted the proposal related to credit transfer policies and the proposed faculty credit hour requirement guidelines and buyout policy to JCOER, as required under the Act.

[Act 15 Sections: 25 and 9147(2)]

10. STUDENT MENTAL HEALTH -- VIRTUAL MENTAL HEALTH SERVICES [LFB Paper 797]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$22,000,000	- \$15,000,000	\$7,000,000

Governor: Provide \$11,000,000 annually for student mental health support services to meet increasing need and demand for these services at UW System institutions.

Joint Finance/Legislature: Provide \$3.5 million GPR annually in UW System's general program operations appropriation for a pilot program to provide virtual mental health services. Require the Board of Regents and UW System to create a virtual health pilot program that expands the provision of student virtual mental health services at institutions that have not more than 30,000 full-time enrolled undergraduate students as of the preceding April 1. Require the Board of Regents and UW System to contract with a vendor for the provision of these services.

[Act 15 Section: 9147(3)]

11. VETERINARY DIAGNOSTIC LABORATORY MICROBIOLOGISTS [LFB Paper 805]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,137,000	7.00	-\$1,137,000	- 7.00	\$0	0.00

Governor: Provide \$568,500 (\$418,000 salary and \$150,500 fringe) annually beginning in 2025-26 with 7.0 positions (6.0 microbiologists and 1.0 sample receiving technician) beginning in 2025-26.

The Veterinary Diagnostic Laboratory (VDL) is the sole provider of chronic wasting disease (CWD) and foreign animal disease (FAD) surveillance, investigation, and outbreak response for Wisconsin. Providing CWD diagnostic testing supports Department of Natural Resources (DNR) efforts to manage CWD (an infectious prion disease). In addition, the diagnostic testing provides hunters with important food safety information. Each year, the VDL provides testing for 16,000 to 24,000 whitetail deer samples and 75% of the samples are submitted within a four to six-week period following the November nine-day gun deer hunting season. During this testing surge, the CWD diagnostic facility operates for 20 hours per day, seven days per week. In 2021, VDL indicates a seasonal labor shortage and staff overload led to an increase in CWD testing turnaround time from nine to 19 days. The additional six microbiologists and one sample receiving technician would assist in decreasing testing turnaround time to a week or less to provide quicker results to Wisconsin hunters. VDL indicates that the six microbiologist positions would also be cross-trained for diagnostic testing so that they could provide testing to support the poultry, dairy, and bovine industries in the event of an FAD, such as the current avian influenza outbreak.

Joint Finance/Legislature: Provision not included.

12. VETERINARY DIAGNOSTIC LABORATORY STAFF RETENTION [LFB Paper 805]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$434,600	-\$434,600	\$0

Governor: Provide \$217,300 (\$159,800 salary and \$57,500 fringe) annually to retain specialty-boarded veterinary staff. Currently, the Wisconsin Veterinary Diagnostic Laboratory (VDL) staff include eight anatomic pathologists boarded by the American College of Veterinary Pathologists. In addition, VDL staff include client services veterinarians who provide animal and herd health consultation to complement diagnostics. The VDL specialists perform diagnostic and scientific duties similar to those of the faculty at the School of Veterinary Medicine (SVM). However, while the VDL is connected to UW-Madison and operates under the SVM umbrella, unlike the SVM, the VDL does not have dedicated funding for recruiting and retaining veterinary specialists at competitive salaries.

Funding would provide an increase in salary and fringe for eight VDL veterinary specialists and staff who have joint faculty appointments at UW-Madison including: bacteriology and serology section head (clinical associate professor), veterinary pathologist (clinical professor), large animal internal medicine specialist (clinical assistant professor); four veterinary pathologists (clinical assistant professors); and virology, molecular and genomics section head (clinical associate professor).

Joint Finance/Legislature: Provision not included.

13. HEALTH CARE PROVIDER LOAN PROGRAM EXPANSION

Governor: Require the Board of Regents to allocate at least \$1,001,500 in each year of the 2025-27 biennium for the healthcare provider loan program from the UW System's largest GPR appropriation (general program operations which, under the bill, is appropriated \$2.9 billion for 2025-27).

Under the health care provider loan assistance program, the Board of Regents may repay up to \$25,000 in education loans on behalf of a health care provider, defined as a dental hygienist, dental therapist, physician assistant, nurse midwife, or nurse-practitioner, who agrees to practice in one or more eligible practice areas in Wisconsin. To be eligible for loan repayment, the health care provider must enter into a written agreement with the Board in which he or she agrees to practice at least 32 clinic hours per week, 45 weeks per year, for three years in an eligible practice area. Loans are required to be repaid as follows: (1) 40% of the principal up to \$10,000 in the each of the first and second years; and (2) 20% of the principal up to \$5,000 in the third year. Total state funding for the health care provider loan assistance program and the companion physician and dentist loan program is \$798,700 in 2024-25. Of this amount, \$488,700 is from tribal gaming revenues and \$310,000 is from the critical access hospital assessment fund. The critical access hospital assessment funds may only be used to make repayments on behalf of physicians practicing in rural areas. In addition, approximately \$300,000 in federal funding is provided annually for program participants meeting certain criteria. In 2023-24, 111 awards were provided to 111 health care providers including 31 new awards to nine physicians, 13 nurse practitioners, three physician assistants, four dentists, and two dental hygienists.

The bill would expand the definition of eligible health care provider to include the following: (a) dental assistant, defined as an individual who holds a certified dental assistant credential issued by a national credentialing organization; (b) dental auxiliary, defined as an expanded function dental auxiliary holding a Wisconsin certification; (c) behavioral health provider, defined as an individual who is certified under Wisconsin statutes as a social worker or licensed in Wisconsin as a clinical social worker, marriage and family therapist, or a professional counselor; (d) substance abuse treatment provider, defined as an individual who is certified in Wisconsin as a substance abuse counselor, clinical supervisor, or preventable disease specialist; and (e) medical assistant, defined as an individual who has received a medical assistant technical diploma from a WTCS technical college or who has successfully completed the national certification examination for medical assistants. Specify that loans for medical assistants may be for up to \$12,500 (rather than \$25,000, as for other providers). Further specify that loans to medical assistants are required to be

repaid as follows: (1) 40% of the principal up to \$5,000 in each of the first and second years; and (2) 20% of the principal up to \$2,500 in the third year.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. ALLOCATIONS OF EXISTING FUNDS FOR SPECIFIC PURPOSES

Governor: Require the Board of Regents to allocate at least the following amounts of general purpose revenue from the UW System's general program operations appropriation: (a) \$1,209,500 in 2025-26 and \$1,612,500 in 2026-27 to increase assistance to veterans and military personnel enrolled in the system and to their families; (b) \$500,000 in each year of the biennium to establish or continue foster youth programming for eligible students enrolled in the system; (c) \$300,000 in each year of the biennium for the UW-Madison's UniverCity Alliance program that leverages the university's academic and research resources to address challenges faced by urban areas; (d) \$1,000,000 in each year of the biennium to support journalism programs and fellowships for students and graduates of journalism programs at system institutions; and (e) \$250,000 in each year of the biennium for UW System to provide education, training, research, and technical assistance to support small businesses and entrepreneurs, economic development practitioners, and communities in the development of entrepreneurial activity in rural Wisconsin. In addition, require the Board of Regents to provide a grant of \$450,000 from the UW System's general program operations appropriation in each year of the 2025-27 biennium to the Institute for Healthy Aging to support programs in fall prevention and recovery training.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. MISSING IN ACTION RECOVERY AND IDENTIFICATION PROJECT

Governor: Require the Board of Regents to provide \$500,000 in each year of the 2025-27 biennium from the UW System's general program operations appropriation for the University of Wisconsin Missing in Action (MIA) Recovery and Identification Project to perform a mission for the recovery and identification of Wisconsin veterans who are missing in action. At the conclusion of the mission, require the MIA Recovery Project, through its representative, to submit a report on the mission's findings and an accounting of expenditures for the mission to the Governor, Joint Committee on Finance, Board of Regents, the standing committees of each house of the Legislature dealing with veterans matters, and the Departments of Veterans Affairs and Military Affairs.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. PARKINSON'S DISEASE REGISTRY

Governor: Require the Board of Regents to allocate at least \$3,900,000 in 2025-26 and

\$2,400,000 in 2026-27 from the UW System's general program operations appropriation to establish a statewide Parkinson's disease registry.

Require the Population Health Institute (PHI) at the UW-Madison School of Medicine and Public Health (or its successor) to establish and maintain a Parkinson's disease registry for the collection, storage, and dissemination of information about the incidence and prevalence of Parkinson's disease and parkinsonisms in Wisconsin, after consultation with the Department of Health Services, by no later than the 19th month after the effective date of the bill. In addition, by no later than that date, require the PHI to establish and maintain a public website dedicated to the Parkinson's disease registry and require the PHI include all of the following: (a) downloadable annual reports on the incidence and prevalence of Parkinson's disease in Wisconsin, which the PHI must update by no later than January 1st of each year; (b) relevant data, as determined by the PHI, about Parkinson's disease and parkinsonisms for the five-year period prior to the effective date of the bill; and (c) other helpful resources about Parkinson's disease, as determined by the PHI. Specify that the Department of Health Services may do all of the following: (a) assist the PHI in the establishment and maintenance of a Parkinson's disease registry; (b) make recommendations to the PHI on the data to be collected in the Parkinson's disease registry; (c) advise the PHI on the Parkinson's disease registry; and (d) make recommendations to the PHI on the best practices for the establishment of the Parkinson's disease registry.

Definitions

Specify that Parkinson's disease means a chronic and progressive neurologic disorder resulting from deficiency of the neurotransmitter dopamine as the consequence of specific degenerative changes in the basal ganglia, which is characterized by tremor at rest, slow movements, muscle rigidity, stooped posture, and unsteady or shuffling gait. Define "parkinsonism" as a condition that causes a combination of the movement abnormalities seen in Parkinson's disease, including tremor at rest, slow movements, muscle rigidity, stooped posture, or unsteady or shuffling gait, which often overlap with and can evolve from what appears to be Parkinson's disease. Define health care provider as a physician, surgeon, physician assistant, or nurse practitioner and health care facility as defined under section 155.01(6) of the statutes (which includes any hospital, nursing home, community-based residential facility, county home, county infirmary, county hospital, county mental health center or other place licensed or approved by the Department of Health Services under certain other statutes).

Reporting Requirements

Require the PHI to create, and regularly review and revise, a list of information that health care providers and health care facilities must report to the PHI. Specify that the list must include the incident of a patient's Parkinson's disease or parkinsonism; necessary triggering diagnostic conditions, consistent with the latest version of the International Statistical Classification of Diseases and Related Health Problems; resulting case data on issues including diagnosis, treatment, and survival; and patient demographic information, including age, gender, and race. Specify that the Board of Regents may promulgate rules to implement and administer this list.

Require that, beginning on the first day of the 25th month after the effective date of the bill, if a health care provider diagnoses a patient with Parkinson's disease or a parkinsonism in

Wisconsin, or, for a health care provider who has primary responsibility for treating a patient's Parkinson's disease who treats a patient's Parkinson's disease or parkinsonism in Wisconsin, the health care provider or the health care facility that employs or contracts with the health care provider do all of the following: (a) offer the patient the opportunity to do all of the following: (1) review any informational materials developed by the PHI about the Parkinson's disease registry; (2) speak with and ask questions of their health care provider about the Parkinson's disease registry; and (3) affirmatively decline, in writing, to participate in the collection of data for the purposes of the Parkinson's disease registry; (b) with the exception of patients who decline in writing, report the information specified in the list of information that PHI requires health care providers and facilities to report to the PHI in the format prescribed by PHI; (c) notify the patient orally and in writing about the reporting requirement; and (d) if the patient affirmatively declines in writing to participate in the collection of data for purposes of the Parkinson's disease registry, report only the incident of the patient's Parkinson's disease or parkinsonism to the PHI in the format prescribed by the PHI. Require the PHI to collect and store in the Parkinson's disease registry the data reported by the health care providers and health care facilities and prescribe the format for reporting such data. Further, require the PHI to publish notice, on its website, of the reporting requirement no fewer than 90 days before the reporting requirement takes effect. Specify that a health care facility that employs or contracts with a health care provider diagnosing a patient with, or treating a patient with, Parkinson's disease or a parkinsonism is ultimately responsible for meeting the disease registry reporting requirements.

Confidentiality

Specify that any information provided to PHI that could identify a patient or health care provider must remain confidential.

Specify that UW-Madison may enter into agreements in order for the PHI to securely and confidentially receive information from reporting entities and their associated electronic medical records vendors related to Parkinson's disease testing, diagnosis, and treatment. Specify that UW-Madison may enter into agreements in order for the PHI to disclose data collected in the Parkinson's disease registry to another state's Parkinson's disease registry, a federal Parkinson's disease control agency, a local health officer, or a researcher who proposes to conduct research on Parkinson's disease. Before disclosing such data containing confidential information, require UW-Madison to require the entity to specify the purpose for the requested disclosure, agree in writing to maintain the confidentiality of the information, and, if the entity is a researcher, provide all of the following to UW-Madison: (a) a written protocol to perform research; (b) documentation of approval of the research protocol by an institutional review board of a domestic institution that has a federalwide assurance approved by the office for human research protections of the U.S. Department of Health and Human Services; and (c) documentation that demonstrates to UW-Madison's satisfaction that the researcher has established procedures and has the capability to maintain the confidentiality of the information.

Further, specify that, to ensure privacy, the PHI is required to use a coding system for the data stored in the Parkinson's disease registry. If UW-Madison or PHI discloses confidential information, require UW-Madison or PHI to include in the disclosure only the information necessary for the purpose specified in writing by the requesting entity. Specify that a person who

obtains confidential information from UW-Madison or the PHI may use the information only for the requested purpose specified by the entity and may not redisclose the information. Require PHI to maintain an accurate record of all persons given access to confidential information related to the registry and require the record to include all of the following: (a) the name of the person authorizing access; (b) the title, address, and organizational affiliation of any person given access; (c) the dates of access; and (d) the specific purpose for which the information is to be used. In addition, require PHI to make such records available for public inspection during PHI's normal operating hours. Further, specify that confidential information under the registry is not available for subpoena and may not be disclosed, discoverable, or compelled to be produced in any civil, criminal, administrative, or other proceeding and is not admissible as evidence in any civil, criminal, administrative, or other tribunal or court for any reason.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. FEE REMISSION FOR STUDENT TEACHERS

Governor: Require the Board of Regents to grant full remission of tuition and academic fees to student teachers during their semester of student teaching. Define a student teacher as an individual enrolled in a UW System institution who is a resident of this state and who is participating in the student teaching component of an educator preparatory program approved by the State Superintendent of Public Instruction. Provide that this provision would first apply to individuals who commence student teaching in the first semester that begins after the effective date of the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. ELIGIBILITY FOR FEE REMISSION FOR HMONG-LAO VETERANS

Governor: Expand the statutory definition of "veteran" for the purposes of qualifying for remission of UW System tuition and fees to include either of the following: (a) any state resident who was naturalized as a U.S. citizen pursuant to the federal Hmong Veterans' Naturalization Act of 2000; or (b) any state resident who is a U.S. citizen or an alien lawfully admitted for permanent residence and who the DVA Secretary determines served honorably with a special guerilla unit or irregular forces operating from a base in Laos in support of the armed forces of the United States at any time during the period beginning February 28, 1961, and ending September 18, 1978.

Under current law, the Board of Regents must remit 100% of tuition and fees, less any amount paid under the federal Post-9/11 G.I. Bill, for up to 128 credits or eight semesters, whichever is longer, to eligible veterans who maintain a cumulative grade point average of at least 2.0.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

19. NONRESIDENT TUITION EXEMPTION FOR CERTAIN NATIVE AMERICANS

Governor: Specify that a person who meets all of the following requirements is entitled to an exemption from UW System nonresident tuition, but not from incidental or other fees: (a) the person is a member of a federally-recognized American Indian tribe or band in Wisconsin or is a member of a federally-recognized tribe in Minnesota, Illinois, Iowa, or Michigan; and (b) the person has resided in Wisconsin, Minnesota, Illinois, Iowa, or Michigan, or in any combination of these states for at least 12 months immediately preceding the beginning of any semester or session in which the student enrolls in a UW System institution. Specify that this provision would first apply to persons who enroll for the semester or session following the effective date of the bill.

Current law allows the Board of Regents to charge different tuition rates to resident and nonresident students. Current law also includes nonresident tuition exemptions, under which certain nonresident students pay resident tuition rates. The bill would create an additional nonresident tuition exemption for certain Native American persons who meet the criteria specified in the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

20. FEE REMISSION FOR CERTAIN TRIBAL MEMBERS

Governor: Require the Board of Regents to grant full remission of academic fees and segregated fees to any student enrolled in a UW System institution who meets the following criteria: (a) the student is a resident of this state; and (b) the student is an enrolled member of a federally-recognized American Indian tribe in this state. Specify that a student would be eligible for remission of fees for 128 credits or eight semesters, whichever is longer, and must maintain a cumulative grade point average of at least 2.0 to remain eligible for the fee remission. Provide that this provision would first apply to individuals who enroll for the semester or session following the effective date of the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

21. NONRESIDENT TUITION EXEMPTION FOR UNDOCUMENTED INDIVIDUALS

Governor: Specify that a person who is a citizen of a country other than the U.S., while they continue to be a resident of Wisconsin, would be entitled to an exemption from UW System nonresident tuition, but not from incidental or other fees, if that person meets all of the following requirements: (a) the person graduated from a high school in Wisconsin or received a declaration of equivalency of high school graduation from Wisconsin; (b) the person was continuously present in this state for at least three years following the first day of attending a high school in Wisconsin or immediately preceding receipt of a declaration of equivalency of high school graduation; and (c) the person enrolls in an institution and provides that institution with proof that the person has filed or will file an application for lawful permanent resident status with U.S. Citizenship and

Immigration Services as soon as the person is eligible to do so. Specify that this provision would first apply to persons who enroll for the semester or session following the effective date of the bill.

Current law allows the Board of Regents to charge different tuition rates to resident and nonresident students. Current law also includes nonresident tuition exemptions, under which certain nonresident students pay resident tuition rates. The bill would create an additional nonresident tuition exemption for a person who is not a legal permanent resident of the United States and who meets the criteria specified in the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

22. VOTER IDENTIFICATION

Governor: Require each UW system institution to issue student identification cards that meet the requirements to qualify as voter identification under current law.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

23. GRANTS TO UW SYSTEM CAMPUSES

	Jt. Finance (Chg. to Base)	Legislature (Chg. to JFC)	Net Change
GPR	\$53,000,000	- \$53,000,000	\$0

Joint Finance: Provide \$26.5 million GPR annually in UW System's general program operations appropriation.

Require the Board of Regents to allocate \$15.25 million of the funds in each year to UW System institutions which have had, on average, a decline in student enrolment in the immediately preceding 10-year period. Require the Board to allocate the money to each qualifying institution in proportion to the full-time equivalent student enrollment at the institution in the most recent academic year for which this data is available.

Require the Board of Regents to allocate the remaining \$11.25 million of the funds in each year to UW System institutions in proportion to the aggregate number of course credits awarded to undergraduate students enrolled in the institution in the most recent academic year for which this data is available, except that no institution may receive more than 25% of the total amount of funds allocated under this paragraph.

Specify that these allocations are in addition to an institution's performance funding and in addition to any other allocations made by the Board. Require JCOER approval of the faculty credit hour plan submitted by the System prior to allocation and release of the funds.

Senate/Legislature: Included the provision under Joint Finance. However, rather than placing the funding in the UW System general program operation appropriation, provide \$26.5 million GPR annually in the Joint Committee on Finance supplemental appropriation for release to UW System.

The fiscal effect of this item is shown under "Program Supplements."

[Act 15 Section: 135]

24. DELETE FUNDING

GPR	- \$16,000,000

Joint Finance/Legislature: Delete \$8 million annually from UW System's general program operations appropriation.

25. POSITION CAP

Joint Finance/Legislature: Require that UW System continue to maintain the number of positions across the entire system that are funded by either GPR or program revenue dollars at the level in effect on January 1, 2024, as specified in the agreement approved by the Board of Regents on December 13, 2023. Specify that the Chancellor may not create or abolish any position under section 16.505(2m) or (2p) of the statutes for any system employee assigned to UW-Madison that would be inconsistent with this requirement.

[Act 15 Section: 136]

26. TRANSFER CREDITS

Joint Finance/Legislature: Require that the Board's transfer credit policies provide that, no later than September 1, 2026, all credits for core general educational courses (defined under section 36.31(2m)(a) as courses generally required for an undergraduate degree that are prerequisite or otherwise in addition to the courses required for an undergraduate degree in a specific course of study) are transferable between institutions within the System and satisfy general education requirements at the receiving institutions. In addition, specify that no agreements between the Board of Regents and the technical college system board under section 36.31(2m) of the statutes may limit the transfer of credits for core general education courses between institutions within the UW System.

Require UW System to submit a proposal to the Joint Committee on Employment Relations to the transfer policies no later than December 31, 2025.

[Act 15 Sections: 134 and 138]

27. FACULTY CREDIT HOUR REQUIREMENT

Joint Finance: Starting September 1, 2026, require that full time faculty and instructional

academic staff employees of UW System must teach no fewer than 24 credits per academic year, and, if on a 12-month contract, an additional six credits in the summer. Specify that full-time faculty and instructional academic staff at UW institutions designated as Research 1 by the Carnegie Classification of Institutions of Higher Education may teach 12 credits per academic year and, if on a 12-month contract, an additional 3 credits in the summer. Define credit hour, with respect to a course, as a period of not less than 50 consecutive minutes per week of instructional time for each week of the semester or session that the course is offered, excluding the week of or the week immediately preceding final examinations for the course.

Specify that an instructional employee who has less than a full-time appointment must teach a minimum number of credit hours in the proportion that the appointment bears to the required credit hours for a full-time instructional employee. In addition, specify that an instructional employee on a 12-month contract may not teach fewer than one course during any semester or summer session. Further, specify that each academic department in an institution may designate one individual as a department chair. The duties of the chairperson must be determined by the chancellor of the institution to which the individual is assigned, and the minimum credit hours requirement may be reduced for the department chairperson commensurate with the individual's duties as chairperson. The minimum credit hour may also be reduced for other individuals with assigned administrative duties, as approved by the Joint Committee on Employment Relations (JCOER) prior to January 31, 2026. No institution may designate more than 10% of their faculty and 10% of their academic staff as having administrative duties other than the department chairperson.

Specify that the Board of Regents must develop a buyout policy for any instructional position not teaching its specified minimum credit requirement. Specify the minimum credit hour requirement may be reduced if the instructional employee's compensation, including salary and benefits, is replaced by a proportional reduction in the instructional employee's compensation using other funding sources.

Specify that the Board of Regents must adopt guidelines consistent with these provisions that provide additional details relevant to these requirements, or present exceptions for reasonably justified circumstances, but only if, no later than December 1, 2025, the Board submits to JCOER the proposed guidelines for legislative review. In the proposed guidelines, specify that the Board may propose exceptions to the minimum credit requirements or any other specified requirement under the bill. If JCOER approves these exceptions prior to January 31, 2026, the Board may adopt and implement the exceptions and incorporate the approved exceptions into its guidelines. Additionally, specify that the Board may propose exceptions to the methodology for the reduction in compensation for instructional employees not meeting the minimum credit requirements including an alternative plan or formula for an instructional employee's compensation reduction and substitution of revenue sources in the instructional employee's compensation. If JCOER approves any exceptions or alternative plan or formula prior to January 31, 2026, the Board may adopt and implement the exceptions or alternative plan or formula and incorporate the approved exceptions or alternative plan or formula in its guidelines.

Annually, require the Board to report the following to the appropriate legislative standing committees: (1) a report of the total credit hours taught by faculty and instructional academic staff

grouped according to the following factors: (a) classification of the instructional employee as faculty or instructional academic staff; (b) Institution to which the employee is assigned; (c) whether the employee has a full-time appointment and, if not, the extent of the part time appointment; and (d) the funding source(s) and amounts of funding amount for each position; and (2) percentage of teaching staff at each institution meeting the full workload requirement.

Senate/Legislature: Specify that faculty would be defined according to the definition under current law (persons who hold the rank of professor, associate professor, assistant professor or instructor in an academic department or its functional equivalent in an institution and such academic staff as may be designated by the chancellor and faculty of the institution) and specify that faculty does not include the chancellor or provost of an institution.

Delete language describing the reduction in employee compensation to be included in the buyout plan. Instead, specify that the Board of Regents must develop a buyout plan that, if approved by JCOER prior to January 31, 2026, allows for the reduction of the number of credit hours an instructional employee is required to teach. If JCOER approves the plan prior to January 31, 2026, the Board of Regents may implement the plan.

Modify the language specifying that instructional employees employed on a 12-month contract who have their instructional time offset by other sources must not teach fewer than one course during any semester or summer session to include all instructional employees, except as provided under the buyout plan if approved.

[Act 15 Section: 137]

28. UW SYSTEM AUDIT

Joint Finance/Legislature: Require the annual audit conducted by the Legislative Audit Bureau of UW System to include an evaluation of the compliance of UW System with the transfer credit and faculty credit workload requirements created under the bill.

[Act 15 Sections: 3 and 137]

29. RISING PHOENIX EARLY COLLEGE HIGH SCHOOL PROGRAM

FED	\$1,000,000

Joint Finance/Legislature: Provide \$1,000,000 FED for the Rising Phoenix Early College High School Program at UW-Green Bay. Transfer a revenue balance of \$1,000,000 FED associated with American Rescue Plan Act State Fiscal Recovery Fund interest earnings from DOA's federal aid appropriation to UW's appropriation for federal aid. Require the Board of Regents to allocate \$1,000,000 FED from that appropriation to UW-Green Bay for the program.

[Act 15 Section: 9147(1)]

30. STUDY OF UW SYSTEM ORGANIZATIONAL EFFICIENCY

Senate/Legislature: By December 31, 2026, require the Board of Regents to, by contracting by competitive bid with an auditing firm or business consultancy with experience in analyzing higher educational institutions, produce an organizational review and efficiency study with a focus on declining student enrollment and future operational analysis. Require the study to: (a) focus on an in-depth analysis of organizational efficiency, administrative processes, resource allocation, inventory operations, and programming; (b) examine key performance indicators such as cost-per-student, time-to-degree completion, and faculty-to-administrator ratios with a goal to identify redundancies and opportunities for streamlining operations; (c) evaluate the administrative processes at UW System institutions and what can be done to improve them; and (d) assess the role of technology in reducing workloads and improving the systems already in place. Specify that the study's research may include interviews of key stakeholders, such as administrators, faculty, and students. In addition, specify that the study may explore how interdepartmental communication and collaboration impact overall efficiency, particularly in areas like curriculum development and facilities management. Further, specify that the anticipated outcomes of the study may include a comprehensive efficiency report, a set of evidence-based recommendations for organizational improvement, and a scalable framework for other universities to assess and improve their operational efficiency. Upon completion of the study, require the Board of Regents to submit the study results to the appropriate standing committees of the Legislature.

[Act 15 Section: 9147(4g)]

VETERANS AFFAIRS

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$4,038,600	\$3,860,900	\$6,321,000	\$11,321,000	\$11,321,000	\$7,282,400	180.3%
FED	6,239,600	6,393,000	6,393,000	6,393,000	6,393,000	153,400	2.5
PR	264,750,200	288,082,300	256,289,800	256,289,800	256,289,800	- 8,460,400	- 3.2
SEG	<u>42,721,800</u>	<u>58,003,200</u>	<u>43,909,200</u>	<u>43,909,200</u>	<u>43,909,200</u>	<u>1,187,400</u>	<u>2.8</u>
TOTAL	\$317,750,200	\$356,339,400	\$312,913,000	\$317,913,000	\$317,913,000	\$162,800	0.1%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	0.00	1.00	1.00	1.00	1.00	1.00
FED	16.50	16.50	16.50	16.50	16.50	0.00
PR	1,119.81	1,117.81	893.11	893.11	893.11	- 226.70
SEG	<u>104.19</u>	<u>117.19</u>	<u>104.19</u>	<u>104.19</u>	<u>104.19</u>	<u>0.00</u>
TOTAL	1,240.50	1,252.50	1,014.80	1,014.80	1,014.80	- 225.70

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$12,000	\$0	\$12,000
FED	153,400	0	153,400
PR	25,702,000	0	25,702,000
SEG	<u>1,083,100</u>	<u>- 197,000</u>	<u>886,100</u>
Total	\$26,950,500	- \$197,000	\$26,753,500

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	\$0	\$0	-\$1,200,100	-\$147,800	-\$1,347,900
Full Funding of Cont. Pos. Salary/Fringe	0	75,400	11,067,600	817,200	11,960,200
Overtime	0	0	950,500	0	950,500
Night and Weekend Differential	0	0	2,116,300	0	2,116,300
Full Funding of Lease/Directed Moves	<u>6,000</u>	<u>1,300</u>	<u>-83,300</u>	<u>-133,600</u>	<u>-209,600</u>
Total	\$6,000	\$76,700	\$12,851,000	\$535,800	\$13,469,500
2026-27					
Turnover Reduction	\$0	\$0	-\$1,200,100	-\$147,800	-\$1,347,900
Full Funding of Cont. Pos. Salary/Fringe	0	75,400	11,067,600	817,200	11,960,200
Overtime	0	0	950,500	0	950,500
Night and Weekend Differential	0	0	2,116,300	0	2,116,300
Full Funding of Lease/Directed Moves	<u>6,000</u>	<u>1,300</u>	<u>-83,300</u>	<u>-122,100</u>	<u>-198,100</u>
Total	\$6,000	\$76,700	\$12,851,000	\$547,300	\$13,481,000
Biennial Totals	\$12,000	\$153,400	\$25,702,000	\$1,083,100	\$26,950,500

Joint Finance/Legislature: Reduce funding by \$98,500 SEG annually to reflect an increase, from 3% to 5%, to the rate used to calculate the standard budget adjustment for turnover reduction.

2. GENERAL FUND TRANSFER TO SUPPORT OPERATIONS OF THE STATE VETERANS HOMES [LFB Paper 810]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR-Transfer	\$21,900,000	- \$16,900,000	\$5,000,000
PR-Revenue	\$21,900,000	- \$16,900,000	\$5,000,000

Governor: Transfer \$7,100,000 in 2025-26 and \$14,800,000 in 2026-27 from the general fund to the PR appropriation account for the state veterans homes. Modify the statutory authorization for the PR appropriation to reflect the receipt of this transfer. The Administration indicates that the state veterans homes program revenue account requires this general fund supplement to avoid revenue shortfalls caused by declining census at the homes.

The operations of the state veterans homes are supported from revenues from five primary sources: (a) medical assistance program payments; (b) member payments; (c) federal per diem payments from the U.S. Department of Veterans Affairs; (d) federal USDVA service-connected disability payments; and (e) Medicare payments. Veterans home expenditures have exceeded revenues at the King and Union Grove homes for each of the past three years. Accumulated balances from prior years, along with a budget surplus generated at the Chippewa Falls home, have allowed the homes to maintain a positive balance in the combined program revenue appropriation, but the Department projects that continuing deficits and King and Union Grove will deplete most or all of the revenue reserves by the end of the 2023-25 biennium. The 2023-25 budget (Act 19)

provided \$5,000,000 GPR in the Joint Committee on Finance program supplements appropriation to supplement state veterans homes operations, although the Department had not yet made a request for this funding at the time of the introduction of the Governor's bill.

Joint Finance/Legislature: Reduce the amount of the transfer to \$5,000,000 in 2025-26, a reduction of \$2,100,000 in 2025-26 and \$14,800,000 in 2025-27.

[Act 15 Sections: 81 and 9248(1)]

3. VETERANS TRUST FUND -- GPR SUPPLEMENT [LFB Paper 106]

Governor: Estimate that \$24,975,000 in 2025-26 and \$22,325,000 in 2026-27 will be transferred from the general fund to the veterans trust fund (VTF) to support estimates of SEG-supported expenditures from the VTF in the 2025-27 biennium. These amounts would be increases of \$9,889,800 in 2025-26 and \$7,239,800 in 2026-27 over the appropriation base of \$15,085,200. The fiscal effect of this item is summarized under "Miscellaneous Appropriations."

In recent biennia, over 95% of revenue to the veterans trust fund has been revenue transferred from the general fund from a sum sufficient GPR appropriation. In 2023-24, DOA transferred \$15,855,200 to support VTF expenditures. The following table summarizes the Administration's estimates of balances, revenues, and expenditures from the VTF in the 2025-27 biennium.

Veterans Trust Fund Governor's Recommendations

	<u>2025-26</u>	<u>2026-27</u>
Opening Balance	\$860,700	\$65,700
Revenue		
Veterans Programs	\$350,000	\$350,000
GPR Transfer	<u>24,975,000</u>	<u>22,325,000</u>
Total Available	\$26,185,700	\$22,740,700
Expenditures		
DVA Appropriations	\$30,470,000	\$27,020,400
Lapses from DVA Appropriations	<u>-4,350,000</u>	<u>-4,361,500</u>
Net Expenditures	\$26,120,000	\$22,658,900
Year End Balance	\$65,700	\$81,800

Joint Finance/Legislature: Estimate the transfer at \$17,097,400 in 2025-26 and \$17,197,400 in 2026-27, to reflect anticipated VTF expenditures in the 2025-27 biennium. Compared to the Governor's bill, these estimates would be a reduction of \$7,877,600 in 2025-26 and \$5,127,600 in 2026-27. The following table shows the estimated veterans trust fund condition under Act 15.

**Veterans Trust Fund
Act 15**

	<u>2025-26</u>	<u>2026-27</u>
Opening Balance	\$860,700	\$832,600
Revenue		
Veterans Programs	\$350,000	\$350,000
GPR Transfer	<u>17,097,400</u>	<u>17,197,400</u>
Total Available	\$18,308,100	\$18,380,000
Expenditures		
DVA Appropriations	\$21,825,500	\$21,873,500
Lapses from DVA Appropriations	<u>-4,350,000</u>	<u>-4,350,000</u>
Net Expenditures	\$17,475,500	\$17,523,500
Year End Balance	\$832,600	\$856,500

4. VETERANS BENEFITS MANAGEMENT SYSTEM [LFB Paper 811]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$5,019,600	- \$5,019,600	\$0

Governor: Provide \$1,887,200 in 2025-26 and \$3,132,400 in 2026-27 for the purchase and ongoing maintenance of cloud-based grant administration systems used for state veterans benefit programs, including state-administered programs supported with federal funds. Of the proposed funding budgeted in 2026-27, \$758,000 would be for ongoing costs, including licensing, subscription, and maintenance costs, and system and user support, while the remaining \$2,374,400 would be for purchase and implementation costs, budgeted as one-time funding. The Administration indicates that the new benefits management system would replace several existing systems used to track and manage application and benefit payments, which the Department asserts are outdated and no longer capable of effectively managing the Department's programs.

Joint Finance/Legislature: Provision not included.

5. VETERANS MENTAL HEALTH GRANT PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$5,000,000	- \$5,000,000	\$0

Governor: Provide \$5,000,000 in 2025-26 to establish a new grant program to support organizations that provide community-based and emergency crisis mental health services. Establish a biennial appropriation in DVA for making grants. Authorize DVA to promulgate emergency rules necessary to administer the grant program, without requiring the Department to meet the prerequisite conditions that are otherwise applicable for such rules.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. VETERANS HOUSING AND RECOVERY PROGRAM [LFB Paper 812]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$1,950,000	- \$1,950,000	\$0

Governor: Provide \$900,000 in 2025-26 and \$1,050,000 in 2026-27 for the veterans housing and recover program (VHRP) to increase funding for supplies and services costs in the program, and for costs associated with the program's contract for transitional housing services. The VHRP provides short-term housing and supportive services to veterans who are homeless or at risk of becoming homeless. The program provides services at three locations, in Chippewa Falls, Green Bay, and Union Grove. Total base funding for the program is \$2,136,600, which is composed of \$1,343,600 in federal funding, \$677,500 SEG from the veterans trust fund, and \$115,500 SEG received as receipts collected as rental payments collected from certain program participants.

Joint Finance/Legislature: Provision not included.

7. VETERANS OUTREACH AND RECOVERY PROGRAM [LFB Paper 813]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$1,115,700	7.00	- \$1,115,700	- 7.00	\$0	0.00

Governor: Provide \$512,900 in 2025-26 and \$602,800 in 2026-27 and 7.0 positions, beginning in 2025-26 for the veterans outreach and recovery program (VORP), to replace 7.0 federally-funded project positions in the program. VORP provides outreach, treatment and support to veterans who have a mental health condition or a substance use disorder. The program employs outreach specialists to contact veterans to provide direct assistance and referral to social service programs. The federal project positions will expire in October, 2025. In addition to these positions, the program is currently authorized 15.0 permanent SEG positions.

Joint Finance/Legislature: Provision not included.

8. STATE VETERANS CEMETERY CARETAKER POSITIONS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$302,600	3.00	- \$302,600	- 3.00	\$0	0.00

Governor: Provide \$131,800 in 2025-26 and \$170,800 in 2026-27, and 3.0 cemetery caretaker positions, beginning in 2025-26, to provide one additional caretaker at each of the state's three state veterans cemeteries. DVA currently has 12.5 caretaker positions at the three cemeteries. The Administration indicates that the additional positions are intended to address increased maintenance and operations needs at the cemeteries, as the number of graves and internments has increased in recent years.

Joint Finance/Legislature: Provision not included.

9. VETERANS TRANSPORTATION GRANTS TO COUNTIES

SEG	\$200,000

Governor/Legislature: Provide \$100,000 annually to increase funding for grants to counties for providing transportation to medical facilities for veterans. DVA is required to provide \$200,000 annually to the Disabled American Veterans for the provision of transportation services to medical facilities for veterans. In addition, the Department provides grants totaling \$100,000 to counties in which Disabled American Veterans does not provide transportation services. In 2023-24, 29 counties received grants under this component of the program. This item would increase the total amount of the grants to counties in which Disabled American Veterans does not operate from \$100,000 to \$200,000, annually.

10. WISCONSIN COMMISSION FOR THE UNITED STATES SEMIQUINCENTENNIAL COMMISSION

	Funding	Position
GPR	\$164,000	1.00

Governor/Legislature: Provide \$82,000 annually and 1.0 project position, beginning in 2025-26, to perform duties related to the Wisconsin Commission for the United States Semiquincentennial Commission. 2021 Act 95 established the Commission, attached to the Wisconsin Department of Veterans Affairs, to coordinate events associated with commemoration of the 250th anniversary of the Declaration of Independence, with a focus on Wisconsin's role in shaping U.S. history. The Administration indicates that the position would plan events, facilitate fundraising, prepare statutorily required reports, and assist the Commission in carrying out its functions. The project position would expire on March 31, 2027. The funding provided under this item would support salary and fringe benefit costs for three quarters in each fiscal year of the biennium, as well as provide \$25,000 annually for supplies and services for the position and the Commission.

11. VETERANS SERVICE OFFICE GRANTS

SEG	\$129,200

Governor/Legislature: Provide \$64,600 annually to provide a 5% increase for grants to county and tribal veterans service offices, rounded to the nearest \$100. Of this annual increase, \$52,800 would be budgeted for county veterans service office (CVSO) grants, increasing the total from \$1,050,500 to \$1,103,300, and \$11,800 would be budgeted for tribal veterans service office (TVSO) grants, increasing the total from \$226,900 to \$238,700.

Increase the statutory annual grant amounts for CVSOs, to reflect the proposed changes, as follows: (a) for counties with a population of less than 20,000, from \$11,688 to \$12,300; (b) for counties with a population of 20,000 to 45,499, from \$13,750 to \$14,400; (c) for counties with a population of 45,500 to 74,999, from \$15,813 to \$16,600; and (d) for counties with a population of 75,000 or more, from \$17,875 to \$18,800. Repeal a provision that specifies that the grant for a county with a part-time CVSO is \$550, so that the grant for any such county would be determined in the same manner as counties with a full-time CVSO, based on population. In 2023-24, two counties, Florence and Pepin, received the \$550 grant for a part-time CVSO. Increase the maximum annual grant made to TVSOs, from \$20,625 to \$21,700.

[Act 15 Sections: 143 thru 145]

12. CAMP AMERICAN LEGION

SEG	\$50,000

Governor/Legislature: Provide \$25,000 annually to increase, from \$75,000 to \$100,000, the amount of a grant that DVA makes to the American Legion, and increase the statutory grant requirement accordingly. Camp American Legion provides cabins and recreational facilities free of charge for disabled and injured veterans and their families. The camp is located in Oneida County on property owned by the state and managed by the Department of Natural Resources.

[Act 15 Section: 142]

13. FUND SOURCE TRANSFER FOR CLAIMS OFFICER POSITIONS

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. To Base)		(Chg. To Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
PR	- \$509,600	- 2.00	\$509,600	2.00	\$0	0.00
SEG	<u>509,600</u>	<u>2.00</u>	<u>- 509,600</u>	<u>- 2.00</u>	<u>0</u>	<u>0.00</u>
Total	\$0	0.00	\$0	0.00	\$0	0.00

Governor: Provide \$254,800 SEG and 2.0 SEG positions annually and make corresponding PR funding and PR position reductions to reflect a transfer of the fund source supporting two veterans claims officer positions. Claims officers assist Wisconsin veterans in accessing federal veterans benefits. DVA has 9.6 claims officer positions, of which 7.6 are SEG positions, supported from the veterans trust fund, and 2.0 are PR positions, funded with state veterans home revenues. The Administration indicates that the fund source realignment under this item is intended to reflect

the fact that claims service activities are unrelated to the PR-funded state veterans homes.

Joint Finance/Legislature: Provision not included.

14. VETERANS MUSEUM ORAL HISTORY PROGRAMS

	<u>Governor</u> <u>(Chg. to Base)</u>		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u>		<u>Net Change</u>	
	<u>Funding</u>	<u>Position</u>	<u>Funding</u>	<u>Position</u>	<u>Funding</u>	<u>Position</u>
SEG	\$302,200	1.00	\$302,200	- 1.00	\$0	0.00

Governor: Provide \$143,700 in 2025-26 and \$158,500 in 2026-27 and 1.0 position, beginning in 2025-26, to support and expand oral history collections at the Wisconsin Veterans Museum. The Administration indicates that the position would respond to interview requests, conduct interviews, with a focus on Vietnam era interviews, including with Hmong veterans. The funding would include salary and fringe benefits for the position, plus \$100,000 annually for contractual services for translation of and preparation of existing interviews conducted in Hmong, as well as media and information technology costs. The Museum's current oral history collection includes over 2,900 interviews from the Spanish-American War through the present.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. SEGREGATED APPROPRIATION ADJUSTMENTS

SEG	- \$336,200

Governor/Legislature: Adjust several SEG appropriations, with a net effect of reducing SEG funding by \$168,100 annually. The following table shows the annual adjustments, by appropriation.

<u>SEG Appropriation</u>	<u>Annual Adjustment</u>
Cemetery administration and maintenance	\$120,000
Veterans housing and recovery program	100,000
Department facilities	50,000
Operation of the veterans museum	32,800
Administration of loans and aids to veterans	30,000
Museum facilities	-2,800
Retraining grant program	-10,000
Cemetery energy costs	-21,300
Loan expenses	-30,000
Veterans museum sales	-30,000
Veterans tuition reimbursement program	-186,800
Veterans assistance grants	<u>-220,000</u>
Total	-\$168,100

The SEG appropriation reductions under this item generally reflect an assessment that the

base appropriation level is in excess of actual expenditures in recent years for several of the Department's veterans benefit programs. In particular, annual expenditures under the veterans tuition reimbursement program and veterans assistance grants program (also known as the assistance to needy veterans program) have been significantly below appropriated levels for several years. Although the net effect of this item is a reduction in SEG budget authority, there are several appropriations that would be increased, the most significant being the appropriation for cemetery administration and maintenance and appropriation for the veterans housing and recovery program.

16. PROGRAM REVENUE FUNDING ADJUSTMENTS

PR	- \$283,400

Governor/Legislature: Adjust several PR appropriations, with a net effect of reducing PR funding by \$141,700 annually, to reflect reestimates of PR expenditures and revenues for the Department's state veterans homes and cemeteries. The following table shows the annual adjustments, by appropriation.

<u>Program Revenue Appropriation Account</u>	<u>Annual Adjustment</u>
State Veterans Home at Chippewa Falls	\$2,044,600
State Veterans Home at King	-2,197,500
Housing Maintenance	-44,000
King Home Exchange (Shop)	-69,800
Chippewa Falls Gifts and Bequests	25,000
Cemeteries Gifts and Bequests	<u>100,000</u>
Total	-\$141,700

Although the net change of these adjustments is a reduction in PR budget authority, this item includes increases for three appropriations. The most significant of these is the increase to the Chippewa Falls veterans home appropriation, which would be provided in the supplies and services budget line, used for the contract that DVA maintains for the operation of the Chippewa Falls home.

17. ASSISTANCE TO NEEDY VETERANS PROGRAM CHANGES

Governor: Rename the assistance to needy veterans program the veterans assistance grants program, and make the following changes to program benefits and parameters:

- Include, as an eligible expense for which eligible veterans may receive a health care grant, any medical device prescribed by a health care provider;
- Increase the grant limits under the program from \$3,000 in a consecutive 12-month period and \$7,500 as a cumulative total, to \$5,000 in a consecutive 12-month period and \$10,000 as a cumulative total;
- Modify a current law provision that provides eligibility for program grants to an

unremarried spouse and dependent children of a veteran who died on active duty or in the line duty while in training, to eliminate the condition that the veteran must have died, which has the effect of making any unremarried spouse and dependent children of a living veteran eligible under the program;

- Modify a current law provision that specifies that a veteran is eligible for a subsistence grant in the event of a loss of income due to illness, injury, or natural disaster, to eliminate the specific reasons for the loss of income, so that a veteran would be eligible for a subsistence grant due to a loss of income for any reason; and
- Modify the definition of a health care provider, which under current law is limited to an advanced practice nurse prescriber, an audiologist, a dentist, an optometrist, a physician, or a podiatrist, to cross reference a definition of the term in a current law provision related to health care records that includes over 30 health and health-related professions, and specify that the term also includes an ambulatory surgical center.

The program provides subsistence grants and health care grants to veterans and certain unremarried spouses and dependent children of deceased veterans, subject to certain income and asset eligibility rules. Subsistence grants provide emergency financial assistance to a veteran who experiences a loss of income due to illness, injury, or natural disaster, while the health care grants are for the cost of dental, vision, or hearing care, including dentures, glasses, or hearing aids. The base funding for the program is \$820,000, although the bill would decrease this amount to \$600,000 annually under a separate item ("SEG Appropriation Adjustments"). Since actual spending under the program has been significantly less than the appropriated amount--an average of \$102,000 per year over the past five years--the Administration expects that there would still be sufficient appropriation authority to account for the proposed changes to the program under this item.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. ELIGIBILITY FOR CERTAIN VETERANS PROGRAMS FOR HMONG-LAO VETERANS

Governor: Expand the statutory definition of "veteran" for the purposes of qualifying for certain state programs, to include any state resident who is either of the following: (a) a person naturalized as a U.S. citizen pursuant to the federal Hmong Veterans' Naturalization Act of 2000; or (b) a U.S. citizen or an alien lawfully admitted for permanent residence and who the DVA Secretary determines served honorably with a special guerilla unit or irregular forces operation from a base in Laos in support of armed forces of the United States at any time during the period beginning February 28, 1961, and ending September 18, 1978.

Specify that a person defined as a veteran under either of these conditions qualifies for tuition remission under the veterans tuition remission programs at UW System and Wisconsin Technical College System campuses. Specify, in addition, that any such person who is a resident of and living in Wisconsin at the time of registering as a student at a UW System campus qualifies

for an exemption from nonresident tuition.

Specify that a person who meets the definition of veteran under this item is not considered a veteran for purposes of state veterans home membership. Delete a provision that specifies that certain persons admitted to the United States as a refugee from Laos who served as part of a special guerrilla unit or irregular forces during the applicable dates are considered to meet the definition of "veteran" for the specific purposes of certain driver's license provisions, to reflect the fact that under this item such persons would be meet the definition of "veteran" for a broader spectrum of state programs, including driver's license provisions.

This item would affect eligibility for some, but not all, state veterans benefit programs. Eligibility requirements for some programs are not based on the statutory definition of the term "veteran" and so would not be affected. This includes membership at the state veterans homes, burial in a state veterans cemetery, and assistance under the veterans housing and recovery program, all of which are subject to federal, rather than state, definitions. Other programs and benefits, such as the veterans property tax credit, are tied to having a U.S. Department of Veterans Affairs disability rating, and would not be affected. Programs for which the Hmong-Lao veterans would receive benefits include the assistance for needy veterans program (renamed the "veterans assistance grants" program under the bill), the tuition remission and tuition reimbursement programs, and the retraining assistance program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

19. DEBT SERVICE REESTIMATE [LFB Paper 106]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$353,700	- \$39,900	- \$393,600
PR	- 1,576,900	- 86,500	- 1,663,400
SEG	<u>- 44,400</u>	<u>302,700</u>	<u>258,300</u>
Total	- \$1,975,000	\$176,300	- \$1,798,700

Governor: Reduce funding by \$962,200 (-\$222,300 GPR, -\$717,700 PR, and -\$22,200 SEG) in 2025-26 and by \$1,012,800 (-\$131,400 GPR, -\$859,200 PR, and -\$22,200 SEG) in 2026-27 to reflect reestimates of debt service costs on authorized bonds for veterans cemeteries and state veterans home. Base funding for DVA debt service is \$5,925,600 (\$1,569,700 GPR, \$37,900 PR, and \$4,318,000 SEG).

Joint Finance/Legislature: Increase funding by \$187,900 (\$27,800 GPR, \$7,500 PR, and \$152,600 SEG) in 2025-26 and reduce funding by \$11,600 (-\$67,700 GPR, -\$94,000 PR, and \$150,100 SEG) in 2026-27 to reflect a reestimate of debt service payments.

20. GRANT FOR VETERANS COMMUNITY PROJECT OF MILWAUKEE

GPR	\$2,500,000

Joint Finance/Legislature: Provide \$2,500,000 in 2025-26 in a new appropriation for making a grant to the Veterans Community Project, a national nonprofit organization, to use toward the Veterans Community Project of Milwaukee. Repeal the appropriation on July 1, 2026.

[Act 15 Sections: 82, 83, and 9448(1)]

21. FLAG POLE INSTALLATION AT THE STATE VETERANS HOMES

PR	\$100,000
GPR-Transfer	\$100,000
PR-REV	\$100,000

Joint Finance/Legislature: Provide \$100,000 in 2025-26 in the appropriation for the state veterans homes for installation of flagpole-related infrastructure at the King and Union Grove state veterans homes. Transfer \$100,000 in 2025-26 from the general fund to the PR appropriation account for the veterans homes to support the cost of these installations, and modify the statutory authorization for the appropriation to reflect the receipt of this transfer.

[Act 15 Sections: 81 and 9248(2)]

22. DELETE VACANT POSITIONS

	Funding	Positions
PR	- \$32,315,600	- 226.70

Joint Finance/Legislature: Delete 226.7 vacant positions, beginning in 2025-26, with associated expenditure authority of \$16,157,800 annually in the state veterans homes appropriation, to reflect the elimination of positions that the Department indicates are in excess of the number needed to staff the number of licensed beds at the homes.

23. WAR MEMORIAL CENTER GRANT

GPR	\$5,000,000

Joint Finance: Provide \$5,000,000 GPR in the Finance Committee's program supplements appropriation to support a grant, administered by the Department of Veterans Affairs, for war memorials in populous counties. The fiscal effect of this item is reflected in "Program Supplements."

Senate/Legislature: Delete the Joint Finance provision. Instead, provide \$5,000,000 in 2025-26 in a new continuing appropriation in DVA to support war memorials in populous counties. Specify that the War Memorial Center Board, which is established under current law, may request funds from DVA for one or more of the following purposes: (a) expenses relating to the operation of the war memorial, including memorials, capital projects, exhibits, programs, salaries, and insurance; or (b) maintenance, repairs, development, construction, or improvements of the war memorial's facilities, properties, or grounds or other property owned, operated, or maintained by the war memorial. Specify that such a request must include all of the following: (a) a description of the purpose for which the Board is requesting the funds and the Board's intended use of the requested funds; and (b) a written averment from the Board that it has, or has a written financial

commitment to receive, a full match of the amount of funds it is requesting from the Department, which matching funds the Board will ensure are used to meet at least half of the Board's total anticipated cost for the purpose for which the Board is requesting funds.

Require DVA to review any request for funds submitted by the Board within 60 days, and determine whether to fully or partially approve the request, request more information, or deny the request if the request does not meet the specified requirements. Require DVA to provide any approved funds to the Board within 30 days of approval. Specify that the Board may request that the Department revisit and review any decision to deny or partially deny a request within 90 days of that decision.

Require the Board, by the end of the fiscal year in which it receives funds, to submit a report to the Joint Committee on Finance and to the Chief Clerk of each house of the Legislature for distribution to the standing committees having jurisdiction over veterans matters, with a description of how the board used or plans to use the funds, as well as an indication of how much funding remains in the grant appropriation.

[Act 15 Sections: 83n and 142n]

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled Amount	Percent
GPR	\$0	\$145,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	N.A.
SEG	91,740,000	93,840,000	87,900,000	87,900,000	87,900,000	- 3,840,000	- 4.2%
TOTAL	\$91,740,000	\$238,840,000	\$92,900,000	\$92,900,000	\$92,900,000	\$1,160,000	1.3%

FTE Position Summary
There are no authorized state positions for the Wisconsin Economic Development Corporation.

Budget Change Items

1. REESTIMATE SEG OPERATIONS AND PROGRAMS APPROPRIATION [LFB Paper 820]

	Governor (Chg. to Base)	Jt. Finance/Leg (Chg. to Gov)	Net Change
SEG	\$2,100,000	- \$5,940,000	- \$3,840,000

Governor: Increase funding by \$1,125,000 in 2025-26 and \$975,000 in 2026-27 for the Wisconsin Economic Development Corporation's (WEDC) all monies received operations and programs appropriation from the economic development fund. As a result, the Administration estimates that current law funding provided for WEDC's operations and programs SEG appropriation would increase from base funding of \$44,870,000 to \$45,995,000 in 2025-26 and \$45,845,000 in 2026-27.

Under current law, the primary source of WEDC's funding is from the segregated economic development fund. The revenue source for the economic development fund is the economic development surcharge imposed upon C corporations and tax-option (S) corporations.

Joint Finance/Legislature: Decrease funding estimated by the Administration under

WEDC's all monies received operations and programs SEG appropriation by \$3,395,000 in 2025-26 and \$2,545,000 in 2026-27 to reflect revised estimates of economic development surcharge revenues available from the economic development fund (\$42,600,000 in 2025-26 and \$43,300,000 in 2026-27). Relative to base funding of \$44,870,000, funding is decreased by \$2,270,000 in 2025-26 and \$1,570,000 in 2026-27.

Together with base funding of \$1,000,000 SEG annually from the environmental fund, total SEG funding for WEDC is estimated to be \$43,600,000 in 2025-26 and \$44,300,000 in 2026-27.

2. GPR FUNDING FOR WEDC OPERATIONS AND PROGRAMS

Governor: Modify WEDC's GPR operations and programs sum sufficient appropriation as follows.

Under current law, in addition to SEG revenues from the economic development and environmental funds, WEDC receives GPR funding for its operations and programs under a sum sufficient appropriation. GPR may be expended from WEDC's sum sufficient appropriation only if there are no unencumbered moneys available in the economic development fund. Thus, the first draws for programs and operations come from the economic development fund until the available balance of the SEG appropriation is depleted. Specifically, the funding for operations and programs is provided in an amount of GPR equal to \$41,550,700 minus the amounts expended from the economic development fund (estimated to be \$45,995,000 in 2025-26 and \$45,845,000 in 2026-27) and the environmental fund (provided base funding of \$1,000,000 annually under the bill). This provision effectively functions as a funding floor for budgeting WEDC operations and programs to mitigate the risk of lower than anticipated SEG revenues. Overall GPR programs and operations spending in any year is limited to no more than \$16,512,500.

The bill would increase the funding floor from \$41,550,700 to \$46,000,000. No funding is provided for the increase, as SEG funding is estimated to exceed this amount in each year of the 2025-27 biennium (and therefore it is estimated that \$0 GPR will be provided under the sum sufficient appropriation). However, if economic development fund revenues available to WEDC were below \$45,000,000 in either year of the 2025-27 biennium (increased from \$40,550,700 under current law), sum sufficient GPR, up to a maximum amount of \$16,512,500, would be provided to WEDC to account for the shortfall.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. GRANTS TO SMALL BUSINESSES AND NONPROFIT ORGANIZATIONS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$50,000,000	- \$50,000,000	\$0

Governor: Authorize increased expenditures of \$50,000,000 from WEDC's sum sufficient

operations and programs appropriation in 2025-26 for the purpose of awarding grants of \$10,000 each to small businesses and nonprofit organizations that open a new location or expand operations in a vacant commercial space. Specify that a recipient of a grant could use grant moneys for commercial lease and mortgage payments, business operating expenses, and commercial building repair and tenant improvements. The Administration indicates that the funding would be used to continue the Mainstreet Bounceback Program, which awarded similar grants in 2021-22 and 2022-23 using federal funding received from the State Fiscal Recovery Fund under the federal American Rescue Plan Act of 2021 (ARPA).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. GREEN INNOVATION FUND

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$50,000,000	- \$50,000,000	\$0

Governor: Authorize increased expenditures of \$50,000,000 from WEDC's sum sufficient operations and programs appropriation in 2025-26 for the purpose of supporting the green innovation fund (GIF) as it existed on January 1, 2025. The bill specifies that GIF means the green bank administered by WEDC, in collaboration with the Department of Administration (DOA), based on the advice of the Governor's Green Ribbon Commission on Clean Energy and Environmental Innovation established by executive order 195, issued April 19, 2023.

According to WEDC, the purpose of the GIF is to assist projects and businesses transition to clean energy. Currently, the program utilizes Solar for All grant funding provided to the state by the federal Environmental Protection Agency (EPA) under ARPA. The EPA awarded WEDC \$62 million to be disbursed over a five-year-period for the purpose of making solar energy accessible and affordable, particularly for low-income households and underserved communities.

The bill would provide additional state funding of \$50,000,000 in 2025-26 for the GIF; however, the bill does not specify a particular purpose for the funding. According to the Administration, the funding would support expansion of the Solar for All program, including investments into solar farms on decommissioned landfills, affordable net-zero energy use in multi-family housing, and industrial decarbonization.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. FORWARD AGRICULTURE PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$15,000,000	- \$15,000,000	\$0

Governor: Authorize increased expenditures of \$15,000,000 from WEDC's sum sufficient operations and programs appropriation in 2025-26 for the purpose of providing state matching funds related to securing federal funding in conjunction with WiSys's Forward Agriculture program to promote sustainable agriculture.

WiSys is a nonprofit organization that supports the University of Wisconsin System as its designated technology transfer office to work with faculty, staff, students, and alumni to develop and commercialize discoveries. Forward Agriculture is a public-private partnership that seeks to improve the commercial viability of Wisconsin research into sustainable agriculture, including farm practices and food processing. Forward Agriculture received a \$1.0 million Type 1 engine development award from the U.S. National Science Foundation in 2023 to support this purpose, and is currently in the process of applying for the next phase of the award, which could provide up to \$160 million over ten years.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. BUSINESS ACCELERATOR PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$10,000,000	- \$10,000,000	\$0

Governor: Authorize increased expenditures of \$10,000,000 from WEDC's sum sufficient operations and programs appropriation in 2025-26 for the purpose of supporting a business accelerator program. Under the bill, the accelerator program would be administered by WEDC, in cooperation with the University of Wisconsin System, and would be intended to develop research into new startup businesses (including research from the University of Wisconsin System). WEDC would be able to award grants directly to businesses to assist their growth and development and to award grants to or in support of business incubators.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. OPPORTUNITY ATTRACTION FUND [LFB Paper 821]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,000,000	- \$5,000,000	\$0

Governor: Provide \$5,000,000 in 2025-26 to the continuing appropriation for the opportunity attraction and promotion fund, which WEDC uses to provide grants to attract unique opportunities and large events to the state.

Provisions of 2023 Act 19 provided \$10.0 million GPR to the Joint Committee on Finance's supplemental appropriation to support grants for opportunity attraction and promotion. Subsequent legislation, 2023 Act 169, enacted the opportunity attraction and promotion grant program. On June 6, 2024, the Committee released \$5.0 million to WEDC for the program. The rest of the \$5.0 million set aside in Act 19 remains in the Committee's supplemental appropriation, which will lapse (revert) to the general fund at the end of the 2023-25 biennium if not transferred for another purpose.

Under provisions of Act 169, WEDC may not award an opportunity attraction and promotion grant unless the eligible applicant has secured from non-state sources an amount equal to the amount of the proposed grant. Grant moneys may be used to undertake a project to: (a) bid against other states or jurisdictions outside the state to attract an opportunity or event that will draw national exposure and drive economic development and visitors to this state; and/or (b) host an opportunity or event that will attract national exposure and drive economic development and visitors to this state that the eligible applicant has secured through a competitive bid against other states or jurisdictions outside this state. Eligible applicants include: (1) a city, village, town, or county; (2) an American Indian tribe or band in this state; (3) an area visitor and convention bureau; (4) a business improvement district; or (5) a private entity. Under WEDC's current policies and procedures, awards relating to bidding for an event may not exceed \$100,000, and awards relating to hosting an event may not exceed \$5,000,000.

Joint Finance/Legislature: Provision not included.

8. THRIVE RURAL WISCONSIN

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,000,000	- \$5,000,000	\$0

Governor: Authorize increased expenditures of \$5,000,000 from WEDC's sum sufficient operations and programs appropriation in 2025-26 for the purpose of supporting WEDC's Thrive Rural Wisconsin program. The program provides grants to local economic development organizations, units of government, or tribal communities to increase their capacity to develop community facilities, community economic development initiatives, and housing projects that

enhance the community as a thriving place to live.

The bill would require WEDC to provide funding to its established regional and tribal partners to develop and fund projects in nonmetropolitan municipalities with populations of less than 10,000 to provide for increased availability and accessibility of local project capital.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. TRIBAL ENTERPRISE ACCELERATOR PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,000,000	- \$5,000,000	\$0

Governor: Authorize increased expenditures of \$5,000,000 from WEDC's sum sufficient operations and programs appropriation in 2025-26 for the purpose of creating a tribal enterprise accelerator program to offer statewide technical assistance and grants for community development investment and capacity building to American Indian tribes or bands in this state. The purpose of the funding would be to diversify tribal revenue strategies in industries other than gaming and entertainment.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. ADVANCED MANUFACTURING GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$5,000,000	- \$5,000,000	\$0

Governor: Authorize increased expenditures of \$5,000,000 from WEDC's sum sufficient operations and programs appropriation in 2025-26 for the purpose of establishing a program to award matching grants to small and mid-sized manufacturing companies located in this state to invest in advanced manufacturing technologies. The bill would specify that no one company could receive more than \$200,000 in advanced manufacturing grants, and no one grant could be for an amount that is more than one-third of the amount invested in advanced manufacturing technologies by the company. In order to receive a grant, a company would have to commit to not reduce its employment below the level when the grant was awarded. The company would be required to repay the grant amount to WEDC if the company failed to maintain its employment level for a period of 10 years after receiving a grant. WEDC could provide an exemption to the repayment requirement if it found that the company had undergone a unique hardship.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. UNASSIGNED FUND BALANCE

Governor: Repeal the requirement for the WEDC Board of Directors to establish a target that WEDC's unassigned balance on June 30 of each fiscal year be an amount equal to or less than one-sixth of its total administrative expenditures for that fiscal year. Under current law, the Board must establish policies and procedures for maintaining and expending any unassigned balance: (a) consistent with best practices recommended by the Government Finance Officers Association (GFOA); and (b) which set the described target balance of unassigned funds that would be repealed under the bill. The Administration indicates that the target balance requirement is unnecessary because the GFOA currently recommends the practice of keeping a two-month balance as the minimum amount, rather than a target maximum amount.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. MAIN STREET PROGRAM TECHNICAL MODIFICATIONS

Governor: Modify the Wisconsin Main Street program, as follows. Under current law, the Main Street program assists state municipalities to revitalize traditional business districts. A city, village, or town may be selected to participate in the program through a competitive process. WEDC administers the program and provides technical support and training to assist municipalities in planning, managing, and implementing projects to revitalize their downtown business areas through comprehensive economic redevelopment and historic preservation.

The bill would expand eligibility for the program to include tribal governments, chambers of commerce, and nonprofit organizations. Further, the bill would change the definition of a "business area" eligible for the program to mean a downtown area or historic commercial district. Under current law, eligible business areas are those commercial areas existing at the time the Main Street program services were requested and that have historic significance. This change would expand eligible business areas to include non-commercial downtown areas and remove the requirement for the area to exist at the time of the application.

The bill would repeal the current law requirement for WEDC to enter into contracts to obtain business area revitalization services provided by the National Main Street Center. WEDC indicates that requiring it to contract with the National Main Street Center limits options for the program and eliminates its leverage for contract negotiations. The bill would also repeal the current law requirement for WEDC to develop a plan describing the objectives of the state Main Street program and the methods by which WEDC must coordinate the activities with private and public sector revitalization of business areas, solicit and use private sector funding for revitalization of business areas, and help municipalities engage in revitalization of business areas. WEDC states that it should not be its role to coordinate or solicit funds for individual district activities.

In regards to selecting participants, the bill would alter the requirement for WEDC to "develop objective criteria relating to" certain statutory factors into a requirement that WEDC "evaluate and consider" those factors. Further, the bill would remove the selection factors requiring WEDC to consider: (a) local organizational and financial commitment to employ a program

manager for not less than five years; (b) local assistance in paying for the services of a design consultant; and (c) local commitment to assist in training persons to direct activities related to business areas in municipalities that do not participate in the state Main Street program. WEDC indicates that the current law factors are no longer considered best practices and are not feasible to measure or oversee. Instead, the bill would create new factors for WEDC to consider, including: (1) the potential to retain small businesses in the business area selected by the applicant; (2) the potential to attract new businesses to the business area selected by the applicant; (3) the potential to generate new economic activity and grow the tax base in the business area selected by the applicant; and (4) the potential to create employment opportunities in the business area selected by the applicant. WEDC indicates that these factors would be more flexible and better reflect the needs of communities.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. TAX CREDIT MODIFICATIONS

Governor/Legislature: Make a number of modifications to tax credit programs that are administered, in part, by WEDC, which are described under "General Fund Taxes."

14. TALENT RECRUITMENT GRANTS

GPR	\$5,000,000

Joint Finance/Legislature: Create a continuing appropriation for WEDC and provide \$5,000,000 in 2025-26 to support talent recruitment grants. Require WEDC to establish and administer the talent recruitment grant program for the purpose of awarding grants for talent recruitment programs to incent households to relocate from outside this state to a municipality in this state. A "household" would mean a group of one or more individuals who dwell together within the same dwelling.

WEDC would be required to award grants to eligible applicants for the purpose of administration of the talent recruitment programs and the costs associated with incenting households to relocate from outside the state to municipalities in the state. No more than \$500,000 in grant moneys could be awarded to support talent recruitment programming in a single municipality in a single fiscal year. WEDC would be required to disburse 50% of the total grant award upon entering into a grant contract and 50% of the total grant award upon the recipient reporting to WEDC that it has successfully met half of the household goal stated in the talent recruitment program plan. "Household goal" would mean the total number of households that a talent recruitment program seeks to successfully incent to relocate or commit to relocate from outside this state to a municipality in this state. If the recipient fails to meet half of its stated household goal, WEDC could not disburse the remaining grant amount.

Eligible applicants for the grants would include: (a) a city, village, town, county, or American Indian tribe or band in this state; and (b) a nonprofit organization, the mission of which includes economic development, workforce and talent development, or community development. Applicants would be required to provide WEDC with a talent recruitment program plan that

includes: (1) the total estimated cost of the program and the individual estimated costs associated with the program's design, administration, marketing, and relocation incentive initiatives; (2) the program's household goal and the estimated total grant amount per household; (3) the program's estimated state and local tax impact; and (4) the program's estimated total economic impact.

Applicants would be required to demonstrate the ability to contribute at least 20% of the total talent recruitment program cost. The applicant's contribution may include local investments and in-kind donations. In order for a previous grant recipient to be eligible, the applicant must have met the household goal stated in the talent recruitment program plan. Each recipient of a grant would have to provide semiannual reports to WEDC with the following information: (a) the total number of household applications; (b) the total number of approved households; (c) the cost per approved household; (d) the annual incomes and occupations of approved households; and (e) the economic impact of the talent recruitment program, including state and local tax revenue and new consumer spending.

A household would be eligible for talent recruitment program incentives if the household: (a) resides outside of this state at the time the household applies for talent recruitment program incentives; (b) has an individual household income of at least \$55,000; and (c) submits an application to the recipient of a grant to receive talent recruitment program incentives.

[Act 15 Sections: 20 and 319]

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Budget Change Items

1. STAFF SALARY DETERMINATION

Governor: Eliminate salary caps for Wisconsin Health and Educational Facilities Authority (WHEFA) staff. The WHEFA board would set compensation levels for their staff.

Current law specifies that the Authority shall appoint an executive director and associate executive director who are not members of the Authority and who serve at the pleasure of the Authority and specifies that these directors receive compensation set by the Authority, except that the compensation of the executive director is capped at the maximum of the salary range established under s. 20.923 (1) for positions assigned to executive salary group 6 (currently \$175,300 annually) and the compensation of each other employee of the authority is capped at the maximum of the salary range established under s. 20.923 (1) for positions assigned to executive salary group 3 (currently \$139,100 annually).

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. FINANCING WORKING CAPITAL EXPENDITURES

Governor: Authorize WHEFA to issue bonds to finance working capital needs of any participating nonprofit entities. Specify that these bonds would not be tax exempt under a current law provision that provides a tax exemption for certain bond issues of \$35 million or less.

Funds for projects financed by WHEFA are obtained through the sale of revenue bonds of WHEFA. Bond sale proceeds are loaned by WHEFA to the borrowing institution or project sponsor. No state or other public funds are used. The Authority's bonds are payable solely out of loan repayments from the borrowing institution, sponsor or guarantor. Under current law, the Authority may issue bonds or make loans to participating health institutions, educational institutions, and nonprofit or research institutions, primarily for capital projects such as the acquisition or expansion of a hospital or to refinance outstanding debt.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. FINANCING PROJECTS WITH A PRESENCE IN WISCONSIN

Governor: Modify the definitions of participating institutions that can be financed by

WHEFA to include participating tax-exempt organizations that have a presence in Wisconsin, are headquartered in Wisconsin, or serve Wisconsin populations. Under current law, WHEFA can finance a project located in another state if the project includes a substantial component located in Wisconsin, as determined by the Executive Director of WHEFA, which would remain in the law.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

Budget Change Items

1. INCREASE CAPITAL RESERVE FUND BONDING AUTHORIZATION [LFB Paper 835]

Governor: Increase the limit of outstanding bonds backed by the Wisconsin Housing and Economic Development Authority's (WHEDA) capital reserve fund from \$1 billion to \$1.3 billion. Under current law, WHEDA manages a capital reserve fund, which must maintain a balance sufficient to cover the maximum amount of debt service expected in one year for all bond issues backed by the fund. As of September 16, 2024, \$784 million in outstanding bonds were backed by the capital reserve fund. As WHEDA operates as an independent authority, bonds issued under its authority do not carry the general obligation of the state. However, the state has pledged its moral obligation to the capital reserve should it become deficient. No such deficiency has ever occurred, and this provision would not have a direct state fiscal effect.

WHEDA reports the proposed increase is necessary as WHEDA is at risk of reaching the maximum amount of outstanding bonds backed by the capital reserve fund by the end of calendar year 2025. This is largely due to demand for the state low-income housing tax credit under 2017 Wisconsin Act 176, as developments awarded state and certain federal housing tax credits also utilize financing from bonding supported by the capital reserve. WHEDA indicates there are \$140 million of approved multifamily developments for financing in calendar year 2024, which does not leave adequate capacity for 2025, as the average volume in bonds has been approximately \$124 million per year in recent years. While WHEDA may elect to issue bonds without the backing of the capital reserve fund, the Authority reports that any such issuance would be expected to cost more for both borrowers and WHEDA. The increased cost would come from less favorable credit ratings on bonds not backed by the capital reserve fund.

Joint Finance/Legislature: Provision not included.

2. STATE LOW-INCOME HOUSING TAX CREDIT INCREASE [LFB Paper 836]

Governor: Increase the limit on the total amount of state low-income housing credits that may be certified by WHEDA from \$42 million to \$100 million. Maintain requirements that to be eligible for a state housing credit, qualified low-income housing developments must be allocated the federal low-income housing tax credit and financed with tax-exempt bonds that are subject to the federal volume cap. However, authorize WHEDA to waive, in the Authority's federally-required Qualified Action Plan (QAP), the requirements of tax-exempt bond financing and federal credit allocation, to the extent that WHEDA anticipates that sufficient tax-exempt private activity bond volume cap under federal law will not be available to finance low-income housing projects

in any year. [See "General Fund Taxes -- Income and Franchise Taxes."]

2017 Wisconsin Act 176 created a state nonrefundable low-income housing tax credit (LIHTC). The credit is claimable against the state individual income tax, the corporate income/franchise tax, and the insurance premiums tax. WHEDA awards the credit as a match to the federal 4% low-income housing tax credit, which provides a credit equal to 4% of the cost of a project each year for 10 years, generally equal to at least 30% of the present value of construction costs associated with a project. Properties receiving state and federal housing tax credits must reserve at least 20% of units for households with incomes below 50% of county median income, or 40% of units for households with average incomes below 60% of county median income, for at least 30 years. Credits are awarded through a competitive application process, whereby WHEDA assigns scores to the applications based on criteria laid out in the Authority's QAP. Awards are limited to \$1.2 million per project. WHEDA is also required by law to give preference to developments located in municipalities with populations fewer than 150,000.

Under the current program, WHEDA may award up to \$7 million in state tax credits annually, claimable for six years, for a maximum program total of \$42 million annually. The bill would increase the program total to \$100 million, claimable over six years. The Administration estimates the provision would decrease state income and franchise tax revenues by \$1,450,000 in 2025-26 and \$7,250,000 in 2026-27, fully phasing in to a decrease of \$58 million in 2031-32, relative to current law. Combined with the \$42 million limit under current law, the credit is estimated to decrease state tax revenues by \$100 million annually beginning in 2031-32. The bill as introduced does not specify the initial applicability of changes to the credit.

Under current law, eligible projects are required to be financed with tax-exempt bonds. The bill would require eligible projects to be awarded federal low-income housing credits and be financed with certain tax-exempt bonds that are issued under the state's share of federal volume cap for private economic development or housing purposes. WHEDA could waive these requirements due to having insufficient tax-exempt private activity bonding available under the federal volume cap in a given year.

Joint Finance/Legislature: Provision not included.

3. WORKFORCE HOUSING PROGRAM CHANGES

Governor: Make the changes as described in the following paragraph to three workforce housing programs administered by WHEDA: (a) the residential housing infrastructure revolving loan program, referred to by WHEDA as Infrastructure Access; (b) the main street housing rehabilitation revolving loan program, referred to by WHEDA as Restore Main Street; and (c) the commercial-to-housing revolving loan program, referred to by WHEDA as Vacancy-to-Vitality.

2023 Act 19 provided \$475 million in 2023-24 for three revolving loan funds administered by WHEDA for developing workforce housing or extending infrastructure to accommodate additional workforce housing, including: (a) \$275 million for the residential housing infrastructure revolving loan fund, as created under 2023 Wisconsin Act 14; (b) \$100 million for the main street housing rehabilitation revolving loan fund, as created under 2023 Wisconsin Act 15; and (c) \$100

million for the commercial-to-housing conversion revolving loan fund, as created by 2023 Wisconsin Act 18.

General Program Changes

Remove the requirement that a governmental unit have updated the housing element of its comprehensive plan within five years in order to be eligible for a loan. Further, remove the requirement that eligible housing under each program has not been the subject of a claim for a state or federal historic rehabilitation tax credit as determined by WHEDA, or received financial assistance from tax increments generated by an active tax incremental district.

In addition, specify that, for the purpose of establishing that a governmental unit has reduced the costs of housing as part of applying for a loan, the governmental unit may submit measures taken by the governmental unit on or after January 1, 2015, rather than the current law provision for measures taken on or after January 1, 2023. Further, specify that a loan awarded for projects under each program may support housing on tribal reservation or trust lands that is not subject to property taxes in Wisconsin by virtue of that designation. (An erratum submitted in April of 2025 clarified this would apply to the main street housing rehabilitation revolving loan program.)

Residential Housing Infrastructure Revolving Loan Program/Infrastructure Access

Specify that a loan to a developer may not exceed 33% of the total cost of development, including land purchase, of the residential housing supported by the eligible project. In addition, specify that a loan to a governmental unit may not exceed 25% of the amount of the total cost of development of the residential housing supported by the eligible project. Under current law, loans to developers may not exceed 20% of the total cost of the residential housing and related infrastructure, and loans to governmental units may not exceed 10% of the total cost of development of the residential housing and related infrastructure.

In addition, specify that the developer may use up to 25% of loan moneys for private infrastructure that is not and will not be owned, maintained, or provided to or by a governmental unit or located in a rural area and transferred to public use but that otherwise meets the definition of housing infrastructure that WHEDA determines relates to an eligible project. Under current law, loans are required to be used for improvements to: (a) infrastructure that is or will be owned, maintained or provided to or by a governmental unit; or (b) private infrastructure in rural areas if transferred to public use, as determined by WHEDA, that relates to an eligible project.

Further, expand the definition of eligible developer to include a tribal housing authority created by a tribal council. Under current law, an eligible developer is a person other than a governmental unit that constructs or creates residential housing.

Main Street Housing Rehabilitation Revolving Loan Program/Restore Main Street

Delete "political subdivision" and replace it with "governmental unit" throughout this section of the statutes [s. 234.661]. Specify that eligible governmental unit means the governmental unit having jurisdiction over an eligible project, as determined by WHEDA. In addition, specify that governmental unit means a city, village, town, county, or federally-

recognized American Indian tribe or band in Wisconsin. (An April, 2025, erratum clarified this intent.) Under current law, an eligible political subdivision is the city, village, town, or county having jurisdiction over an eligible project, as determined by WHEDA.

Further, specify that the maximum loan awarded under the program may not exceed \$50,000 per dwelling unit or 33% of the total housing rehabilitation project costs, whichever is less. Under current law, the maximum loan amount is \$20,000 per unit or 25% of the total housing rehabilitation project costs, whichever is less.

Commercial-to-Housing Revolving Loan Program/Vacancy-to-Vitality

Expand the definition of an eligible developer to include a tribal housing authority created by a tribal council. Under current law, an eligible developer is a person other than a city, village, town or county, that converts a vacant commercial building to residential use.

Delete references to "political subdivision" and replace with "governmental unit" throughout s. 234.662 of the statutes. In addition, specify that governmental unit means a city, village, town, county, or federally-recognized American Indian tribe or band in Wisconsin.

Further, specify that eligible residential housing consists of six or more dwelling units. Under current law, eligible housing must be new residential housing for rent or for sale with at least 16 dwelling units. In addition, specify that no loan may exceed 33% of the total project costs, including any land purchase. Current law specifies the maximum loan available under the program is \$1,000,000 or 20% of project costs, whichever is less.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

WISCONSIN TECHNICAL COLLEGE SYSTEM

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$1,174,885,800	\$1,234,161,200	\$1,188,227,400	\$1,188,227,400	\$1,188,227,400	\$13,341,600	1.1%
FED	66,880,800	65,703,600	66,703,600	66,703,600	66,703,600	- 177,200	- 0.3
PR	<u>9,488,000</u>	<u>9,525,200</u>	<u>9,525,200</u>	<u>9,525,200</u>	<u>9,525,200</u>	<u>37,200</u>	0.4
TOTAL	\$1,251,254,600	\$1,309,390,000	\$1,264,456,200	\$1,264,456,200	\$1,264,456,200	\$13,201,600	1.1%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	23.25	27.25	23.25	23.25	23.25	0.00
FED	26.75	22.75	22.75	22.75	22.75	- 4.00
PR	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>
TOTAL	55.00	55.00	51.00	51.00	51.00	- 4.00

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Governor/Legislature: Adjust funding annually for standard budget adjustments as shown in the following table.

GPR	- \$67,400
FED	- 177,200
PR	<u>- 20,000</u>
Total	- \$264,600

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>Total</u>
Full Funding of Cont. Pos. Salary/Fringe	\$140,200	\$34,300	\$27,400	\$201,900
Full Funding of Lease/Directed Moves	<u>-173,900</u>	<u>-122,900</u>	<u>-37,400</u>	<u>-334,200</u>
Total	<u>-\$33,700</u>	<u>-\$88,600</u>	<u>-\$10,000</u>	<u>-\$132,300</u>
Biennial Totals	-\$67,400	-\$177,200	-\$20,000	-\$264,600

2. GENERAL AID [LFB Paper 830]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$45,000,000	- \$36,713,400	\$8,286,600

Governor: Provide an increase of \$20,000,000 in 2025-26 and \$25,000,000 in 2026-27 in the appropriation for state general aid for technical colleges. This additional funding would be allocated under the current law that specifies that 70% of the funding in the appropriation is distributed under the partially equalizing general aid formula and 30% is distributed under the formula established for outcomes-based funding. Base level funding is \$109,574,900 annually.

Joint Finance/Legislature: Reduce funding by \$17,260,600 GPR in 2025-26 and \$19,452,800 GPR in 2026-27 relative to the amount in the bill. The net increase to base level funding would be \$2,739,400 in 2025-26 and \$5,547,200 in 2026-27.

3. ADDRESSING ARTIFICIAL INTELLIGENCE IN TECHNICAL EDUCATION [LFB Paper 831]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$10,000,000	- \$8,000,000	\$2,000,000

Governor: Provide \$8,000,000 in 2025-26 and \$2,000,000 in 2026-27 and future years for grants to district boards to support the district boards with the adoption and use of artificial intelligence in areas including the following: (a) educator recruitment, retention and upskilling in artificial intelligence fields; (b) artificial intelligence curriculum and resource development to meet employer demands; (c) stackable credential development for artificial intelligence degrees and certifications; and (d) infrastructure development related to artificial intelligence.

Joint Finance/Legislature: Reduce funding by \$6,000,000 GPR in 2025-26 and \$2,000,000 GPR in 2026-27 relative to the amount in the bill. The net increase to base level funding would be \$2,000,000 GPR in 2025-26.

4. OPEN EDUCATIONAL RESOURCES [LFB Paper 831]

GPR	\$3,000,000

Governor/Legislature: Provide \$3,000,000 in 2025-26 in the appropriation for grants to district boards to increase the amount available for grants to technical colleges to create open educational resource textbooks and other materials that can be utilized by all students within the Wisconsin Technical College System. Open educational resources include teaching, learning, and research resources that reside in the public domain or are released under an intellectual property license that permits free use by others.

5. SYSTEM OFFICE GENERAL OPERATIONS [LFB Paper 832]

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Funding Positions	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,320,400	4.00	-\$1,320,400	- 4.00	\$0	0.00
FED	<u>- 1,000,000</u>	<u>- 4.00</u>	<u>1,000,000</u>	<u>0.00</u>	<u>0</u>	<u>- 4.00</u>
Total	\$320,400	0.00	-\$320,400	- 4.00	\$0	- 4.00

Governor: Provide \$660,200 GPR annually to address increasing operational costs for the Wisconsin Technical College System, and reduce federal funding by \$500,000 annually. Convert 4.0 FTE positions from FED to GPR. The additional funding and positions would allow the system to hire staff in the areas of information technology infrastructure and cybersecurity.

Joint Finance/Legislature: Modify funding by -\$660,200 GPR annually and \$500,000 FED annually relative to the amounts in the bill. Delete 4.0 FED positions that have been vacant for more than six months.

6. STATE OPERATIONS ADJUSTMENT

GPR	\$22,400
PR	<u>57,200</u>
Total	\$79,600

Governor/Legislature: Provide \$11,200 GPR and \$28,600 PR annually beginning in 2025-26 to support increased supplies and services costs, including service contracts, printing, technology equipment, and maintenance supplies and services.

7. REVENUE LIMITS -- PERSONAL PROPERTY TAX REPEAL AID [LFB Paper 705]

Governor: Modify the definition of revenue under revenue limits to include personal property tax repeal aid and the locally assessed pipeline aid created under the bill. Provide that this provision would first apply to the calculation of district boards' revenue limits for the 2025-26 school year.

Joint Finance/Legislature: Modify the definition of revenue under revenue limits to include personal property tax repeal aid. Provide that this provision would first apply to the calculation of district boards' revenue limits for the 2025-26 school year.

[Act 15 Sections: 140 and 9342(1)]

8. FEE REMISSION FOR STUDENT TEACHERS

Governor: Require district boards to grant full remission of program fees to student teachers during their semester or session of student teaching. Define a student teacher as an individual enrolled in a district school who is a resident of this state and who is participating in the student teaching component of an educator preparatory program approved by the State Superintendent of Public Instruction. Provide that this provision would first apply to individuals who commence

student teaching in the first semester or session that begins after the effective date of the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. FEE REMISSION FOR CERTAIN TRIBAL MEMBERS

Governor: Require district boards to grant full remission of program fees and incidental fees to any student enrolled in a district school who meets the following criteria: (a) the student is a resident of this state; and (b) the student is an enrolled member of a federally-recognized American Indian tribe in this state. Specify that a student would be eligible for remission of fees for 128 credits or eight semesters, whichever is longer, and must maintain a cumulative grade point average of at least 2.0 to remain eligible for the fee remission. Provide that this provision would first apply to individuals who enroll for the semester or session following the effective date of the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. ELIGIBILITY FOR FEE REMISSIONS FOR HMONG-LAO VETERANS

Governor: Expand the statutory definition of "veteran" for the purposes of qualifying for remission of technical college fees to include either of the following: (a) any state resident who was naturalized as a U.S. citizen pursuant to the federal Hmong Veterans' Naturalization Act of 2000; or (b) any state resident who is a U.S. citizen or an alien lawfully admitted for permanent residence and who the DVA Secretary determines served honorably with a special guerilla unit or irregular forces operating from a base in Laos in support of the armed forces of the United States at any time during the period beginning February 28, 1961, and ending September 18, 1978.

Under current law, technical college district boards must remit 100% of tuition and fees, less any amount paid under the federal Post-9/11 G.I. Bill, for up to 128 credits or eight semesters, whichever is longer, to eligible veterans who maintain a cumulative grade point average of at least 2.0.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. VOTER IDENTIFICATION

Governor: Require each technical college to issue student identification cards that meet the requirements to qualify as voter identification under current law.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. NONRESIDENT TUITION EXEMPTION FOR CERTAIN TRIBAL MEMBERS

Governor: Specify that a person would be considered a resident of Wisconsin for the purposes of technical college admission and tuition if he or she meets all of the following requirements: (a) the person is a member of a federally-recognized American Indian tribe or band in this state or is a member of a federally-recognized tribe in Minnesota, Illinois, Iowa, or Michigan; and (b) the person has resided in Wisconsin, Minnesota, Illinois, Iowa, or Michigan, or in any combination of these states, for at least 12 months immediately preceding the beginning of any semester or session in which the person enrolls in a district school. Provide that this provision would first apply to individuals who enroll for the semester or session following the effective date of the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. NONRESIDENT TUITION EXEMPTION FOR UNDOCUMENTED INDIVIDUALS

Governor: Specify that a person who is not a citizen of the United States would be considered a resident of Wisconsin for the purposes of technical college admission and tuition if he or she meets all of the following requirements: (a) the person graduated from a high school in this state or received a declaration of equivalency of high school graduation from this state; (b) the person was continuously present in this state for at least three years following the first day of attending a high school in this state or immediately preceding receipt of a declaration of equivalency of high school graduation; and (c) the person enrolls in a technical college district school and provides the district board with proof that the person has filed or will file an application for lawful permanent resident visa with U.S. Citizenship and Immigration Services as soon as the person is eligible to do so. Provide that this provision would first apply to individuals who enroll for the semester or session following the effective date of the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. CYBERSECURITY FOR TECHNICAL COLLEGES

GPR	\$100,000

Joint Finance/Legislature: Provide \$100,000 in 2025-26 in the Wisconsin Technical College System's general program operations appropriation to address cybersecurity needs.

15. TECHNICAL COLLEGE SYSTEM FACULTY CREDIT HOURS

Joint Finance: Starting September 1, 2026, require that full time faculty and instructional academic staff employees employed by technical colleges must teach no fewer than 24 credits per academic year, and, if on a 12 month contract, an additional six credits in the summer. Define credit hour, with respect to a course, as a period of not less than 50 consecutive minutes per week of instructional time for each week of the semester or session that the course is offered, excluding the week of or the week immediately preceding final examinations for the course.

Further, specify that each academic department in a district school may designate one individual as a department chair. The duties of the chairperson must be determined by the district director, and the minimum credit hours requirement may be reduced for the department chairperson commensurate with the individual's duties as chairperson. The minimum credit hour may also be reduced for other individuals with assigned administrative duties, as approved by the Joint Committee on Employment Relations (JCOER) prior to January 31, 2026. No district school may designate more than 10% of their instructional staff as having administrative duties other than the department chairperson.

Specify that the district board must develop a buyout policy for any instructional position not teaching its specified minimum credit requirement. Specify the minimum credit hour requirement may be reduced if the instructional employee's compensation, including salary and benefits, is replaced by a proportional reduction in the instructional employee's compensation using other funding sources.

Specify that the district board shall adopt guidelines consistent with these provisions that provide additional details relevant to these requirements, or present exceptions for reasonably justified circumstances, but only if, no later than December 1, 2025, the district board submits to JCOER the proposed guidelines for legislative review. In the proposed guidelines, specify that the district board may propose exceptions to the minimum credit requirements or any other specified requirement under the bill. If JCOER approves these exceptions prior to January 31, 2026, the district board may adopt and implement the exceptions and incorporate the approved exceptions into its guidelines. Additionally, specify that the district board may propose exceptions to the methodology for the reduction in compensation for instructional employees not meeting the minimum credit requirements including an alternative plan or formula for an instructional employee's compensation reduction and substitution of revenue sources in the instructional employee's compensation. If JCOER approves any exceptions or alternative plan or formula prior to January 31, 2026, the district board may adopt and implement the exceptions or alternative plan or formula and incorporate the approved exceptions or alternative plan or formula in its guidelines.

Annually, require the district board to report the following to the appropriate legislative standing committees: (1) a report of the total credit hours taught by faculty and instructional academic staff grouped according to the following factors: (a) classification of the instructional employee as faculty or instructional academic staff (b) whether the employee has a full-time appointment and, if not, the extent of the part time appointment; and (c) the funding source(s) and amounts of funding amount for each position; and (2) percentage of teaching staff at each institution meeting the full workload requirement.

Senate/Legislature: Provision not included.

16. EMERGENCY MEDICAL SERVICES EDUCATION

Senate/Legislature: Provide \$3,500,00 GPR annually in the Joint Committee on Finance supplemental appropriation for grants to technical colleges for the provision of emergency medical services (EMS) courses. Create a new annual appropriation for the EMS education grants. The fiscal effect of this item is shown under "Program Supplements."

[Act 15 Section: 27n]

WORKFORCE DEVELOPMENT

Budget Summary							
Fund	2024-25 Base Year Doubled	2025-27 Governor	2025-27 Jt. Finance	2025-27 Legislature	2025-27 Act 15	Act 15 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$122,091,800	\$334,772,900	\$133,675,000	\$133,675,000	\$133,675,000	\$11,583,200	9.5%
FED	466,414,400	488,836,900	449,950,100	449,950,100	449,950,100	- 16,464,300	- 3.5
PR	160,034,400	161,672,600	159,406,600	159,406,600	159,406,600	- 627,800	- 0.4
SEG	<u>53,794,800</u>	<u>68,669,200</u>	<u>54,044,200</u>	<u>54,044,200</u>	<u>54,044,200</u>	<u>249,400</u>	<u>0.5</u>
TOTAL	\$802,335,400	\$1,053,951,600	\$797,075,900	\$797,075,900	\$797,075,900	- \$5,259,500	- 0.7%

FTE Position Summary						
Fund	2024-25 Base	2026-27 Governor	2026-27 Jt. Finance	2026-27 Legislature	2026-27 Act 15	Act 15 Change Over 2024-25 Base
GPR	151.02	192.67	151.02	151.02	151.02	0.00
FED	1,163.82	1,145.67	1,139.82	1,139.82	1,139.82	- 24.00
PR	210.11	210.11	209.91	209.91	209.91	- 0.20
SEG	<u>72.80</u>	<u>75.80</u>	<u>72.80</u>	<u>72.80</u>	<u>72.80</u>	<u>0.00</u>
TOTAL	1,597.75	1,624.25	1,573.55	1,573.55	1,573.55	- 24.20

Budget Change Items

Departmentwide and Vocational Rehabilitation

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$331,200	0.00	- \$386,800	0.00	- \$55,600	0.00
FED	4,844,000	- 23.00	- 2,794,600	0.00	2,049,400	- 23.00
PR	60,200	0.00	- 688,000	0.00	- 627,800	0.00
SEG	<u>201,400</u>	<u>0.00</u>	<u>- 152,000</u>	<u>0.00</u>	<u>49,400</u>	<u>0.00</u>
Total	\$5,436,800	- 23.00	- \$4,021,400	0.00	\$1,415,400	- 23.00

Governor: Adjust funding for standard budget adjustments as shown in the following table.

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>Total</u>
2025-26					
Turnover Reduction	-\$290,100	-\$2,096,100	-\$516,000	-\$114,000	-\$3,016,200
Removal of Noncontinuing Elements	0	-959,500	0	0	-959,500
Full Funding of Cont. Pos. Salary/Fringe	911,300	5,759,800	1,020,500	372,400	8,064,000
Overtime	0	0	154,200	0	154,200
Full Funding of Lease/Directed Moves	<u>-455,600</u>	<u>70,900</u>	<u>-628,600</u>	<u>-157,700</u>	<u>-1,171,000</u>
Total	\$165,600	\$2,775,100	\$30,100	\$100,700	\$3,071,500
2026-27					
Turnover Reduction	-\$290,100	-\$2,096,100	-\$516,000	-\$114,000	-\$3,016,200
Removal of Noncontinuing Elements	0	-1,665,700	0	0	-1,665,700
Full Funding of Cont. Pos. Salary/Fringe	911,300	5,759,800	1,020,500	372,400	8,064,000
Overtime	0	0	154,200	0	154,200
Full Funding of Lease/Directed Moves	<u>-455,600</u>	<u>70,900</u>	<u>628,600</u>	<u>-157,700</u>	<u>-1,171,000</u>
Total	\$165,600	\$2,068,900	\$30,100	\$100,700	\$2,365,300
Biennial Totals	\$331,200	\$4,844,000	\$60,200	\$201,400	\$5,436,800

Reduce authorized positions by 21.00 in 2025-26 and 23.00 in 2026-27 under the removal of noncontinuing elements standard budget adjustment.

Provide for minor transfers within the same alpha appropriation, as follows: (a) within DWD's vocational rehabilitation FED project aids appropriation, reallocate \$214,900 annually from permanent position salaries to project position salaries; and (b) within DWD's worker's compensation operations fund; administration SEG appropriation, transfer \$3,000 annually in supplies and services funding from the equal rights subprogram to the worker's compensation subprogram.

Joint Finance/Legislature: Increase the rate used to calculate turnover reduction from 3% to 5% for all appropriations subject to a 3% turnover rate. Reduce funding under the turnover reduction standard budget adjustment by -\$193,400 GPR, -\$1,397,300 FED, -\$344,000 PR, and -\$76,000 SEG, annually.

2. SUPPLIES AND SERVICES FUNDING [LFB Paper 845]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$517,800	- \$517,800	\$0
PR	1,508,000	- 1,508,000	0
SEG	<u>916,800</u>	<u>- 916,800</u>	<u>0</u>
Total	\$2,942,600	- \$2,942,600	\$0

Governor: Provide \$1,471,300 (\$258,900 GPR, \$754,000 PR, and \$458,400 SEG) annually, to support the following annual increases in supplies and services costs in the following DWD sum certain appropriations: (a) \$258,900 GPR for general operations; (b) \$4,600 PR for child labor permit system fees; (c) \$749,400 PR-S for administrative and support services; and (d) \$458,400 SEG for worker's compensation program administration. In its agency budget, the

Department requested this funding to support cost increases in the following expenditure categories: (a) contracted services costs, such as interpreters, staffing agencies, and curriculum development; (b) contracted data processing and IT services costs, (c) mail, postage and freight costs; and (d) internal services costs, such as costs associated with DWD IT staff. The Governor's 2025-27 Major Budget Policies permitted agencies to request certain funding increases that would impact their state operations, sum certain appropriations' supplies and services lines. Agency requests were not allowed to exceed 5% of the supplies and services line in applicable state operations appropriations.

Joint Finance/Legislature: Provision not included.

3. BUREAU OF WORKFORCE INFORMATION AND TECHNICAL SUPPORT [LFB Paper 846]

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$563,400	3.00	-\$563,400	- 3.00	\$0	0.00

Governor: Provide \$245,700 in 2025-26 and \$317,700 in 2026-27 and 3.0 positions annually in the Department's general program operations appropriation. The Administration indicates that the additional funding and position authority would support the Bureau of Workforce Information and Technical Support's (under DWD's Division of Employment and Training) capacity to conduct labor market analysis, data integration, and collection, share workforce data, and focus on understanding artificial intelligence's workforce impact.

Joint Finance/Legislature: Provision not included.

4. TRIBAL LIAISON POSITION

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$159,500	1.00	-\$159,500	- 1.00	\$0	0.00

Governor: Provide \$70,000 in 2025-26 and \$89,500 in 2026-27 and 1.0 position annually to create an agency tribal liaison position. The agency tribal liaison would be responsible for working with Native American tribes and bands on behalf of the agency, as well as coordinating with the Director of Native American Affairs in the Department of Administration. [See "Administration -- Tribal Affairs and Division of Gaming."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. EMPLOYER HOTLINE FOR HIRING INDIVIDUALS WITH A CONVICTION RECORD

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$146,800	1.00	-\$146,800	-1.00	\$0	0.00

Governor: Provide \$64,000 in 2025-26 and \$82,800 in 2026-27 and 1.0 position annually in the Department's general program operations appropriation. The Administration indicates that the additional funding and position authority would support a dedicated employment and training specialist position to staff a hotline to provide employers with information about state and federal incentives and programs related to employing individuals with a conviction record, as required by 2023 Wisconsin Act 228.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. FEDERAL REESTIMATES

FED	-\$32,549,700

Governor/Legislature: Decrease estimated federal funding by -\$11,499,300 in 2025-26 and -\$21,050,400 in 2026-27. The adjustments are to align expenditure authority with the amount of revenue that the Department estimates will be deposited into those appropriations and would modify the following federal appropriations:

DWD Federal Reestimates

<u>Appropriation</u>	<u>2025-26</u>	<u>2026-27</u>
Workforce investment and assistance	-\$6,909,100	-\$9,449,000
Unemployment insurance administration	-8,561,200	-11,611,200
Equal rights	-175,000	-199,700
Vocational rehabilitation program aids	1,618,500	1,618,500
Vocational rehabilitation project aids	<u>2,527,500</u>	<u>-1,409,000</u>
Total	-\$11,499,300	-\$21,050,400

7. VOCATIONAL REHABILITATION WORKER CONNECTION PROGRAM

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$15,415,900	1.15	-\$15,415,900	-1.15	\$0	0.00
FED	<u>20,852,200</u>	<u>3.85</u>	<u>-20,852,200</u>	<u>-3.85</u>	<u>0</u>	<u>0.00</u>
Total	\$36,268,100	5.00	-\$36,268,100	-5.00	\$0	0.00

Governor: Provide \$6,644,800 (\$6,356,900 GPR and \$287,900 FED) in 2025-26, and \$29,623,300 (\$9,059,000 GPR and \$20,564,300 FED) in 2026-27, and 5.0 positions (1.15 GPR and 3.85 FED) starting in 2025-26, for a program to provide vocational rehabilitation services to individuals with physical or mental impairments that create substantial barriers to employment. The Administration indicates that it is providing the additional funding and position authority to maintain and enhance current levels of access to employment services for people with disabilities who are seeking jobs.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. VOCATIONAL REHABILITATION STATE MATCH [LFB Paper 847]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$7,867,400	- \$4,068,600	\$3,798,800
FED	<u>29,068,800</u>	<u>- 15,032,800</u>	<u>14,036,000</u>
Total	\$36,936,200	- \$19,101,400	\$17,834,800

Governor: Provide \$3,220,000 GPR and \$11,897,400 FED in 2025-26 and \$4,647,400 GPR and \$17,171,400 FED in 2026-27. The vocational rehabilitation program is a federal-state program to assist individuals with disabilities in obtaining, maintaining, and improving employment opportunities. Under current law, the Division of Vocational Rehabilitation's primary funding source is Title 1-B federal funds, which requires a match of 21.3% state funds to 78.7% federal funds. Of the amounts provided under the bill, \$7,867,400 GPR would be allocated over the biennium to fully fund the state match to draw the additional \$29,068,800 FED that is expected by the Department to be received from federal sources for DVR services.

Joint Finance/Legislature: Reduce funding by \$1,320,600 GPR and \$4,879,400 FED in 2025-26, and by \$2,748,000 GPR and \$10,153,400 FED in 2026-27, to provide \$1,899,400 GPR and \$7,018,000 FED annually in additional funding for the vocational rehabilitation program.

9. DELETE VACANT POSITIONS

Joint Finance/Legislature: Delete 1.00 FED, and 0.20 PR positions that have been vacant for 18 months or more.

	Positions
FED	- 1.00
PR	<u>- 0.20</u>
Total	- 1.20

Employment and Training

1. WORKFORCE INNOVATION GRANTS

	Governor	Jt. Finance/Leg.	Net Change
	(Chg. to Base)	(Chg. to Gov)	
	Funding Positions	Funding Positions	Funding Positions
GPR	\$140,375,400 2.00	- \$140,375,400 - 2.00	\$0 0.00

Governor: Provide \$140,000,000 in 2025-26 in a new, continuing appropriation for a workforce innovation grants program and \$163,800 in 2025-26 and \$211,600 in 2026-27 with 2.0 positions starting in 2025-26 in the Department's general operations appropriation to implement this program. Require the Department to establish and operate a program to provide grants to regional organizations to design and implement programs to address their region's workforce challenges. Require the Department to receive and review applications for grants and prescribe the form, nature, and extent of the information that must be contained in an application for a grant. Specify that DWD have all powers necessary and convenient to implement the program, including the power to audit and inspect the records of grant recipients. Specify that of the amounts appropriated for workforce innovation grants in 2025-26, DWD would be required to allocate \$15,000,000 for grants for workforce development in the area of artificial intelligence and \$25,000,000 for grants for healthcare workforce development.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. WISCONSIN WORKFORCE ADVANCEMENT PROGRAM

	Governor	Jt. Finance/Leg.	Net Change
	(Chg. to Base)	(Chg. to Gov)	
	Funding Positions	Funding Positions	Funding Positions
GPR	\$20,105,800 1.00	- \$20,105,800 - 1.00	\$0 0.00

Governor: Provide \$15,000,000 in 2025-26 and \$5,000,000 in 2026-27 in a new, continuing appropriation for a worker advancement program and \$105,800 with 1.0 position starting in 2026-27 in the Department's general operations appropriation. Require the Department to establish and administer a Wisconsin worker advancement program to make grants to local organizations, including local workforce development boards and community-based organizations, for the organizations to provide employment and workforce services, including unrestricted support services, career services, and training programs to address workforce barriers.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. YOUTH APPRENTICESHIP GRANTS [LFB Paper 850]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$11,289,200	-\$5,287,200	\$6,002,000

Governor: Provide \$3,689,200 in 2025-26 and \$7,600,000 in 2026-27 for youth apprenticeship grants and modify the Department's youth apprenticeship grants appropriation from a sum certain continuing appropriation to be a sum sufficient appropriation. Under current law, DWD's youth apprenticeship grants appropriation receives \$10,000,000 annually in base funding, and grants cannot exceed \$1,100 per youth apprentice.

Joint Finance/Legislature: Reduce funding by \$1,153,200 in 2025-26 and \$4,134,000 in 2026-27 to the appropriation for local youth apprenticeship grants to provide \$2,536,000 in 2025-26 and \$3,466,000 in 2026-27 in additional funding for youth apprenticeship grants, on a one-time basis. The Department's local youth apprenticeship grants appropriation would continue to be a sum certain continuing appropriation.

4. REGISTERED APPRENTICESHIP -- ON-THE-JOB LEARNING GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$3,750,000	- \$3,750,000	\$0

Governor: Provide \$2,250,000 in 2025-26 and \$1,500,000 in 2026-27 in a new, continuing appropriation for the purpose of awarding on-the-job learning grants.

Require the Department to develop and administer a program to award these grants to new and small employers for costs associated with apprenticeship programs. Specify that, to be eligible to receive a grant, an employer must either never have had an apprenticeship program or not have had an apprenticeship program in the particular trade, craft, or business for which it seeks the grant in the five years preceding the date of application for the grant.

Require the Department to also develop and administer a pilot program to award grants, from the appropriation created under this provision, to healthcare employers for costs associated with on-the-job learning. Specify that employers may use the grants to reimburse themselves for costs related to apprentices, including wages, instruction, and mentoring. Require DWD to award grants to healthcare employees under a pilot program.

Define "apprenticeship program" to mean the Department's existing registered apprenticeship program, as provided under current law. Define "youth apprenticeship program" to mean the Department's existing youth apprenticeship program, as provided under current law. Require the Department to promulgate rules to implement this grant program, including procedures and criteria for awarding these grants.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. REGISTERED APPRENTICESHIP -- ARTIFICIAL INTELLIGENCE

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$800,200	5.50	- \$800,200	- 5.50	\$0	0.00

Governor: Provide \$350,800 in 2025-26 and \$449,400 in 2026-27 and 5.5 positions starting in 2025-26 for the Department's general program operations appropriation for the purpose of expanding DWD's registered apprenticeship program for artificial intelligence apprenticeship support. In 2025-26, \$165,000 would be provided for salaries, \$73,900 for fringe benefits, and \$111,900 for supplies and services; in 2026-27, \$220,000 would be provided for salaries, \$98,500 for fringe benefits, and \$130,900 for supplies and services.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. REGISTERED APPRENTICESHIP -- PROGRAM INFRASTRUCTURE

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$547,700	1.00	- \$547,700	- 1.00	\$0	0.00

Governor: Provide \$81,900 in 2025-26 and \$465,800 in 2026-27 and 1.0 position starting in 2025-26 for the Department's general program operations appropriation for the purpose of supporting DWD's registered apprenticeship program infrastructure. In 2025-26, \$42,000 would be provided for salaries, \$18,800 for fringe benefits, and \$21,100 for supplies and services; in 2026-27, \$55,900 would be provided for salaries, \$25,000 for fringe benefits, and \$384,900 for supplies and services.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. REGISTERED APPRENTICESHIP -- YOUTH-TO-REGISTERED APPRENTICESHIP GRANTS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$500,000	- \$500,000	\$0

Governor: Provide \$250,000 annually in a new, continuing appropriation for the purpose of awarding youth-to-registered apprenticeship grants.

Require the Department to develop and administer a program to award these grants to youth apprenticeship consortia to provide incentives to individuals to transition from participating in the youth apprenticeship program to participating in an apprenticeship program. Specify that the Department may not award more than \$350,000 in grants under this program in any fiscal year. Require the Department to promulgate rules to implement this program. Define "apprenticeship program" to mean the Department's existing registered apprenticeship program and "youth apprenticeship program" to mean the Department's existing youth apprenticeship program.

Require that youth apprenticeship consortia, that may receive a grant under this program, be partnerships of between one or more school districts or between one or more school districts and at least one of the following: (a) a community-based organization; (b) a cooperative educational service agency; (c) employers; (d) colleges in the technical college system; (e) labor unions; (f) chambers of commerce; (g) local workforce development boards; (h) other public agencies; or (i) other contributing individuals.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. FAST FORWARD -- TEACHER APPRENTICESHIPS

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,000,000	- \$2,000,000	\$0

Governor: Provide \$1,000,000 annually for the Department's workforce training grants appropriation ("Fast Forward"). Under current law, base funding for the Department's workforce training grants appropriation is \$5,250,000. Require the Department, as part of DWD's existing Fast Forward program, to allocate \$1,000,000 in each year of the 2025-27 fiscal biennium for grants to support the costs of sponsoring teacher apprentices under the Department's registered apprenticeship program.

Require DWD, in consultation with the Department of Public Instruction, to prescribe the conditions under which a person may serve a teacher apprenticeship, as to higher education attendance requirements, level of supervision of an apprentice, and the credit for school attendance

in serving the apprenticeship. Also, require DWD to prescribe the criteria an individual must satisfy to demonstrate that the individual has successfully completed a teacher apprenticeship. Specify that every person commencing a teacher apprenticeship must enter into a registered apprentice contract, as administered by DWD under current law.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. FAST FORWARD -- GREEN JOBS TRAINING PROGRAM

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$2,000,000	- \$2,000,000	\$0

Governor: Provide \$2,000,000 in 2025-26 for the Department's workforce training grants appropriation ("Fast Forward"). Require the Department, as part of DWD's existing Fast Forward program, to allocate \$2,000,000 for grants to public or private organizations for the development and implementation of green jobs training programs in this state. Define "green jobs" to mean jobs that produce goods or provide services that benefit the environment or conserve natural resources.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. FAST FORWARD -- HEALTHCARE INDUSTRY GRANTS [LFB Paper 851]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$1,000,000	- \$500,000	\$500,000

Governor: Provide \$500,000 annually for the Department's workforce training grants appropriation ("Fast Forward"). Under current law, base funding for the Department's workforce training grants appropriation is \$5,250,000. Require the Department, as part of DWD's existing Fast Forward program, to allocate \$500,000 in each year of the 2025-27 fiscal biennium for grants to support training in the health care industry.

Joint Finance/Legislature: Reduce funding by \$250,000 annually to provide additional funding of \$250,000 annually, on a one-time basis, to DWD's workforce training grants appropriation, and require DWD to allocate \$250,000 in each year of the 2025-27 biennium for grants to support training in the health care industry.

[Act 15 Section: 9150(1)]

11. FAST FORWARD -- ARTIFICIAL INTELLIGENCE

Governor: Require the Department to allocate \$200,000 in each year of the 2025-27 fiscal biennium from the DWD's workforce training grants appropriation ("Fast Forward"), for grants to address workforce challenges around artificial intelligence. Base funding for the Department's workforce training grants appropriation is \$5,250,000.

Specify that grants for education and training in the use of artificial intelligence be an eligible grant category under DWD's existing Fast Forward grant program. Require DWD to consult with the Department of Public Instruction and the Department of Health Services, the Wisconsin Technical College System board (WTCS) and the Wisconsin Economic Development Corporation (WEDC) in implementing the Fast Forward grant program. Under current law, DWD is only required to consult with the WTCS board and WEDC in implementing the Fast Forward grant program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. FAST FORWARD -- APPROPRIATION CHANGE

Governor: Specify that the Department's workforce training grants GPR appropriation be changed from an annual appropriation to be a continuing appropriation. Under an annual GPR appropriation, any moneys not expended or encumbered at the end of a fiscal year lapse (revert) to the general fund. Under the proposed continuing appropriation, any money provided under this appropriation would remain available to the Department until fully expended.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. CORRECTIONAL INSTITUTION JOB CENTERS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,916,200	13.00	-\$1,916,200	- 13.00	\$0	0.00

Governor: Provide \$839,800 in 2025-26 and \$1,076,400 in 2026-27 and 13.0 positions annually in the Department's general program operations appropriation. The Administration indicates that the additional funding and position authority would support permanent employment and training specialists for existing correctional institution job centers to better assist incarcerated individuals in finding and maintaining employment once released from prison.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. CAREER NAVIGATORS

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$1,621,400	11.00	- \$1,621,400	- 11.00	\$0	0.00

Governor: Provide \$710,600 in 2025-26 and \$910,800 in 2026-27 and 11.0 positions annually in the Department's general program operations appropriation. The Administration indicates that the additional funding and position authority would support a dedicated employment and training specialist position in each workforce development area in the state to serve in the role of a "career navigator" and expand upon DWD's Career Connection pilot program which provided career navigator services in the Milwaukee and Bay Area workforce development areas.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. EARLY COLLEGE CREDIT PROGRAM GRANTS [LFB Paper 852]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$771,000	- \$190,000	\$581,000

Governor: Provide \$323,500 in 2025-26 and \$447,500 in 2026-27 for DWD's tuition reimbursement payments appropriation. This appropriation transfers funds to the Department of Public Instruction (DPI) for the state's share of costs under the early college credit program. The administration indicates that the additional funding would fully fund the anticipated need for early college credit program state aid. Under current law, DWD's tuition reimbursement payments appropriation receives \$478,500 GPR annually in base funding.

Joint Finance/Legislature: Reduce funding by \$70,700 in 2025-26 and \$119,300 in 2026-27 for DWD's tuition reimbursement payments appropriation to provide \$252,800 in 2025-26 and \$328,200 in 2026-27 in additional funding for the early college credit program.

16. TECHNICAL EDUCATION EQUIPMENT GRANTS [LFB Paper 853]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$400,000	- \$400,000	\$0

Governor: Provide \$200,000 annually for the Department's technical education equipment grants appropriation. Base level funding for the appropriation is \$1,000,000. The Administration

indicates that this funding may help school districts prepare students for a future that includes artificial intelligence.

Joint Finance/Legislature: Provision not included.

17. CDL TRAINING GRANTS

GPR	\$500,000

Joint Finance/Legislature: Provide \$250,000 annually of one-time funding for the Department's commercial driver training grant program appropriation and extend the effective period of the CDL training grant program by an additional two years, through June 30, 2027.

[Act 15 Sections: 305, 360, and 9450(1)]

18. CAREER AND TECHNICAL EDUCATION COMPLETION AWARDS -- SUM SUFFICIENT REESTIMATE [LFB Paper 106]

GPR	\$257,000

Joint Finance/Legislature: Increase estimated funding by \$128,500 annually for the Department's career and technical education completion awards sum sufficient appropriation. Funding for career and technical education completion awards is supported by a sum sufficient appropriation with base funding totaling \$51,500 annually.

Equal Rights and Employment Regulation

1. MIGRANT SEASONAL FARM WORKER PROGRAM

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
GPR	\$954,800	1.00	-\$954,800	- 1.00	\$0	0.00

Governor: Provide \$843,500 in 2025-26, and \$111,300 in 2026-27, and 1.0 position beginning in 2025-26, in the general program operations appropriation for workforce development. In 2025-26, \$42,500 would be provided for salaries, \$21,500 for fringe benefits, and \$779,500 for supplies and services; in 2026-27, \$54,000 would be provided for salaries, \$24,200 for fringe benefits, and \$33,100 for supplies and services. The Executive Budget Book indicates that: (a) the additional supplies and services funding in 2025-26 would be used for an online platform to process applications and certifications for camp and housing operators; and (b) the additional position would perform housing inspections, provide outreach to migrant workers at camps and

community locations, develop outreach plans, conduct prevailing wage and practice surveys, and investigate complaints and potential violations of state law.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. MIGRANT LABOR CONTRACTOR AND CAMP FEES

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$70,000	- \$70,000	\$0

Governor: Provide \$35,000 annually of supplies and services funding to the Department's auxiliary services appropriation. Specify that fees paid for certificates of registration by migrant labor contractors and persons who operate migrant labor camps would be deposited in this appropriation rather than to the general fund. Modify the appropriation so that funds could be expended on administrative services related to the migrant labor provisions of current law.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

3. MIGRANT LABOR CAMP DEFINITION

Governor: Specify that any bed and breakfast establishment, hotel, or tourist rooming house that is required to be licensed by the Department of Agriculture, Trade and Consumer Protection (DATCP), be excluded from the definition of "migrant labor camp."

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. EQUAL RIGHTS OPERATIONS

	Governor (Chg. to Base) Funding Positions		Jt. Finance/Leg. (Chg. to Gov) Funding Positions		Net Change Funding Positions	
GPR	\$147,400	1.00	- \$147,400	- 1.00	\$0	0.00

Governor: Provide \$64,600 in 2025-26, and \$82,800 in 2026-27, with 1.0 position starting in 2025-26, in the general program operations appropriation for workforce development. The Executive Budget Book indicates that that additional position would support the Equal Rights Division's operations, which provide expertise on state worker protection laws; ensure compliance with antidiscrimination laws in employment, housing and public accommodations; enforce regulations related to minimum wage, overtime, wage payment, minor employment, worker

classification, family and medical leave, and substance abuse prevention on public works projects; and deliver training and outreach, including guidance on identifying and reporting human trafficking.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. FAMILY AND MEDICAL LEAVE EXPANSION

	Governor		Jt. Finance/Leg.		Net Change	
	(Chg. to Base)		(Chg. to Gov)			
	Funding	Positions	Funding	Positions	Funding	Positions
FED	\$207,200	1.00	- \$207,200	- 1.00	\$0	0.00

Governor: Under current family and medical leave law, an employer that employs at least 50 individuals on a permanent basis in this state is required to allow an employee who has been employed by the employer for more than 52 consecutive weeks and who has worked for the employer for at least 1,000 hours during the preceding 52 weeks to take the following: (a) six weeks of family leave in a 12-month period for the birth or adoptive placement of a child; (b) two weeks of family leave in a 12-month period to care for the employee's child, spouse, domestic partner, or parent with a serious health condition; and (c) two weeks of medical leave in a 12-month period when the employee has a serious health condition that makes the employee unable to perform the employee's employment duties.

Specify the following changes to current family and medical leave law: (a) decrease the number of hours an employee is required to work before qualifying for family and medical leave to 680 hours during the preceding 52 weeks; (b) allow a covered employee to take family leave for the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling who is in medical isolation; (c) specify that an employee who is in medical isolation that makes the employee unable to perform his or her employment duties may take medical leave for the period during which he or she is unable to perform those duties; (d) amend the statute of limitations for filing a complaint from 30 days to 300 days for an employee who believes his or her employer has violated the family and medical leave law; (e) add coverage for any qualifying exigency, as determined by the Department of Workforce Development by rule, arising out of the fact that the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty; (f) add coverage if there is an unforeseen or unexpected short-term gap, as defined by the Department by rule, in childcare for the employee's child, grandchild, or sibling that the employee must fill; (g) add coverage to address issues related to the employee or the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling being the victim of domestic abuse, sexual abuse, or stalking; and (h) add grandparent, grandchild, and sibling for whom an employee may take family leave.

Duration of leave. Delete current law that specifies that no employee may take more than two weeks of medical leave during a 12-month period. Delete current law that specifies that, in a

12-month period, no employee may take more than: (a) six weeks of family leave for the birth of the employee's child, or the placement of a child with the employee for adoption; (b) two weeks of family leave to care for the employee's child, spouse, domestic partner, or parent, that has a serious health condition; or (c) eight weeks of family leave for any combination of these reasons. Instead, provide that, in a 12-month period, no employee may take more than eight weeks of leave for any combination of family leave and medical leave purposes.

Definitions. Expand the current law definition of "serious health condition" to include medical isolation. Define "medical isolation" as any of the following: (a) when a health care professional, a local health officer, or the Department of Health Services advises that the individual seclude herself, himself, or themselves from others when the individual is awaiting the result of a diagnostic test for a communicable disease or when the individual is infected with a communicable disease; (b) when a local health officer or the department of health services advises that an individual isolate or quarantine; and (c) when an individual's employer advises that the individual not come to the workplace due to a concern that the individual may have been exposed to or infected with a communicable disease.

Define "covered active duty" to mean: (a) a member of a regular component of the U.S. armed forces, duty during the deployment of the member with the U.S. armed forces to a foreign country; or (b) a member of a reserve component of the U.S. armed forces, duty during the deployment of the member with the U.S. armed forces to a foreign country under a call or order to active duty as specified under current federal law.

Modify the definition of "child" under current law to eliminate the requirement that an individual, 18 years of age or older, can only be considered a child if they cannot take care for themselves because of a serious health condition. The term "child" would continue to be defined a natural, adopted, or foster child, a stepchild, or a legal ward. Define "sibling" to mean a brother, sister, half-brother, half-sister, stepbrother, or stepsister, whether by blood, marriage, or adoption.

Notice. Specify that if the employee intends to take family leave that is foreseeable because the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty, the employee must provide notice of that intention to the employer in a reasonable and practicable manner.

Certification. Specify that if an employee requests family leave for covered active duty, the employer may require the employee to provide certification that the spouse, child, domestic partner, parent, grandparent, grandchild, or sibling of the employee is on covered active duty or has been notified of an impending call or order to covered active duty. Require the certification to be issued at such time and in such manner as DWD may prescribe by rule, and require the employee to provide a copy of that certification to the employer in a timely manner.

Provide that if an employee requests family leave due to a gap in childcare, the employer may require the employee to provide certification that there is an unforeseen or unexpected short-term gap in childcare, as defined in rule by DWD, for the employee's child, grandchild, or sibling, that the employee must fill. If an employee requests family leave due to being the victim of domestic abuse, sexual abuse, or stalking, the employer may require the employee to provide

certification that the employee is addressing issues of the employee or the employee's child, spouse, domestic partner, parent, grandparent, grandchild, or sibling related to being the victim of domestic abuse, sexual abuse, or stalking. Specify that if an employee requests family or medical leave due to medical isolation, the employer may require the employee to provide certification issued by a local public health official, the Department of Health Services, a health care provider, or Christian Science practitioner of the child, spouse, domestic partner, parent, grandparent, grandchild, sibling, or employee, except that no employer may require certification if the sole reason for the medical isolation is if the employer had advised that the individual not come to the workplace due to a concern that the individual may have been exposed to or infected with a communicable disease. Provide that no employer may require certification stating more than that the child, spouse, domestic partner, parent, grandparent, grandchild, sibling, or employee is in medical isolation. Specify that if the employee requests family leave, the employer may require the employee to provide certification that the employee is responsible for the care of a child, spouse, domestic partner, parent, grandparent, grandchild, sibling, or employee who is in medical isolation.

Provide \$103,600 FED in 2025-26 and \$103,600 FED in 2026-27 and 1.0 FED position in the Department's federal equal rights administration appropriation and specify corresponding FED decreases in the Department's federal unemployment insurance administration appropriation. According to the Department, the project position would perform outreach and technical assistance activities that support the expanded family and medical leave provisions.

Under current law, an individual that is the employer's parent, spouse, domestic partner, or child, cannot be considered an employee. Expand the current law definition to also include an employer's grandparent, grandchild, or sibling to those that cannot be considered an employee.

Apply the expanded 300 day statute of limitations for certain violation to first apply to a violation that occurs, or that an employee should reasonably have known occurred, on the effective date of the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. PAID FAMILY AND MEDICAL LEAVE BENEFITS

Governor: Require each employer to provide paid leave benefits to their employees for up to eight weeks of family and medical leave in the amount described under this provision. Require that employees be paid leave benefits for consecutive family and medical leave or intermittent family leave and medical leave at the employee's sole discretion.

Specify that the amount of leave benefits for a week for which those benefits are payable, would be as follows: (a) for the amount of the employee's average weekly earnings that are not more than 50% of the state annual median wage in the calendar year before the employee's application year, 90% of that individual's average weekly earnings; and (b) for the amount of the employee's average weekly earnings that are more than 50% of the state annual median wage in the calendar year before the employee's application year, 50% of that employee's average weekly earnings.

Define "employer" to mean a person engaging in any activity, enterprise or business in this state employing at least 50 individuals on a permanent basis, except that it does not include constitutional officers, elected state officials, supreme court justices, judges of the court of appeals or circuit court, state employees, or employees of the Board of Regents of the University of Wisconsin System.

Define "employee" to mean an individual employed in this state by an employer, except the employer's parent, spouse, domestic partner, or child, except that it does not include constitutional officers, elected state officials, supreme court justices, judges of the court of appeals or circuit court, state employees, or employees of the Board of Regents of the University of Wisconsin System.

Insurance. Provide that an employer may contract with an insurance company to provide coverage for the leave benefits required under this provision. Specify that employers may not deduct any fees from employee compensation for the cost of insurance coverage or otherwise charge employees for the cost of insurance coverage for leave benefits. Require that insurance policies for leave benefits allow for employees to seek arbitration following a denial of leave benefits by the insurer.

Denial of benefits; appeals. Require that, an employer or an insurer that provides benefits under a family and medical leave benefits insurance policy, provide an employee with the reason for a denial for a claim for leave benefits whether in whole or in part, with information for the employee to file an appeal with the Department of Workforce Development. Provide that an employee, whose claim for paid family and medical leave benefits has been denied in whole or in part by their employer or their employer's insurer, may file a complaint with the Department after receiving a final denial from their employer or their employer's insurer. Require the Department to process the complaint in the same manner as complaints filed under the family and medical leave expansion provision, including the provision that amends the statute of limitations for filing a complaint from 30 days to 300 days for an employee who believes his or her employer has violated the family and medical leave law. Specify that if the Department finds that the employer or insurer should have paid leave benefits, the Department may order the employer or insurer to provide the benefits owed and pay reasonable actual attorney fees to the employee.

Prohibited acts. Specify that no person may interfere with, restrain, or deny the exercise of any right provided under the paid family and medical leave benefits law. Specify that, under the paid family and medical leave benefits law, no person may discharge or otherwise discriminate against any person for: (a) exercising any right provided under the law; (b) opposing a practice prohibited under the law; (c) filing a complaint or attempting to enforce any right provided under the law; or (d) testifying or assisting in any action or proceeding to enforce any right provided under the law. Specify that no collective bargaining agreement or employer policy may diminish or abridge an employee's rights under this law, and that any agreement purporting to waive or modify an employee's rights under this law would be void as against public policy and unenforceable.

Other definitions. Define "application year" to mean the 12-month period beginning on the first day of the first calendar week for which leave benefits are claimed by an employee under the paid family and medical leave benefits provisions.

Define "average weekly earnings" to mean one-thirteenth of the wages paid to an employee during the last completed calendar quarter prior to the employee's date of eligibility for family and medical leave benefits and includes all sick, holiday, vacation, and termination pay that is paid directly by an employer to an employee at the employee's usual rate of pay during his or her last completed calendar quarter as a result of employment for an employer, and any total or partial worker's compensation disability payments, or under a federal law that provides for payments on account of a work-related injury or illness.

Define "family leave" to mean leave from employment taken for any of the reasons defined under current law, and any of the additional reasons defined under the family and medical leave expansion provision.

Define "insurer" to mean a company that issues an insurance policy to an employer to provide paid family and medical leave benefits.

Define "leave benefits" to mean benefits provided under the paid family and medical benefits provisions.

Define "medical leave", as defined under the family and medical leave expansion provision, to mean leave from employment taken for an employee who is in medical isolation or has a serious health condition which makes the employee unable to perform his or her employment duties may take medical leave for the period during which he or she is unable to perform those duties, and may schedule medical leave as medically necessary.

Federal tax treatment of benefits. Require that, with respect to the federal income taxation of family or medical leave insurance benefits, an employer do all of the following: (a) at the time an individual files a claim for leave benefits, advise the individual that those benefits may be subject to federal income taxation, that requirements exist under federal law pertaining to estimated tax payments, and that the individual may elect to have federal income taxes withheld from the individual's benefit payments and may change that election not more than one time in an application year; and (b) allow the individual to elect to have federal income tax deducted and withheld from the individual's benefit payments, allow the individual to change that election not more than one time in an application year, and deduct and withhold that tax in accordance with the individual's election as provided under federal law. Require that, if the employer has contracted with an insurer, the employer direct the insurer to follow these provisions.

Notice requirement. Require each employer to post, on its website, and in one or more conspicuous places where notices to employees are customarily posted, a notice in a form approved by the Department setting forth employees' rights under the paid family and medical leave benefits provisions. Require any employer that violates this provision to forfeit not more than \$100 for each violation.

Rules. Require the Department to promulgate rules to implement the paid family and medical leave benefits provisions.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. COMPENSATION INCLUDED IN JOB POSTINGS

Governor: Specify that in each job posting seeking applicants that is made by an employer, the employer shall include the compensation for the position. Under current law governing employment regulations which DWD oversees, “employer” means any person, firm, corporation, state, county, town, city, village, school district, sewer district, drainage district, long-term care district and other public or quasi-public corporations as well as any agent, manager, representative or other person having control or custody of any employment, place of employment or of any employee.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. EMPLOYEE RIGHT TO WORK SCHEDULE CHANGES AND ADVANCE NOTICE OF WORK SCHEDULES

Governor: Specify the following to create an employee right to work schedule changes and to require an advance notice of work schedules for certain employees.

Employee right to request and receive work schedule changes

Specify that an employee may request a change in the terms and conditions of employment related to any of the following, and may make such a request by email or text message: (a) the number of hours the employee is required to work or be on call for work; (b) the days or times when the employee is required to work or be on call for work; (c) the location where the employee is required to work; (d) the amount of notification the employee receives regarding changes to the employee's work schedule; or (e) minimizing fluctuations in the number of hours the employee is scheduled to work on a daily, weekly, or monthly basis.

Require an employee, who makes a work schedule change request, to specify in the request whether it is related to any of the following: (a) a serious health condition of the employee, as defined under current family and medical leave law; (b) the employee's responsibilities as a significant provider of ongoing care, including responsibility for securing ongoing care, of the employee's child, family member with a serious health condition, as defined under current family and medical leave law, or parent who is 65 years of age or older; (c) the employee's responsibilities as a significant provider of education, including responsibility for securing education, of the employee's child; (d) the employee's enrollment in an educational or training program or program of study that leads to a recognized postsecondary credential; or (e) if the employee is a part-time employee, conflicts with the employee's other employment.

Evaluating requests for work schedule changes

Require that, if an employer receives a work schedule change request from an employee, the employer either grant the request without modification or negotiate in good faith with the employee to find a compromise that meets the employee's and the employer's work scheduling needs, including by considering any alternative proposals offered by the employee. Specify that if the employer denies the request and any alternative proposals offered, the employer be required to

inform the employee of the reasons for denial, including whether any of the reasons is a bona fide business reason.

Specify that if an employer receives a work schedule change request from an employee that is directly related to a serious health conditions, caregiving, education, or other part-time employment, require the employer to grant the request unless the employer has a bona fide business reason for denying the request.

Specify that if an employer receives a work schedule change request from an employee, the employer may require the employee to provide additional information to clarify or explain the reasons for the employee's requested work schedule change if the employer needs that information to properly evaluate the request.

Predictable Work Schedules for Retail, Food Service, and Cleaning Employees

Advance notice of work schedules required

Require that, on or before the first day of work of a new service employee, an employer provide the service employee with a written copy of the service employee's work schedule. Specify that if an employer changes a work schedule provided to a service employee, the employer be required to provide the service employee with a written copy of the new work schedule no later than 14 days before the new work schedule begins. Require an employer to post a copy of a work schedule in at least one of the following ways: (a) in one or more conspicuous places where notices to employees are customarily posted; (b) in a website accessible by all of the employer's employees; or (c) if an employer changes a work schedule after it is posted under this provision, the employer must revise the posted work schedule to reflect those changes.

Employer-initiated changes to work schedules without advance notice

Specify that an employer may change, without the required advance notice, a work schedule provided to a retail, food service, and cleaning employees ("service employee"), under certain conditions, as described in this paragraph. Specify that if the employer changes a work schedule provided to a service employee less than 14 days before the new work schedule begins, the employer be required to provide the service employee compensation for the change in an amount equal to the service employee's regular rate of pay for one hour of work in addition to any other compensation earned by the service employee. Specify that an employer is not required to pay this compensation to a service employee for a change to the service employee's work schedule if any of the following applies to the change: (a) the service employee consents to the change; or (b) the employer requires the service employee to work additional time or an additional work shift because another service employee was scheduled to work that time or work shift and is unexpectedly unavailable to work.

Employee-initiated changes to work schedules

An employer may allow a service employee to agree to work in place of another service employee if the service employees mutually agree to the change. The employer is not required to provide additional compensation to a service employee with respect to a work shift agreement under this provision.

Compensation for reporting time, on-call time, and split shifts

Provide that if a service employee reports to work and the service employee's employer does not allow the service employee to work all time that the service employee is scheduled to work, the employer be required to provide the service employee with the following compensation: (a) if the service employee is scheduled to work four hours or less, an amount equal to the service employee's regular rate of pay for all time the service employee is scheduled to work but does not work in addition to any other compensation earned by the service employee for time the service employee actually works; or (b) if the service employee is scheduled to work more than four hours and works less than four hours, an amount equal to the service employee's regular rate of pay for the difference between four hours and the amount of time the service employee actually works in addition to any other compensation earned by the service employee for time the service employee actually works.

Specify that if an employer requires a service employee to contact the employer, or wait to be contacted by the employer, less than 24 hours before a work shift begins to determine whether the employer will require the service employee to report to work for that work shift, the employer be required to provide the service employee compensation in an amount equal to the service employee's regular rate of pay for one hour of work in addition to any other compensation earned by the service employee for time the service employee actually works.

Specify that if an employer requires a service employee to work a split shift, the employer be required to provide the service employee compensation in an amount equal to the service employee's regular rate of pay for one hour of work in addition to any other compensation earned by the service employee for time the service employee actually works.

Specify that if a service employee is entitled to more than one type of compensation under the above scenarios with respect to a particular work shift, the employer be required to pay the service employee the compensation required under the scenario that pays the greatest amount.

Manner of payment of additional compensation

Require an employer, that is required to provide compensation to a service employee for the purposes of employer-initiated changes to work schedules without advance notice, reporting time, on-call time, and split shifts, to pay that compensation on the service employee's regular paycheck or other wage payment. Require the employer to identify on the paycheck, pay envelope, or paper accompanying the wage payment the amount of and reason for all additional compensation paid.

Exception

Provide that an employer is not required to comply with the provisions included in the "Predictable Work Schedules for Retail, Food Service, and Cleaning Employees" section during a period in which the employer's regular operations are suspended due to an event outside of the employer's control.

Prohibited Acts

Specify that no employer may interfere with, restrain, or deny the exercise of the right of an employee to request and receive a change in the terms and conditions of employment, as required

under these provisions. Specify that no employer may interfere with, restrain, or deny the exercise of the right of a service employee to receive advance notice of work schedules, receive compensation, or request approval to work in place of another employee, as specified under these provisions. Specify that no employer may discharge or discriminate against an employee in promotion, in compensation, or in the terms, conditions, or privileges of employment for exercising a right of an employee, opposing a practice prohibited under this provision, filing or indicating an intent to file a complaint or otherwise attempting to enforce a right under this provision, or testifying, assisting, or participating in any manner in any investigation, action, or proceeding to enforce a right under this provision. Reference the existing statutes on the prohibition of employment discrimination to discharge or other discriminatory acts arising in connection with any proceeding under these provisions.

Enforcement

Administrative proceeding

Provide that an employee whose rights are interfered with, restrained, or denied in violation of any of the prohibited acts specified, or who is discharged or discriminated against in violation of the prohibited acts specified, may file a complaint with the Department, and the Department must process the complaint in the same manner that employment discrimination complaints are processed under Wisconsin's fair employment law. Specify that if the Department finds that a violation has occurred, the Department may order the employer to take action to remedy the violation, including any action authorized under Wisconsin's fair employment law.

Civil action

Provide that the Department or an employee whose rights are interfered with, restrained, or denied in violation of the prohibited acts specified, or who is discharged or discriminated against in violation of the prohibited acts specified, may bring an action in circuit court against an employer on the basis of the violation without regard to exhaustion of any administrative remedy. Require that, in such an action, if the circuit court finds that a violation has occurred with respect to an employee, the circuit court order the defendant to pay to the employee all of the following: (a) compensatory damages in an amount that the circuit court or jury finds appropriate; (b) unless the employer proves that the employer acted in good faith and had a reasonable basis for believing that the act or omission that constituted the violation was not a violation of this provision, an additional amount as liquidated damages equal to 100% of the amount of compensatory damages; and (c) reasonable attorney fees and costs incurred in the action. Specify that any damages awarded under these provisions are in addition to any back pay or other amounts awarded under the Wisconsin fair employment law.

Penalties and notice requirement.

Provide that, in addition to any damages imposed under the enforcement provisions, an employer that willfully violates these provisions may be required to forfeit not more than \$1,000 for each violation. Each day of continued violation constitutes a separate offense.

Require an employer to post, in one or more conspicuous places where notices to employees are customarily posted, a notice in a form approved by the Department setting forth employees'

rights under this provision. Require that, an employer that violates this provision, forfeit not more than \$100 for each violation.

Effective Date

Specify that these provisions would take effect on the first day of the sixth month following publication of the act. Provide that these provisions would first apply to a collective bargaining agreement with provisions inconsistent with these provisions on the day the agreement expires or is extended, modified or renewed. Require an employer provide a services employee a written copy of their work schedule on the effective date of this provision.

Definitions

Define "bona fide business reason" to mean a reason that justifies an employer's action and that is based on the employer's determination that taking a different action would have any of the following results: (a) additional costs to the employer, including costs of lost employee productivity, retaining or hiring employees, or transferring employees between work locations; (b) a significant detrimental effect on the employer's ability to meet organizational needs or customer demand; (c) a significant inability of the employer, despite the employer's best efforts, to reorganize work among other employees; (d) a significant detrimental effect on the employer's business performance; (e) insufficient work during the period an employee proposes to work; or (f) unfairness to other employees who request changes to work schedules if granting all requests would have a significant detrimental effect on the employer's ability to meet organizational needs.

Define "employee" to mean an employee who is employed by an employer. Define "part-time employee" to mean an employee who works on average fewer than 30 hours per week for a particular employer.

Define "service employee" to mean a nonexempt employee who is employed in any of the occupations classified under the following codes set forth in the Standard Occupational Classification System, 2018 edition, published by the Bureau of Labor Statistics of the U.S. Department of Labor: (a) code 35-0000 — food preparation and serving related occupations; (b) code 37-2010 — building cleaning workers; (c) code 41-1011 — first-line supervisors of retail sales workers; or (d) code 41-2000 — retail sales workers.

Define "employer" to mean an employer that employs at least 15 employees. Specify that "employer" includes the state, its political subdivisions, and any office, department, independent agency, authority, institution, association, society, or other body in state or local government created or authorized to be created by the constitution or any law, including the Legislature and the courts. Define "nonexempt employee" to mean an employee who is not employed in a bona fide executive, administrative, or professional capacity, as described in the federal Fair Labor Standards Act.

Define "family member" to mean any of the following: (a) a spouse or domestic partner of an employee; (b) a parent, child, sibling, brother-in-law, sister-in-law, grandparent, or grandchild of an employee or of an employee's spouse or domestic partner; or (c) any other individual who is related by blood, marriage, or adoption to an employee or to an employee's spouse or domestic

partner and whose close association with the employee, spouse, or domestic partner makes the individual the equivalent of a parent, child, sibling, brother-in-law, sister-in-law, grandparent, or grandchild of an employee or of an employee's spouse or domestic partner. Define "sibling" to mean a brother, sister, half-brother, half-sister, stepbrother, stepsister, foster brother, or foster sister, whether by blood, marriage, or adoption. Define "child" to mean an individual who is all of the following: (a) a biological, adopted, or foster child; a stepchild; a legal ward; or a child of a person standing in the place of a parent with respect to that child; and (b) an individual that is less than 18 years of age, or is 18 years of age or older and is incapable of self-care because of a mental or physical disability. Define "grandchild" to mean the child of a child. Define "grandparent" to mean the parent of a parent. Define "parent" to mean a biological parent, foster parent, adoptive parent, stepparent, or legal guardian of an employee or of an employee's spouse or domestic partner. Define "domestic partner" to mean an individual in a domestic partnership, or an individual who has signed and filed a declaration of domestic partnership in the office of the register of deeds of the county in which he or she resides.

Define "split shift" to mean a work shift that consists of work time that is not continuous. Specify that, for purposes of determining whether a work shift is continuous, any of the following breaks in work time are not considered: (a) one or more breaks for meals that total one hour or less; or (b) a break that is requested by the employee. Define "work schedule" to mean the days and times during each successive work period when an employee is required by an employer to perform duties of employment. Define "work shift" to mean the specific times during a day that an employer requires an employee to work. Define "written" to include communication that is transmitted or received by electronic means.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. LIQUIDATED DAMAGES IN WAGE CLAIM ACTIONS

Governor: Provide that, in a claim for unpaid wages, a circuit court would be required to order the employer to pay to the employee, in addition to the amount of wages due and unpaid and in addition to or in lieu of the criminal penalties specified under current law, increased wages of not more than 100% of the amount of wages due and unpaid. Provide that, an employer may rebut the presumption of increased wages under by demonstrating that they acted in good faith and had a reasonable belief that they were in compliance with the law.

Delete the current law provision that specifies that if a claim for unpaid wages is commenced by an employee before the Department has completed its investigation of the wage claim a circuit court may order the employer to pay to the employee, in addition to the amount of wages due and unpaid and in addition to or in lieu of the criminal penalties, increased wages of not more than 50% of the amount of wages due and unpaid.

Delete the current law provision that specifies that if a claim for unpaid wages is commenced after the Department has completed its wage claim investigation and its attempts to settle and compromise the wage claim, a circuit court may order the employer to pay to the employee, in addition to the amount of wages due and unpaid to an employee and in addition to or in lieu of the

criminal penalties, increased wages of not more than 100% of the amount of those wages due and unpaid.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. PREVAILING WAGE

Governor: Restore the state prevailing wage law as the law existed prior to 2015 Act 55 by repealing: (a) the provisions of 2015 Act 55 that eliminated the state prevailing wage law applying to local projects of public works (counties, villages, towns, cities, school districts, municipal utilities and technical colleges); and (b) the provisions of 2017 Act 59 that eliminated the state prevailing wage law that applied to state agency and state highway projects.

Under current law, there are no state prevailing wage standards for local projects of public works, state agency projects, or state highway projects. The state prevailing wage requirements for local projects were repealed effective January 1, 2017. The state prevailing wage requirements for state agency and state highway projects were repealed effective September 23, 2017. These changes did not affect federal Davis-Bacon Act requirements, which specify that building and highway projects that utilize at least \$2,000 in federal funds are subject to the federal prevailing wage rates as determined by the U.S. Department of Labor.

Under the bill, the state prevailing wage law would be as it was immediately prior to the passage of 2015 Act 55. Generally, the prevailing wage law under the bill would consist of the following major elements:

Application of the Prevailing Wage Law. Specify that state prevailing wage requirements apply based on various project cost thresholds. For a single-trade project, the threshold is \$48,000, whereas the threshold for a multiple-trade project is either \$100,000 or \$234,000; the latter applies to public works projects erected, constructed, repaired, remodeled, or demolished by a private contractor for a city or village with a population less than 2,500, or for a town. A "single-trade project" is defined as one in which a single trade (such as a carpenter, glazier, or electrician) accounts for 85% or more of the total labor cost of the project. A "multiple-trade project" is defined as one in which no single trade accounts for more than 85% of the total labor cost of the project.

Prevailing Hours of Labor. Specify that workers to whom state prevailing wage law applies may not be permitted to work a greater number of hours per day or per week than the prevailing hours of labor, unless they are paid for all hours worked in excess of prevailing hours of labor at a rate of at least 1.5 times their hourly basic rate of pay. Define "prevailing hours of labor" to mean 10 hours per day and 40 hours per week, not including any hours worked on a Saturday or Sunday, or on certain holidays.

Prevailing Wage Rate. Define "prevailing wage rate" to mean the hourly basic rate of pay, plus the hourly contribution for health insurance, vacation, pension, and any other economic benefit, paid for a majority of the hours worked in a trade or occupation on projects in an area (generally the county). If there is no rate at which a majority of the hours worked in the occupation

on projects in the area is paid, the prevailing wage rate would mean the average hourly basic rate of pay, weighted by the number of hours worked, plus the average hourly contribution, weighted by the number of hours worked, for health insurance benefits, vacation benefits, pension benefits and any other bona fide economic benefit, paid for all hours worked at the hourly basic rate of pay of the highest-paid 51% of hours worked in that trade or occupation on projects in that area.

Survey Process. Require DWD to determine prevailing wage rates for each trade or occupation in each area of the state by January 1 of each year. The survey would be based on a statutorily prescribed annual survey process for all types of local public works projects, state agency public works projects excluding highways and bridges, and state-contracted highway construction projects. Provide that DWD may not collect survey data from projects that are subject to the state or federal prevailing wage requirements unless DWD determines that there is insufficient wage data in the area to determine a prevailing wage rate.

Administration and Enforcement. Require DWD to enforce all local and state prevailing wage laws, and require the Department of Transportation (DOT) to administer and enforce federal and state prevailing wage laws for highway and bridge construction projects. Require DWD, by May 1 of each year, to certify to DOT the prevailing wage rates in each area for all trades or occupations commonly employed in the highway construction industry.

Specify that all provisions regarding compliance, enforcement, inspection, notice, appeals, remedies, coverage, and penalties from the state prevailing wage law as it was prior to the enactment of 2015 Act 55 would be recreated and made effective on the date of the bill, and would first apply to bids, contracts, or actions that occur on or after that date.

Retain the current prohibition against local governments enacting or administering their own prevailing wage laws or similar ordinances. Currently, a local governmental unit may not enact and administer an ordinance or other enactment requiring laborers, workers, mechanics, and truck drivers employed on projects of public works, or on publicly funded private construction projects, to be paid the prevailing wage rate and to be paid at least 1.5 times their hourly basic rate of pay for hours worked in excess of the prevailing hours of labor.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. REPEAL RIGHT TO WORK

Governor: Repeal the provisions of 2015 Wisconsin Act 1 that specify that no person may require, as a condition of obtaining or continuing employment, an individual to do any of the following: (a) refrain or resign from membership in, voluntary affiliation with, or voluntary financial support of a labor organization; (b) become or remain a member of a labor organization; (c) pay any dues, fees, assessments, or other charges or expenses of any kind or amount, or provide anything of value, to a labor organization; or (d) pay to any third party an amount that is in place of, equivalent to, or any portion of dues, fees, assessments, or other charges or expenses required of members of, or employees represented by, a labor organization. Delete current law specifying

that these provisions apply to the extent permitted under federal law and that if a section of a contract violates this provision, that section of the contract is void.

Unfair Labor Practices. For the purposes of the following provisions, the definition of "employer" does not include the state or any political subdivision thereof.

Modify the current declaration of an unfair labor practice relating to an employer encouraging or discouraging membership in any labor organization, employee agency, committee, association, or representation plan by discrimination in regard to hiring, tenure, or other terms or conditions of employment. Create an exception for a collective bargaining unit where an all-union agreement is in effect. Under current law, an "all-union agreement" means an agreement between an employer and the representative of the employer's employees in a collective bargaining unit whereby all or any of the employees in such unit are required to be members of a single labor organization.

Modify the current declaration of unfair labor practice for an employer to bargain collectively with the representatives of less than a majority of the employer's employees in a collective bargaining unit, or to enter into an all-union agreement, by creating an exception for an employer who does so with the voluntarily recognized representative of the employees in a collective bargaining unit, where at least a majority of such employees voting have voted affirmatively, by secret ballot, in favor of the all-union agreement in a referendum conducted by the Wisconsin Employment Relations Commission (WERC). If the bargaining representative has been certified by either WERC or the National Labor Relations Board as the result of a representation election, no referendum is required to authorize the entry into an all-union agreement.

Specify that the authorization of an all-union agreement continues, subject to the right of either party to the agreement to petition WERC to conduct a new referendum on the subject. Upon receipt of the petition, if WERC determines there is reasonable ground to believe that the employees concerned have changed their attitude toward the all-union agreement, WERC shall conduct a referendum. If the continuance of the all-union agreement is supported on a referendum by a majority vote, it may continue, subject to the right to petition for a further vote by the same procedure. If the continuance of the all-union agreement is not supported on a referendum, it terminates at the expiration of the contract of which it is then a part or at the end of one year from the date of the announcement by WERC of the result of the referendum, whichever is earlier. Require WERC to declare any all-union agreement terminated whenever it finds that the labor organization involved has unreasonably refused to receive as a member any employee of such employer. An interested person may, as specified in current law, request WERC to perform this duty.

Modify the current declaration of an unfair labor practice that prohibits an employer from deducting labor organization dues or assessments from an employee's earnings, unless the employer has been presented with an individual order signed by the employee and terminable by the employee at the end of any year of its life. Create an exception for cases in which there is an all-union agreement in effect. Specify that the employer must give notice to the labor organization of receipt of a notice of termination.

Declaration of Policy. Recreate a state declaration of policy on employment relations repealed under Act 1. The declaration would state, in part:

(a) that the public policy of the state, as to employment relations and collective bargaining, recognizes that there are three major interests: the public, the employee, and the employer; and that these three interests are interrelated and that it is the policy of the state to protect and promote each of these interests with due regard to the situation and to the rights of the others; and

(b) that industrial peace, regular and adequate income for the employee, and uninterrupted production of goods and services are promotive of all of these interests and are largely dependent upon the maintenance of fair, friendly, and mutually satisfactory employment relations and the availability of suitable machinery for the peaceful adjustment of whatever controversies may arise; that certain employers, including farmer, farmer cooperatives, and unincorporated farmer cooperative associations face special problems arising from perishable commodities and seasonal production that requires adequate consideration; that whatever may be the rights of disputants, they should not be permitted to intrude directly into the primary rights of third parties to earn a livelihood, transact business, and engage in the ordinary affairs of life; and

(c) that negotiations of terms and conditions of work should result from voluntary agreement between employer and employee; and that an employee has the right, if the employee desires, to associate with others in organizing and bargaining collectively through representatives of the employee's own choosing; and

(d) that it would be the policy of the state, in order to preserve and promote the interests of the public, the employee, and the employer, to establish standards of fair conduct in employment relations and to provide a convenient, expeditious, and impartial tribunal by which these interests may have their respective rights and obligations adjudicated; while limiting individual and group rights of aggression and defense, the state substitutes processes of justice for the more primitive methods of trial by combat.

Penalties. Repeal the provision that specifies that anyone who violates the right to work law is guilty of a Class A misdemeanor.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. PROJECT LABOR AGREEMENTS

Governor: Repeal the provisions of 2017 Wisconsin Act 3, which prohibits state and local units of government from any of the following in letting bids for state procurement or public works contracts: (a) requiring that a bidder enter into or adhere to an agreement with a labor organization; (b) considering, as a factor in making an award, whether any bidder has or has not entered into an agreement with a labor organization; or (c) requiring that a bidder enter into, adhere to, or enforce any agreement that requires, as a condition of employment, that the bidder or bidder's employees become or remain members of, or be affiliated with, a labor organization or pay any dues, fees, assessments, or other charges or expenses of any kind or amount, or provide anything of value, to

a labor organization or a labor organization's health, welfare, retirement, or other benefit plan or program.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. LOCAL EMPLOYMENT REGULATIONS

Governor: Repeal the provisions of 2017 Wisconsin Act 327, which prohibits local units of government from enacting or enforcing ordinances related to any of the following: (a) regulations related to wage claims and collections; (b) requiring a person to accept provisions of a collective bargaining agreement or to waive rights under state or federal labor relations laws (defined as the National Labor Relations Act and the Labor Management Relations Act); (c) regulation of employee hours of labor or overtime, including scheduling of employee work hours or shifts; (d) requiring an employer to provide certain employment benefits, including retirement, pension, profit sharing, insurance, or leave benefits; (e) prohibiting an employer from requesting the salary history of a prospective employee; (f) prohibiting requiring any person to waive the person's rights under state or federal labor laws, or compel or attempt to compel a person to agree to waive the person's rights under state or federal labor laws, as a condition of any regulatory approval or other approval by the local governmental unit; or (g) imposing occupational licensing requirements on an individual that are more stringent than state-imposed licensing requirements for the profession.

Recreate provisions from the 2015 statutes specifying that the prohibition on a local government (county, city, village, or town) from enacting a minimum wage ordinance does not affect a local government ordinance that applies the state prevailing wage law requirements specified under the bill to an employee of a local government, a contractor for the local government, or a person performing work using financial assistance from the local government.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. DISCRIMINATION ON THE BASIS OF GENDER EXPRESSION OR GENDER IDENTITY

Governor: Prohibit public and private employers, labor organizations, employment agencies, licensing agencies, or other persons from discriminating against employees, job applicants, or licensing applicants on the basis of an individual's gender identity or gender expression.

Define "gender expression" to mean an individual's actual or perceived gender-related appearance, behavior, or expression, regardless of whether these traits are stereotypically associated with the individual's assigned sex at birth.

Define "gender identity" to mean an individual's internal understanding of the individual's

gender, or the individual's perceived gender identity.

Wisconsin Fair Employment Law. The Wisconsin Fair Employment Law (Chapter 111, Subchapter II) prohibits discrimination in recruitment and hiring, job assignments, pay, leave or benefits, promotion, licensing, union membership, training, layoff and firing, and other employment-related actions. Under the law, an otherwise properly qualified individual cannot be discriminated against in employment based on their age, race, creed, color, disability, marital status, sex, national origin, ancestry, sexual orientation, arrest record, conviction record, military service, use or nonuse of lawful products off the employer's premises during nonworking hours, or declining to attend a meeting or to participate in any communication about religious matters or political matters. The bill would add gender expression and gender identity as protected categories ("prohibited bases of discrimination") under the state's Fair Employment Law. The bill would amend the stated policy and findings of the Legislature to include discrimination based on gender identity or gender expression as substantially and adversely affecting the welfare of the state, and that the Legislature's intent is to protect by law the rights of all individuals to obtain gainful employment and enjoy privileges free from such discrimination.

Specify that, under the Wisconsin Fair Employment Law, employment discrimination because of sex includes engaging in harassment that consists of unwelcome verbal or physical conduct directed at another individual because of that individual's gender, gender expression or gender identity, other than certain specified forms of sexual harassment, and that has the purpose or effect of creating an intimidating, hostile or offensive work environment, or has the purpose or effect of substantially interfering with that individual's work performance. Under current law, gender expression and gender identity are not specified.

Specify that, under the Wisconsin Fair Employment Law, employment discrimination because of sex includes: (a) refusing to hire, employ, admit or license any individual; (b) barring or terminating from employment, membership, or licensure any individual; or (c) discriminating against any individual in promotion, in compensation, or in the terms, conditions, or privileges of employment because of the individual's sexual orientation, gender expression, or gender identity. Under current law, gender expression and gender identity are not specified.

Specify that, under the Wisconsin Fair Employment Law, employment discrimination because of sex includes, but is not limited to, discriminating against any individual ("woman" under current law) on the basis of pregnancy, childbirth, parental ("maternity" under current law) leave or related medical conditions by engaging in certain prohibited actions including, but not limited to, actions concerning fringe benefit programs covering illnesses and disability.

Specify that it is not employment discrimination for an employer to require an employee to adhere to reasonable workplace appearance, grooming, and dress standards not precluded by other provisions of state or federal law, provided that an employer shall allow an employee to appear or dress consistently with the employee's gender identity or gender expression.

Revise certain current references of "he or she" to "the person" under the Wisconsin Fair Employment Law.

State Employee Labor Organizations. Specify that a labor organization representing state

employees for the purpose of collective bargaining may not discriminate with regard to the terms or conditions of membership because of gender expression or gender identity. Under current law, a labor organization representing state employees for the purpose of collective bargaining may not discriminate with regard to the terms or conditions of membership because of race, color, creed, sex, age, sexual orientation, or national origin. The bill would amend this statute to add gender expression and gender identity to the list of individual characteristics upon which a state employee labor organization cannot discriminate.

State Contracts. Specify that contracting agencies in the executive branch, the University of Wisconsin Hospitals and Clinics Authority, the Fox River Navigational System Authority, the Wisconsin Aerospace Authority, the Lower Fox River Remediation Authority, the Wisconsin Economic Development Corporation, and the Bradley Center Sports and Entertainment Corporation must include in all contracts executed by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of gender expression or gender identity. Under current law, the contracting entities listed above must include in all contracts executed by them a provision obligating the contractor not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disability, sexual orientation, or national origin. The bill would amend this statute to add gender expression and gender identity to the list of individual characteristics upon which a contractor cannot discriminate.

State Employment. Specify that it is the policy of the state to provide for equal opportunity by ensuring that all personnel actions by executive branch agencies including hire, tenure or term, and condition or privilege of employment be based on the ability to perform the duties and responsibilities assigned to the particular position without regard to gender expression or gender identity. Further, specify that no discrimination may be exercised in the recruitment, application, or hiring process against or in favor of any person because of the person's gender expression or gender identity except as otherwise provided.

Under current law, it is the policy of the state to provide for equal opportunity by ensuring that all personnel actions by executive branch agencies including hire, tenure or term, and condition or privilege of employment be based on the ability to perform the duties and responsibilities assigned to the particular position without regard to age, race, creed or religion, color, disability, sex, national origin, ancestry, sexual orientation, or political affiliation. Also under current law, no discrimination may be exercised in the recruitment, application, or hiring process against or in favor of any person because of the person's age, sex, disability, race, color, sexual orientation, national origin, or ancestry except as otherwise provided. The bill would amend these statutes to add gender expression and gender identity to the list of individual characteristics upon which state executive branch agency employment decisions cannot be based.

University of Wisconsin System Employment. Specify that the UW Board of Regents not consider sexual orientation, gender expression or gender identity in the appointment of employees of the UW System. Under current law, the Board of Regents must not consider or exercise sectarian or partisan tests or any tests based upon race, religion, national origin, or sex in the appointment of employees of the UW System.

Vocational Rehabilitation Services. Specify that eligibility for vocational rehabilitation services is determined without regard to sexual orientation, gender expression or gender identity. Under current law, eligibility for vocational rehabilitation services is determined without regard to the sex, race, age, creed, color, or national origin of the individual applying for services, that no class of individuals is found ineligible solely on the basis of type of disability and that no age limitations for eligibility exist.

Public School Employment. Specify that in the employment of teachers or administrative personnel in public schools, or in their assignment or reassignment, sexual orientation, gender expression or gender identity may not be considered. Under current law, there may be no discrimination in the employment of teachers or administrative personnel in public schools because of sex, except where sex is a bona fide occupational qualification, race, national origin, or political or religious affiliation.

Wisconsin Housing and Economic Development Authority (WHEDA). Specify that WHEDA require contractors and subcontractors engaged in the construction of economic development or housing projects to provide an equal opportunity for employment, without discrimination as to gender expression or gender identity. Under current law, WHEDA must require contractors and subcontractors engaged in the construction of economic development or housing projects to provide an equal opportunity for employment, without discrimination as to sex, race, religion, sexual orientation, or creed.

National Guard. Specify that no person, otherwise qualified, may be denied membership in the National Guard or state defense force because of gender expression or gender identity, and no member of the National Guard or state defense force may be segregated within the National Guard or state defense force on the basis of gender expression or gender identity. Under current law, no person, otherwise qualified, may be denied membership in the National Guard or state defense force because of sex, color, race, creed, or sexual orientation, and no member of the National Guard or state defense force may be segregated on the basis of sex, color, race, creed, or sexual orientation. The bill would also specify that no person may be denied equal access to facilities most consistent with the person's gender identity. Current law relating to no discrimination does not prohibit separate facilities for persons of different sexes with regard to dormitory accommodations, toilets, showers, saunas, and dressing rooms.

The bill would also prohibit discrimination on the basis of a person's status as a holder or a non-holder of a REAL ID non-compliant license and add this license status as a prohibited basis for discrimination in public or private employment, and occupancy of housing projects. [See "Transportation -- Motor Vehicles."]

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. CIVIL ACTIONS REGARDING EMPLOYMENT DISCRIMINATION, UNFAIR HONESTY TESTING, AND UNFAIR GENETIC TESTING

Governor: Specify that the Department or an individual alleged or found to have been discriminated against or subjected to unfair honesty testing or unfair genetic testing may bring an

action in circuit court requesting relief against an employer, labor organization, or employment agency that is alleged or found to have engaged in the conduct. Under current law, DWD has statutory responsibilities to receive and investigate complaints alleging discrimination and discriminatory practices. This includes actions responding to alleged honesty testing, such as a polygraph test, or genetic testing by employers, both of which employers generally may not require of employees or coerce them into accepting. DWD's authorities include the ability to conduct hearings, make findings, and issue orders to eliminate unfair or unlawful action, including awarding compensation for violations. DWD findings are reviewable by the Labor and Industry Review Commission (LIRC), and decisions of LIRC can be reviewed further by a circuit court upon petition of a party.

The following paragraphs describe changes under the bill to these procedures, including the creation of civil actions for instances of discrimination or unfair honesty or genetic testing.

Notices. Require DWD to serve a certified copy of its findings and order on the complainant, together with a notice advising the complainant about: (a) the right to seek, and the time for seeking, review by LIRC; (b) the right to bring, and the time for bringing, an action for judicial review; and (c) the right to bring, and the time for bringing, a civil action as described separately. This notice would be in addition to current requirements of serving notice of findings to the respondent alleged to have committed a discriminatory or unfair practice, or to the complainant if DWD finds reason to dismiss the complaint.

Require LIRC to serve a certified copy of the Commission's decision on the respondent. Require LIRC to also serve a certified copy of the Commission's decision on the complainant, together with a notice advising the complainant about the right to bring, and the time for bringing, an action for judicial review under current law and about the right to bring, and the time for bringing, a civil action as specified under the provision.

Civil Action Procedures and Limitations. Specify that an action may not be brought against: (a) a local governmental unit, including a political subdivision, special purpose district, an instrumentality or corporation of either type of governmental unit, or any other combination of political subdivision or special entity created by a political subdivision; or (b) an employer, labor organization, or employment agency that employs fewer than 15 individuals for each working day in each of 20 or more calendar weeks in the current or preceding year. Require that the civil action commence within 300 days after the alleged discrimination, unfair honesty testing, or unfair genetic testing occurred.

Specify that if a petition for judicial review of a LIRC finding and order of concerning the same violation as the violation giving rise to the civil action is filed, the circuit court shall consolidate the proceeding for judicial review and the civil action.

Specify that an individual alleged or found to have been discriminated against or subjected to unfair honesty testing or unfair genetic testing is not required to file a complaint with the Department or seek judicial review in order for DWD or the individual to bring a civil action as provided.

Noneconomic Losses and Punitive Damages Cap and Cap Indexing. Specify that in a civil

action permitted under this provision, if the circuit court finds that discrimination, unfair honesty testing, or unfair genetic testing has occurred, or if such a finding has been made by an examiner or LIRC and not been further appealed, the circuit court may order any relief that an examiner would be empowered to order under current law after a hearing on a discrimination complaint. In addition, require the circuit court to order the defendant to pay to the individual discriminated against or subjected to unfair honesty testing or unfair genetic testing any other compensatory damages, and punitive damages, as permitted under current law, that the circuit court or jury finds appropriate, plus reasonable costs and attorney fees incurred in the action. Require the circuit court to specify whether the relief ordered from the civil action, as provided under the bill, is in addition to or replaces any relief as ordered by DWD, LIRC or the circuit courts. Specify that civil action court costs would be exempted from certain thresholds under current law.

Provide that the sum of the amount of compensatory damages for future economic losses and for pain and suffering, emotional distress, mental anguish, loss of enjoyment of life, and other noneconomic losses and the amount of punitive damages that a circuit court may order may not exceed the following:

- (a) For a defendant that employs 100 or fewer employees for each working day in each of 20 or more calendar weeks in the current or preceding year, \$50,000.
- (b) For a defendant that employs more than 100 but fewer than 201 employees for each working day in each of 20 or more calendar weeks in the current or preceding year, \$100,000.
- (c) For a defendant that employs more than 200 but fewer than 501 employees for each working day in each of 20 or more calendar weeks in the current or preceding year, \$200,000.
- (d) For a defendant that employs more than 500 employees for each working day in each of 20 or more calendar weeks in the current or preceding year, \$300,000.

Specify that if the circuit court orders a payment because an individual was found to have been discriminated against or subjected to unfair honesty testing or unfair genetic testing by an individual employed by an employer, the employer of that individual is liable for the payment.

Require DWD, beginning on July 1, 2024, and on each July 1 after that, to adjust the caps on gross damages, by the percentage change in the consumer price index for the 12-month period ending on December 31 of the preceding year. Require DWD to publish the adjusted amounts calculated under this provision in the Wisconsin Administrative Register, and the adjusted amounts would apply to civil actions commenced beginning on July 1 of the year of publication. Specify that this provision would not apply for years in which the CPI decreased over the preceding calendar year.

Initial Applicability. Specify that these provisions would first apply to acts of employment discrimination, unfair honesty testing, or unfair genetic testing committed on the effective date of the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. JOB APPLICANT CONVICTION RECORD

Governor: Provide that employment discrimination because of conviction record would include a prospective employer requesting an applicant for employment, on an application form or otherwise, to supply information regarding the conviction record of the applicant, or otherwise inquiring into or considering the conviction record of an applicant for employment, before the applicant has been selected for an interview by the prospective employer. Specify that this provision would not prohibit an employer from notifying applicants for employment that an individual with a particular conviction record may be disqualified by law or under the employer's policies from employment in particular positions. Specify that the Department may promulgate rules to implement this provision. Provide that these provisions would take effect and first apply to an application for employment submitted to an employer on the first day of the sixth month beginning after publication of the bill.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. PROHIBIT DISCRIMINATION IN HOUSING BASED ON RECEIPT OF RENTAL OR HOUSING ASSISTANCE

Governor: Prohibit discrimination in housing based on receipt of rental or housing assistance. Define rental or housing assistance to mean any form of financial contribution from a 3rd party for the purpose of creating or maintaining affordable housing for tenants, purchasers, or other recipients of housing, including federal low-income housing assistance, the HOME Investment Partnerships Program administered by the federal Department of Housing and Urban Development, or the Community Development Block Grant Program administered by the federal Department of Housing and Urban Development.

Under current open housing law, it is prohibited to discriminate in housing based on sex, race, color, sexual orientation, disability, religion, national origin, marital status, family status, status as a victim of domestic abuse, sexual assault, or stalking, lawful source of income, age, or ancestry. Expand Wisconsin's open housing law, to include receipt of rental or housing assistance as a protected class, as defined under this provision.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

18. MINIMUM WAGE STUDY COMMITTEE

Governor: Require the DWD Secretary to establish a minimum wage study committee to consist of the following members: (a) five members appointed by the Governor; (b) one member appointed by the Speaker of the Assembly; (c) one member appointed by the Minority Leader of the Assembly; (d) one member appointed by the Majority Leader of the Senate; and (e) one member appointed by the Minority Leader of the Senate. Require the committee to study options to increase the minimum wage for workers in this state to ensure that all Wisconsin workers earn

a living wage. No later than October 1, 2026, require the committee to submit to the Governor and the appropriate standing committees of the Legislature a report that includes recommendations regarding the options for achieving a minimum wage and other means of increasing worker compensation in this state that allow a worker to earn a living wage. Specify that the minimum wage study committee would terminate upon submission of the report.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

Worker's Compensation and Unemployment Insurance

1. SUPPLEMENTAL BENEFITS APPROPRIATION

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$10,000,000	- \$10,000,000	\$0

Governor: Provide \$5,000,000 annually in a new, annual appropriation from the Department's segregated worker's compensation operations fund. Specify that on the bill's effective date, the unencumbered balance of moneys DWD collected from licensed worker's compensation carriers and deposited in an existing appropriation would be transferred to the new appropriation, and such future collections would be deposited to the new appropriation. 2015 Act 55 terminated reimbursements for certain supplemental benefits paid by insurers from the Department's segregated work injury supplemental benefits fund, and instead provided that an insurer paying supplemental benefits would be entitled to annual reimbursement from the worker's compensation operations fund. Under Act 55, annual reimbursements to insurers are supported by worker's compensation operations fund revenues from a special assessment on insurers. Assessments from insurers of up to \$5,000,000 in each calendar year must be deposited in the worker's compensation operations fund and used to provide reimbursement to insurers paying supplemental benefits. Act 55 authorized DWD to collect and pay out a maximum of \$5,000,000 per year from the worker's compensation operations fund for supplemental benefit payments, but did not provide the additional budget authority needed to make those additional payments.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

2. WORKER'S COMPENSATION OPERATIONS FUNDING AND CHANGE TO SUM SUFFICIENT [LFB Paper 865]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
SEG	\$2,844,800	- \$2,844,800	\$0

Governor: Provide additional expenditure authority of \$1,255,100 in 2025-26, and \$1,589,700 in 2026-27, in DWD's worker's compensation operations fund; administration appropriation. Modify this appropriation from an annual sum certain appropriation to be a sum sufficient. Delete a separate worker's compensation operations appropriation (uninsured employers program) and transfer \$1,238,900 and 6.0 positions to this appropriation and modify statutory references to reflect this change.

Joint Finance/Legislature: Provision not included.

3. EMPLOYEE MISCLASSIFICATION FUNDING

	Governor (Chg. to Base)		Jt. Finance/Leg. (Chg. to Gov)		Net Change	
	Funding	Positions	Funding	Positions	Funding	Positions
SEG	\$911,400	3.00	- \$911,400	- 3.00	\$0	0.00

Governor: Provide \$455,700 annually and 3.0 positions starting in 2025-26 to the Department's existing program integrity fund appropriation. DWD's program integrity fund is a separate nonlapsible fund only used for payment of costs associated with program integrity activities. The Executive Budget Book indicates that the additional position and expenditure authority would be used to conduct additional audits and investigations to identify and resolve unlawful classification practices.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

4. EMPLOYEE MISCLASSIFICATION

Governor: Under current law, employers are required to correctly classify each worker as either an "employee" or "independent contractor." Worker misclassification is the unlawful practice of labeling employees as independent contractors, thereby allowing employers to forego certain tax withholdings, as well as health, retirement, and unemployment insurance benefits. In addition, misclassified employees can be denied access to protections they are entitled to by law, including minimum wage, overtime compensation, worker's compensation coverage, and family and medical leave.

Modify current law as follows:

Worker's Compensation Fraud. Specify that it would be a violation to present an application for worker's compensation insurance coverage that falsely or fraudulently misclassifies employees to lower worker's compensation insurance premiums. Provide that if an insurer has evidence that an application for worker's compensation insurance coverage is false or fraudulent or that an employer has committed fraud by misclassifying employees, the insurer is required to report the claim to the Department.

Provide that DWD may require an insurer to investigate an allegedly fraudulent application or alleged fraud by misclassification of employees and may provide the insurer with any records of the Department relating to that alleged fraud. Require an insurer that investigates alleged fraud under this provision to report the results of that investigation to the Department. Increase penalties for employers with repeat violations of the worker's compensation law due to misclassification and failure to insure.

Specify that DWD may request the Department of Justice (DOJ) to assist in an investigation into alleged fraud as provided under this provision. Require the Department, if DWD has a reasonable basis to believe that fraud has occurred, to refer the results of the investigation to DOJ or to the district attorney of the county in which the alleged violation occurred for prosecution.

Worker's Compensation Misclassification and Providing Escalating Penalties for Repeat Violations. Under current law, all uninsured employers must pay to DWD the greater of either \$750, or twice the amount determined by the Department to equal what the uninsured employer would have paid during periods of illegal nonpayment for worker's compensation insurance in the preceding three-year period based on the employer's payroll in the preceding three years. Provide that: (a) for a third determination of a violation, the employer be assessed a \$3,000 penalty or three times the amount determined by DWD to equal what the uninsured employer would have paid during periods of illegal nonpayment for worker's compensation insurance in the preceding three-year period based on the employer's payroll in the preceding three years, whichever is greater; and (b) for a fourth determination of a violation, the employer be assessed a \$4,000 penalty, or four times the amount determined by DWD to equal what the uninsured employer would have paid during periods of illegal nonpayment for worker's compensation insurance in the preceding three-year period based on the employer's payroll in the preceding three years, whichever is greater.

Under current law, an employer who fails to comply with certain worker's compensation insurance requirements (failure to insure, or soliciting money from an employee for the purpose of discharging a worker's compensation liability) for less than 11 days must forfeit not less than \$100 nor more than \$1,000. An employer who fails to comply with those same requirements for more than 10 days must forfeit not less than \$10 nor more than \$100 for each day on which the employer fails to comply. Replace these penalty provisions as follows: (a) for a first determination of a violation, forfeit the greater of \$1,000 or the amount of the premium that would have been payable for each act; (b) for a second determination, forfeit the greater of \$2,000 or two times the amount of the premium that would have been payable for each act; (c) for a third determination of a violation, the employer would be assessed a penalty in the amount of \$3,000 or three times the amount of the premium that would have been payable for each act, whichever is greater; and (b) for a fourth determination of a violation, the employer would be assessed a penalty in the amount of \$4,000 or four times the amount of the premium that would have been payable for each act,

whichever is greater. Specify that these penalty provisions first apply to violations committed on the effective date of the bill, but do not preclude the counting of other violations as prior violations for purposes of assessing penalties.

Under current law, an employer who is required to provide worker's compensation insurance coverage must forfeit not less than \$100 nor more than \$1,000 if the employer does any of the following: (a) gives false information about the coverage to his or her employees, the Department, or any other person who contracts with the employer and who requests evidence of worker's compensation coverage in relation to that contract; or (b) fails to notify a person who contracts with the employer that the coverage has been canceled in relation to that contract. Provide that for a third violation, an employer who is required to provide worker's compensation insurance coverage would forfeit \$3,000 and for a fourth violation, \$4,000.

Specify that these worker's compensation penalty provisions for repeat violations first apply to violations committed on the effective date of the bill, but do not preclude the counting of other violations as prior violations for purposes of assessing penalties.

Unemployment Insurance Misclassification and Providing a Penalty. Specify that any employer who knowingly and intentionally provides false information to DWD for the purpose of misclassifying or attempting to misclassify an individual who is an employee of the employer as a nonemployee shall, for each incident, be assessed an administrative penalty by the Department in the amount of \$500 for each employee who is misclassified. For any repeat violation, the employer would be assessed an administrative penalty of \$1,000 for each employee who is misclassified. Under current law, this provision only applies to certain construction industry employers and penalties are capped at \$7,500 per incident. Provide that any employer who, through coercion, requires an individual to adopt the status of a nonemployee shall be assessed an administrative penalty by the Department in the amount of \$1,000 for each individual coerced. For any repeat violation, the employer would be assessed an administrative penalty of \$2,000 for each employee so coerced. Under current law, this provision only applies to certain construction industry employers and penalties may not exceed \$10,000 per calendar year. Specify that the penalty provisions first apply to violations committed on the effective date of the bill, but do not preclude the counting of other violations as prior violations for purposes of assessing penalties.

Specify that any employer who, after having previously been assessed an administrative penalty by DWD, knowingly and intentionally provides false information to the Department for the purpose of misclassifying or attempting to misclassify an individual who is an employee of the employer as a nonemployee shall be fined \$1,000 for each employee who is misclassified, subject to a maximum fine of \$25,000 for each violation. Under current law, this provision only applies to certain construction industry employers.

Clarify current law authorizing DWD to refer violations of these provisions for prosecution to specify that such referral may be made regardless of whether an employer has been subject to any administrative assessment.

Notice of Worker Classification Laws. Require DWD to design and make available to employers a notice regarding worker classification laws, requirements for employers and employees, and penalties for noncompliance, and to promulgate rules to implement this. Require

employers to post the notice in one or more conspicuous places where notices are customarily placed, and specify that any employer who violates this posting requirement to forfeit not more than \$100 for each offense. Require DWD to establish and maintain on its website information regarding worker classification laws, requirements for employers and employees, and penalties for noncompliance as well as contact information at each state agency that administers worker classification laws. Require the Department of Financial Institutions (DFI) to provide informational materials and resources on worker misclassification to each person who files with DFI articles of incorporation, articles of organization, a limited liability partnership statement of qualification, or a certificate of limited partnership.

Criminal Penalty. Modify current law governing fraudulent insurance and employee benefit program claims so that it applies to someone who knowingly presents an application for worker's compensation insurance coverage that is false or fraudulent or that falsely or fraudulently misclassifies employees to lower worker's compensation insurance premiums. Under current law, violations of this provision are considered Class A misdemeanor if the value of the claim or benefit does not exceed \$2,500, or a Class I felony if it exceeds \$2,500.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

5. PTSD COVERAGE FOR FIRST RESPONDERS

Governor: Expand current law that applies to a law enforcement officer or a full-time fire fighter relating to post-traumatic stress disorder (PTSD) to also apply to the following: (a) an emergency medical responder; (b) an emergency services practitioner; (c) a correctional officer; (d) a public safety answering point dispatcher; (e) a coroner; (f) a medical examiner; (g) a medicolegal investigation staff member; and (h) a volunteer fire fighter. Specify that a medicolegal investigation staff member includes a chief deputy coroner, a deputy coroner, a deputy medical examiner, and any person who assists the office of a coroner or medical examiner with an investigation of a death, excluding individuals performing solely administrative functions in such offices.

Under current law, as provided under 2021 Wisconsin Act 29, if a law enforcement officer or a full-time fire fighter is diagnosed with PTSD by a licensed psychiatrist or psychologist and the mental injury is not accompanied by a physical injury, that person can bring a claim for worker's compensation benefits if the conditions of liability are proven by the preponderance of evidence and the mental injury is not the result of a good faith employment action by the person's employer, such as a disciplinary action, work evaluation, transfer, layoff, demotion, or termination. The diagnosis does not need to be based on unusual stress of greater dimensions than the day-to-day emotional strain and tension experienced by similarly situated employees. No person can receive compensation for a claim under this provision more than three times in their lifetime. Under current law, the other workers under the proposal must demonstrate a diagnosis based on unusual stress of greater dimensions than the day-to-day emotional strain and tension experienced by all employees in order to bring a claim for worker's compensation benefits for PTSD.

Require the Commissioner of Insurance to submit to the Legislative Reference Bureau for

publication in the Wisconsin Administrative Register a notice of the effective date of new rates for worker's compensation insurance first approved by the Commissioner after the effective date of the bill. Specify that these provisions would first apply to injuries reported on the effective date of such new rates.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

6. WEEKLY BENEFIT RATE

Governor: Increase the maximum weekly benefit rate for eligible UI recipients from \$370 to \$497 for each week of total unemployment that commences on or after January 4, 2026, but before January 3, 2027.

Require that, for each week of total unemployment beginning on or after January 3, 2027, DWD increase the annual maximum weekly benefit rate based on the change in the consumer price index (CPI) for the 12-month period ending on July 31 of the prior year, and the CPI for the 12-month period ending July 31 of the year before the prior year, adjusting the prior year's amount by that percentage difference, and rounding that result to the nearest whole dollar. Specify that, if this calculation shows that the CPI has not increased, the maximum weekly benefit rate be the same amount that was in effect in the previous year. Specify that these maximum weekly earnings wage adjustments take effect on the first Sunday in January of each calendar year.

The current maximum weekly benefit rate of \$370 has been in effect since January 6, 2014. Under current law, the weekly benefit rate equals 4% of the employee's base period wages that were paid during that quarter of the employee's base period in which the employee was paid the highest total wages. If that amount is less than \$54, no benefits are payable to the employee. If that amount is more than the maximum weekly benefit rate, the employee's weekly benefit rate is the maximum rate. Under current law, the minimum weekly benefit rate of \$54 requires high-quarter earnings of \$1,350 while the maximum weekly benefit rate of \$370 requires high-quarter earnings of \$9,250. The current minimum weekly benefit rate that an eligible UI recipient could qualify for would remain unchanged at \$54.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

7. MAXIMUM WEEKLY EARNING THRESHOLD FOR PARTIAL BENEFITS

Governor: Specify that, for a week of unemployment that commences on or after January 4, 2026, but before January 3, 2027, the maximum weekly earnings threshold be \$672. Require that, for a week of unemployment that commences on or after January 3, 2027, the maximum weekly earnings threshold be increased based on the change in the consumer price index (CPI) for the 12-month period ending on July 31 of the prior year, and the CPI for the 12-month period ending July 31 of the year before the prior year, adjusting the prior year's threshold amount by that percentage difference, and rounding that result to the nearest whole dollar. Specify that, if this

calculation shows that the CPI has not increased, the threshold be the same amount that was in effect in the previous year. Specify that these maximum weekly earnings wage adjustments take effect on the first Sunday in January of each calendar year.

Under current law, regular UI benefits may be available to individuals who are partially employed during a week but not receiving more than \$500 during that week in wages and pay. Current law applies to wages earned for work performed in that week, amounts treated as wages for that week, sick pay, holiday pay, vacation pay, termination pay, bonus pay, back pay, certain worker's compensation payments, or any combination thereof. To determine the benefit payment received by an individual who is partially employed, the first \$30 of wages is excluded and the benefit payment is reduced by 67% of the individual's remaining wages. No benefit payment of less than \$5 may be made. The bill would not affect this partial benefits formula.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

8. WAITING PERIOD

Governor: Repeal the one-week waiting period requirement for UI benefits. Under this provision, a claimant for UI benefits would start receiving benefit payments beginning with the individual's first week of eligibility. Specify the provision takes effect the first Sunday after publication of the bill, and first applies to a claimant benefit year beginning on that date.

Under current law, the claimant's waiting period is the first week of a claimant's benefit year for which the claimant is otherwise eligible for regular benefits. During a claimant's waiting period, no benefits are payable to the claimant. The current one-week waiting period went into effect for all benefit years starting as of January 1, 2012. A claimant must serve one waiting week per benefit year.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

9. RECEIPT OF SOCIAL SECURITY DISABILITY INSURANCE PAYMENTS

Governor: Repeal the statutory provisions disallowing UI benefits to a claimant for each week in the entire month in which the person receives a Social Security Disability Insurance (SSDI) payment. Specify that if a monthly SSDI payment is issued to a claimant for UI benefits, the Department must apportion a claimant's monthly SSDI payment as the fraction of the payment attributable to that week and reduce UI benefits otherwise payable to the claimant for a given week on that basis. This provision would not apply to a lump sum SSDI payment, such as a retroactive payment or back pay.

Provide that, if the claimant is receiving SSDI payments, the claimant must, in the manner prescribed by DWD, report to the Department the amount of the SSDI payments. Certain existing provisions relating to the rounding of benefits and calculating benefit payment deductions to

payments would continue to apply under this provision.

The effective date of the provision would be on the first Sunday of the seventh month after publication of the bill, and the provision would first apply to initial claims for benefits filed on that date.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

10. SUBSTANTIAL FAULT

Governor: Repeal provisions that specify that an employee terminated for substantial fault is ineligible to receive UI benefits.

Under current law, DWD uses a two-tier standard to determine whether claimants who are discharged qualify for UI benefits. A claimant will be disqualified if they are discharged for misconduct or for substantial fault connected with the employment. If it cannot be determined that the employee was discharged for misconduct, a disqualification under substantial fault is considered by the Department. An employee who is discharged for misconduct or substantial fault connected with his or her employment will have total entitlement for benefits reduced with respect to wages from the discharging employer and is ineligible for benefits based on work for other employers unless he or she requalifies. To requalify, seven weeks must elapse since the end of the week in which the discharge occurs and the employee must earn wages in subsequent covered employment equal to at least 14 times the weekly benefit rate he or she would have received if termination had not occurred. Under the bill, a claimant could still be disqualified from benefits if they are discharged for misconduct connected with the employment, but not for substantial fault.

Under current law, the definition of "substantial fault" includes acts or omissions of an employee over which the employee exercised reasonable control and that violate the employer's reasonable requirements of the employee's employer but does not include: (a) one or more minor infractions of rules, unless an infraction is repeated after the employer warns the employee about the infraction; (b) one or more inadvertent errors made by the employee; or (c) any failure of the employee to perform work because of insufficient skill, ability, or equipment. The bill would delete the definition of substantial fault, which would also be deleted for the purposes of worker's compensation, as described in a separate entry.

Repeal the provision that authorizes the Department to place certain benefit charges related to substantial fault as an eligible charge against the UI trust fund's balancing account.

Provide that the effective date of the repeal of the substantial fault provisions would be January 4, 2026 and that this change would first apply to determinations of benefits issued on that date.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

11. QUIT EXCEPTION AND CANVASSING PERIOD

Governor: Extend the period that a claimant for UI benefits can restrict their availability for work based on the claimant's skill level and recent wage history. Extend the period that a claimant for UI benefits, that takes a job that they could have refused or is not suitable work, could quit that job and remain eligible for UI benefits.

Canvassing Period. Under current law, if a claimant fails, without good cause, to accept suitable work when offered, the claimant is ineligible to receive benefits until the claimant re-establishes eligibility by earning wages in subsequent covered employment that is equal to six times the claimant's weekly benefit rate. There are two definitions of suitable work under current law. In the first six weeks after the claimant became unemployed, a period that is also referred to as a claimant's "canvassing period," suitable work means: (a) the work does not involve a lower grade of skill than one or more of his or her most recent jobs; and (b) the hourly wage for the work is at least 75% of what the employee earned on the highest paying of his or her most recent jobs. Beginning in the seventh week after the claimant became unemployed, suitable work means any work that the claimant is capable of performing, regardless of whether the claimant has any relevant experience or training, that pays wages that are above the lowest quartile of wages for similar work in the labor market area in which the work is located, as determined by DWD. The bill would lengthen a claimant's canvassing period from six weeks to 10 weeks.

Quit Exception. Under current law, if a claimant for UI benefits terminates ("quits") employment with a covered employer, and the claimant's reason for quitting is not within any of the exceptions under current law, the claimant is ineligible to receive benefits until the claimant requalifies by earning wages after the week in which the termination occurs equal to at least six times the claimant's weekly benefit rate. Under one such exception, the claimant remains eligible to collect UI benefits if a claimant quits his or her job and both of the following apply: (a) the claimant accepted work that was not suitable work under the UI law, and which the claimant could have refused with good cause, or that does not meet labor standards with regards to wages, hours or other conditions; and (b) the claimant terminated the work within 30 calendar days after starting the work. Under the bill, this exemption would apply if the claimant terminated that work within 10 weeks after starting the work, instead of 30 days under current law.

Specify that both the canvassing period and quit exception provisions would take effect on the first Sunday of the second month beginning after publication of the bill and they would first apply to UI benefit determinations on that date.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

12. VOLUNTARY TERMINATION

Governor: Provide that, if a prospective claimant's spouse was required by his or her employing unit to relocate to a place to which it is impractical for the claimant to commute, the voluntary termination exception for UI benefits would apply to that claimant. Under current law, if an employee voluntarily terminates (quits) employment, the employee is ineligible to receive UI

benefits until the employee earns wages after the week in which the voluntary termination occurs equal to at least six times the employee's weekly benefit rate. However, an employee is exempt from the requirement if the employee's spouse is a member of the U.S. Armed Forces on active duty. The bill would expand eligibility for the voluntary termination exemption to any employee if the employee's spouse were required by his or her employing unit to relocate to a place to which it is impractical for the employee to commute.

The effective date of the provision would be the first Sunday of the second month after publication of the bill. The provision would apply to UI benefit determinations beginning on the effective date of the provision.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

13. WORK SEARCH AND REGISTRATION

Governor: Repeal the provisions of 2017 Act 370 that codify in statute work-registration and work-search waiver provisions for certain UI claimants that were previously contained only within the administrative code. Restore DWD's general rulemaking authority, which had been eliminated by Act 370, to establish waivers from work search and registration requirements.

The effective date of the provision would be on the Sunday after publication of the bill, and the provision would first apply to initial claims for benefits filed on that date.

Under current law and the bill, a claimant is ineligible to receive benefits for any week for which there is a determination that the claimant failed to comply with the registration and search requirements, or failed to provide verifications to the Department that the claimant complied with those requirements, unless DWD has waived those requirements.

Work Registration Waivers. Currently, DWD must waive a UI claimant's requirement to register for work if any of the following reasons apply to the claimant:

- **Expectation for Reemployment.** DWD determines there is a reasonable expectation of reemployment of a laid-off claimant by their employer within a period of eight weeks, which may be extended up to an additional four weeks but not to exceed a total of 12 weeks. In determining whether the claimant has a reasonable expectation of reemployment by an employer, the Department must request the employer to verify the claimant's employment status and must also consider certain other factors. These include the history of layoffs by the employer, any information on an anticipated reemployment date, and any recall rights of the employee.
- **Expectation for New Employment.** The claimant has a reasonable expectation of starting employment with a new employer within four weeks and the employer has verified the anticipated starting date with the Department. A waiver under this provision may not exceed four weeks.
- **Union Referral.** The claimant has been laid off from work and routinely obtains work through a labor union referral. If a UI claimant has been laid off from work and routinely obtains

work through a labor union referral, all of the following apply for a registration waiver under that allowance: (a) the union is the primary method used by workers to obtain employment in the claimant's customary occupation; (b) the union maintains a record of unemployed members and the referral activities of these members, and the union allows the Department to inspect such records; (c) the union provides, upon the request of the Department, any information regarding a claimant's registration with the union or any referrals for employment it has made to the claimant; (d) prospective employers of the claimant seldom place orders with the public employment office for jobs requiring occupational skills similar to those of the claimant; (e) the claimant is registered for work with a union and satisfies the requirements of the union relating to job referral procedures, and maintains membership in good standing with the union; and (f) the union enters into an agreement with the Department regarding the requirements under this provision.

- **Jury Duty.** The claimant is summoned to serve as a prospective or impaneled juror.
- **Participation in a Training Program.** The claimant is enrolled in and satisfactorily participating in a self-employment assistance program, work-share program, approved training, or another program established under state or federal law, and the program provides that claimants who participate in the program shall be waived by the Department from registration requirements.
- **Department Determination.** The claimant is unable register due to circumstances that the Department determines are beyond the claimant's control.

The bill would authorize DWD to establish work-registration waivers by rule. The bill would not specify conditions under which DWD must grant a registration waiver as the statutes currently do. Specify that the Department may create emergency rules to establish work-registration waivers if the Secretary of DWD determines that the waiver is needed only on a temporary basis or that permanent rules are not warranted. Provide that such a rule would remain in effect for 150 days. Specify that DWD Secretary may extend the effective period of an emergency rule created under this provision for a period specified by the DWD Secretary not to exceed 60 days, and that any number of extensions may be granted. Require that, whenever the DWD Secretary extends an emergency rule under this provision, DWD would file a statement of its action with the Legislative Reference Bureau, and that the statement identify the specific emergency rule to which it relates.

Work Search Waivers. Under current law, DWD must waive a UI claimant's requirement to conduct a reasonable search for suitable work and provide verification of least four actions per week that constitute a reasonable search for work if any of the following reasons apply to the claimant:

- **Registration Waiver Criteria.** This includes items described previously for an expectation for reemployment, expectation for new employment, union referral, jury duty, or participation in a training program.
- **Performance of Work.** The claimant performs any work for his or her customary employer.
- **Department Error.** The claimant has not complied with the requirement because of an error made by personnel of the Department.

- **Failure to Display UI Posters.** The claimant's most recent employer failed to post appropriate notice posters as to claiming unemployment benefits as required by the Department by rule, and the claimant was not aware of the work search requirement.

- **Reemployment Services.** The claimant has been referred for reemployment services, is participating in such services, or is not participating in such services but has good cause for failure to participate. A claimant is considered to have good cause if he or she is unable to participate due to any of the following: (a) the claimant is participating in an approved training program as described previously; (b) the claimant is employed; (c) the claimant is attending a job interview; or (d) circumstances that the Department determines are beyond the claimant's control.

DWD may modify the availability of any work search or registration waiver, or establish additional work search or registration waivers, if doing so is necessary to comply with a requirement under federal law or is specifically allowed under federal law.

In general, the bill would authorize DWD to specify work-search waiver provisions by rule. It would retain a statutory waiver for persons with an expectation of reemployment by an employer. Specify that the Department may create emergency rules to establish work-search waivers if the Secretary of DWD determines that the waiver is needed only on a temporary basis or that permanent rules are not warranted. Provide that such a rule would remain in effect for 150 days. Specify that DWD Secretary may extend the effective period of an emergency rule created under this provision for a period specified by the DWD Secretary not to exceed 60 days, and that any number of extensions may be granted. Require that, whenever the DWD Secretary extends an emergency rule under this provision, DWD would file a statement of its action with the Legislative Reference Bureau, and that the statement identify the specific emergency rule to which it relates.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

14. MISCONDUCT

Governor: Under current law, a claimant for UI benefits may become ineligible to receive some or all of the regular benefits that they would otherwise receive if their work is terminated by his or her employer for misconduct by the claimant that is connected with the claimant's work. The current law definition of misconduct includes absenteeism by an employee on more than two occasions within the 120-day period before the date of the employee's termination, or excessive tardiness by an employee in violation of a policy of the employer that has been communicated to the employee, if the employee does not provide to his or her employer both notice and one or more valid reasons for the absenteeism or tardiness. Under the bill, references to "excessive tardiness" and "tardiness" in the definition of misconduct would be repealed. In addition, the bill would require that an employee's notice and reason for an occasion of absenteeism or tardiness be analyzed under the misconduct standard specified under current law.

Specify that, under the definition of misconduct, that "tribal government" mean an "Indian tribal government".

The effective date of the provisions would be January 4, 2026, and they would first apply to misconduct determinations on that date.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

15. ELECTRONIC REPORTING AND TRANSACTIONS

Governor: Require DWD, employers, employer agents, and persons and private agencies with payment liabilities, to use various means of electronic reporting and payments for multiple UI program activities involving employers and claimants. In general, electronic communications and transactions would be required, unless a person could demonstrate "good cause" for not using electronic systems.

Electronic Interchange. Require DWD to provide a secure means of electronic interchange with employing units, claimants, and other persons. The electronic interchange would be required for transmission or receipt of any document specified by DWD related to the administration of UI and related federal programs, in lieu of any other means of submission or receipt specified in Wisconsin's UI laws. Further, the bill would permit the use of the use of electronic records and electronic signatures for any document specified by DWD that is related to the administration of the state's UI program. Use of electronic record submittals and electronic signatures would be subject to current DOA rules concerning the use of electronic records. DWD would be required to submit a notice to the Legislative Reference Bureau for publication in the Wisconsin Administrative Register indicating the date upon which DWD is able to implement the provision regarding the electronic interchange, and this provision would take effect on the date specified in the notice published in the Wisconsin Administrative Register. Under current law, DWD is permitted, but not required, to provide a secure means of electronic interchange between itself and employing units, claimants, and other persons for the transmission or receipt of UI-related documents as specified by the Department.

Contribution Reports. Require each employer and employer agent to file UI tax contribution reports electronically in the manner and form prescribed by DWD, unless the employer demonstrates good cause for not being able to file its reports electronically. Under current law, the requirement to file reports electronically is limited to employers of 25 or more employees that do not use an employer agent to file contribution reports; the bill would repeal the 25-employee threshold and would include employer agents in the requirement to file electronically. Apply a current law penalty provision for not complying with the electronic reporting requirements.

Quarterly Wage Reports. Specify that each employer and employer agent must file UI quarterly wage reports electronically in the manner and form prescribed by DWD, unless the employer demonstrates good cause for not being able to file reports electronically. Under current law, the requirement to file reports electronically is limited to employers of 25 or more employees that do not use an employer agent to file contribution reports. The bill would repeal the 25-employee threshold and would include employer agents in the requirement to file electronically. Delete obsolete and redundant provisions as they pertain to the electronic quarterly wage reporting requirements. Apply a current law penalty provision for not complying with the electronic

reporting requirements.

Electronic payments and filings; good cause. Specify that, for purposes of requirements to use electronic filing, payment, or interchange methods, good cause for not using such method includes all of the following, as determined by the Department: (a) having limited or no internet access; (b) having digital literacy limitations; (c) having communication barriers, such as having a vision or other disability that prevents the ease of using the electronic method or having limited or no English proficiency; (d) the presence of other circumstances that make use of the electronic method unusually difficult for the person, as determined by the Department.

Payment of contributions and reimbursements; good cause. Require each employer, employer agent, person liable, and private agency liable to pay all contributions, reimbursements, interest, penalties, assessments, and other unemployment insurance amounts due by means of electronic funds transfer or another electronic method as approved by the Department unless the employer, employer agent, person, or private agency demonstrates good cause, for being unable to pay such amounts electronically, subject to a current law penalty provision.

Except for the electronic interchange implementation described previously, these provisions would take effect on January 1, 2027.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

16. DRUG TESTING

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	- \$500,000	\$500,000	\$0

Governor: Repeal the UI administration controlled substances testing and treatment appropriation and delete all base funding from this appropriation. Under current law, \$250,000 annually is provided for conducting screenings of UI applicants, testing applicants for controlled substances, and providing substance abuse treatment to applicants and claimants. The unencumbered balance on June 30 of each odd-numbered year must be transferred to the unemployment program integrity fund. These provisions would be deleted under the bill. Create a new continuing appropriation for the general administration of the UI program.

Repeal the requirement that DWD establish a UI occupational drug testing program. Under current law, when a claimant applies for UI benefits, DWD determines whether the claimant is an individual for whom suitable work is only available in an occupation that regularly conducts testing. If the claimant's only suitable work is in an occupation that regularly conducts drug testing, as determined by the U.S. Department of Labor (USDOL) and DWD rules, DWD must screen the claimant to determine whether the claimant should be required to submit to a drug test. The results of the initial screening must provide a reasonable suspicion that the claimant has engaged in the unlawful use of controlled substances for the claimant to be required to submit to a drug test. If

the claimant refuses to submit to a drug test or tests positive for a controlled substance for which the claimant does not have a valid prescription, the claimant is ineligible for UI benefits. A claimant who tests positive may maintain eligibility for UI benefits for each week in which they are in full compliance with a state-sponsored substance abuse treatment program and a state-sponsored job skills assessment.

Final USDOL rules regarding which occupations can be subject to drug testing took effect November 4, 2019. USDOL's determination of what occupations regularly conduct drug testing includes those occupations for which each state has a factual basis for finding that employers in that state conduct drug testing as a standard eligibility requirement for employing or retaining employees in the occupation. On January 16, 2020, the Wisconsin Unemployment Insurance Advisory Council (UIAC) approved a draft scope statement for the administrative rule related to occupational drug testing. There has been no further action to promulgate rules for the occupational drug testing program.

Repeal all provisions of the UI pre-employment drug testing program. Under current law, an employer may voluntarily submit to DWD the results of a test for the unlawful use of controlled substances that was conducted on an individual as pre-employment screening or notify DWD that an individual declined to submit to such a test as a condition of employment. If an individual tests positive for controlled substances without a valid prescription for the drug, or if the individual refuses to take the test, there is a rebuttable presumption that the claimant refused to accept suitable work. If an employer reports that an individual refused to submit to a drug test or tested positive for a controlled substance, the claimant would be ineligible for UI benefits until the individual earns wages in subsequent employment equal to at least six times the individual's weekly benefit rate. A claimant who tests positive for a controlled substance as part of a pre-employment screening may maintain eligibility for UI benefits for each week in which the claimant is in full compliance with a state-sponsored substance abuse treatment program and a state-sponsored job skills assessment.

Provide that the effective date of the repeal of the pre-employment drug testing program and the occupational drug testing program would be July 6, 2025, or the first Sunday after publication of the bill, whichever is later. The repeal of the pre-employment drug testing program would first apply to initial claims for benefits filed on the effective date of the repeal.

Joint Finance/Legislature: Provision not included. (Removed from budget consideration pursuant to Joint Finance Motion #4.)

17. WORKER'S COMPENSATION -- HOSPITAL SERVICES FEE SCHEDULE	SEG	\$200,000

Joint Finance: Provide \$100,000 SEG annually, to DWD's worker's compensation operations fund; administrative appropriation, for administrative and contracting costs related to establishing and maintaining a hospital service fee schedule.

Require DWD to establish, maintain, and administer a hospital service fee schedule, as follows:

General Applicability. Provide that a fee specified in a hospital service fee schedule, for the purpose of paying a worker's compensation claim, be utilized only if: (a) the fee is for an item or service provided by an eligible hospital; (b) the fee is for an item or service for which the eligible hospital may receive hospital inpatient or outpatient reimbursement from the Medical Assistance program; and (c) the fee is paid within the applicable period, as specified under this provision.

Applicability Tie to Hospital Assessment. Under the hospital assessment provisions summarized in the "Health Services -- Medical Assistance" section of this document, the Department of Health Services (DHS) must submit an initial notice to the Legislative Reference Bureau (LRB) for publication in the Wisconsin Administrative Register if all of the following are true: (a) all necessary federal approvals have been received; (b) the Department expects to collect hospital assessments totaling at least \$1,356,000,000 on an annual basis in 2026-27 and 2027-28; and (c) the Department expects to make total hospital payments on an annual basis in 2026-27 and 2027-28 of at least the amount of assessment revenue collected divided by 56.1%. Specify that the worker's compensation hospital services fee schedule provisions take effect on the day after the initial notice from DHS is published by the LRB in the Wisconsin Administrative Register. If the notice is not published by the LRB before the first day of the 25th month beginning after the effective date of this provision, the worker's compensation hospital services fee schedule provisions are void.

Under the hospital assessment provisions summarized in this document, DHS must submit a notice to the LRB for publication in the Wisconsin Administrative Register if any of the following are true: (a) DHS expects less than \$1,356,000,000 in total statewide hospital assessment payments to be paid in the current fiscal year or the next fiscal year; or (b) the total amount that DHS expects to pay to hospitals from hospital assessment revenues plus associated federal matching funds in the current fiscal year or the next fiscal year is less than the amount of assessment revenue collected divided by 56.1%. This notice must include the statewide total hospital assessments that DHS expects to be paid in the current and next fiscal year, and the statewide total in hospital payments that DHS expects to be made in the current and next fiscal year from hospital assessment revenues and associated federal matching funds. Specify that, if DHS provides notice that it expects statewide total hospital assessment or payment amounts to drop below the thresholds in the current state fiscal year, then the hospital service fee schedule provisions would not apply after the date that notice is published, until a subsequent notice is published indicating that the hospital assessment or payment thresholds equals or exceeds the thresholds used for the prior notice. Specify that, if DHS provides notice that it expects statewide total hospital assessment or payment amounts to drop below the threshold in the next state fiscal year, then the hospital service fee schedule provisions would not apply beginning on the first day of the calendar year following the calendar year in which the notice is published, until a subsequent notice is published indicating that the hospital assessments or payments equals or exceeds the thresholds used for the prior notice.

Under the hospital assessment provisions summarized in this document, DHS must submit a subsequent notice to LRB for publication in the Wisconsin Administrative Register, if DHS determines that the total amount of assessment revenue collected or the total amount of hospital payments made equals or exceeds the thresholds used for the prior notice. If DHS provides notice that the Department expects statewide total hospital assessment or payment amounts to increase

above threshold in the current state fiscal year, the hospital service fee schedule provisions would apply from the day the notice is published. If DHS provides notice that the Department expects statewide total hospital assessment or payment amounts to increase above threshold in the next state fiscal year, the hospital service fee schedule provisions would apply beginning on the first day of the calendar year following the calendar year in which the notice is published.

Establishment of a Fee Schedule. By July 1, 2027, require DWD to establish a schedule of the maximum fees that the eligible hospital may charge an insurer or self-insured employer for an item or service provided to an injured employee who claims worker's compensation benefits. When the schedule is established, require DWD to send a notice to LRB for publication in the Wisconsin Administrative Register of the date that the schedule will be effective, which must not be any earlier than the date the notice is published. In determining the maximum schedule of fees, require DWD to divide the state into five regions based on geographical and economic similarity, including similarity in the cost of items and services.

Require the Department to set the maximum fee for each item or service included in the schedule at 120 percent of the 75th percentile of the commercial, in-network negotiated amounts, across all commercial health insurance plans, issuers, and administrators in that region. Specify that, when creating the schedule, DWD must utilize the machine-readable files of all health insurance plans, issuers, administrators, and hospitals made public pursuant to federal hospital price transparency law that contain in-network negotiated rates for each eligible hospital in that region. Specify that, in determining the fee schedule amounts, DWD may not use any amounts from Medicare advantage, services provided under a managed care system under the Medical Assistance program, databases certified by DWD under the current-law fee dispute resolution process, and that no other data from other sources be used. Require DWD to annually redetermine the schedule of maximum fees using the procedures specified under these provisions. Require DWD to create rules to implement the hospital services fee schedule provision and to publish each current fee schedule on the Department's website. Specify that the fee schedule itself need not be promulgated as a rule. Require DWD to contract with a third party to perform the duties specified in this paragraph.

Liability of Insured or Self-Insured Employer. Provide that the liability of an insurer or self-insured employer for an item or service included in a fee schedule is limited to the maximum fee allowed under the schedule for the item or service as of the date on which it was provided, any fee agreed to by contract between the an insurer or self-insured employer and hospital for the item or service as of that date, or the hospital's actual fee for the item or service as of that date, whichever is least. An eligible hospital that provides items or services to an injured employee may not collect, or bring an action to collect, from the injured employee any charge that is in excess of the liability of the insurer or self-insured employer. Specify that a hospital fee schedule first applies to an item or service provided to an injured employee on the effective date specified in the notice published by LRB that establishes the fee schedule.

Payment Period. Require that, for a fee to be utilized from the hospital service fee schedule, an insurer or self-insured employer must remit payment for the fee to the hospital within the 60 or 90 days, depending on the amount billed, which must start on the day after whichever of the following dates is latest: (a) the date the hospital electronically sends to the insurer or self-insured

employer the medical records to substantiate the submitted hospital bill or, if such records are sent by mail, the 3rd day after the date the records are postmarked; or (b) the date the eligible hospital electronically sends the bill, or, if the bill is sent by mail, the 3rd day after the date the bill is postmarked.

Specify that if the aggregate amount billed is equal to or greater than \$65,000, the period within which an insurer or self-insured employer must remit payment must be 90 calendar days after the date determined under this provision. If the aggregate amount billed is less than \$65,000, the period within which an insurer or self-insured employer must remit payment shall be 60 calendar days after the date determined under this provision. An insurer or self-insured employer may request that an eligible hospital send additional medical records to the insurer or self-insured employer that the insurer or self-insured employer reasonably believes are necessary to substantiate the claim. Require the eligible hospital to provide the requested records to the extent practicable or within 10 days after the request is received, but a request by an insurer or self-insured employer does not extend the 60 or 90 day periods specified under this provision.

Dispute Resolution. Specify that, after a dispute is submitted to DWD concerning the applicability of the hospital services fee schedule to the fee, the insurer or self-insured employer that is a party to the dispute must provide to the Department information on that fee, information on the medical records and bill provided to the insurer or self-insured employer in connection with that fee, and any other information requested by the Department. If the insurer or self-insured employer does not provide the information required to confirm the applicability of the fee schedule, DWD would be required to determine that the hospital fee schedule does not apply to the fee and may adjudicate the fee under the existing dispute resolution process under current law. If the insurer or self-insured employer does not provide the information required to determine that the amount of the fee exceeds the allowable amount, DWD must determine that the disputed fee is allowable and order that it be paid. If the insurer or self-insured employer provides the information required, DWD must analyze the information provided to determine if the fee schedule applies to the disputed fee and whether the amount of the fee otherwise comports with the provisions of the hospital service fee schedule.

Require DWD to evaluate the fee under the existing fee dispute resolution process if the Department determines that the hospital services fee schedule does not apply to the disputed fee. Specify that DWD may request additional information, as specified under current law, to make that determination. Modify current law and update references to preserve the current fee dispute resolution process for worker's compensation claims that are not subject to the hospital services fee schedule provisions. Specify that the databases certified and used under the existing worker's compensation dispute fee resolution process must not be used for purposes of establishing the hospital services fee schedule or for determining the reasonableness of a fee that is governed by the provisions of the hospital services fee schedule.

Provide that DWD may promulgate emergency rules to implement these provisions without a finding of emergency, and that these emergency rules remain in effect until July 1, 2028, or the date on which permanent rules take effect, whichever is sooner.

Define "eligible hospital" to have the same meaning as under current law for the hospital assessment. Define "items or services" to mean hospital facility services that are "items and

services" as defined under federal hospital price transparency law.

Allow DWD to contract for the creation of a worker's compensation fee schedule, without having to adhere to the current law requirement that the Department of Administration prescribe uniform procedures for determining whether services are appropriate for contracting and if the services can be performed more economically or efficiently by such a contract.

Senate/Legislature: Modify the hospital services fee schedule provisions passed by the Committee to specify that an insurer or self-insured employer may submit a request to DWD for an extension to the 60 or 90 day payment period, if the insurer or self-insured employer has not yet determined whether an injury is compensable under worker's compensation law. The Department may, by rule, authorize such an extension if DWD determines that the insurer or self-insured employer has not yet determined compensability despite its good faith effort to do so. Require that a single extension granted by the Department not exceed 30 calendar days. Specify that there be no limit to the number of extensions that an insurer or self-insured employer may request or that DWD may grant, but an insurer or self-insured employer may not request another extension after a denial.

Specify that, if DWD denies a request for extension, the insurer or self-insured employer must have 14 calendar days after the denial to remit payment for the fee to the eligible hospital. If the insurer or self-insured employer remits payment for the fee to the eligible hospital within that 14-day period, then the hospital service fee schedule would apply to that fee.

Specify that a request by an insurer or self-insured employer for an extension or a denial by DWD of a request for extension must not be used as evidence of bad faith by the insurer or self-insured employer. Specify that any information provided by an insurer or self-insured employer as part of an extension request must not be used as evidence of bad faith by the insurer or self-insured employer.

Require DWD to create rules specifying requirements and procedures for requesting and granting extensions. Provide that the rules must specify requirements or procedures to ensure that notice is provided to an eligible hospital when an extension request is made.

Specify that, payment of a claim using the hospital service fee schedule is not an admission of causality or responsibility with respect to any future payments or obligations.

[Act 15 Sections: 13, 293 thru 302, 9150(2) and 9450(2)]

18. WORKER'S COMPENSATION -- INDEXING OF PERMANENT TOTAL DISABILITY BENEFITS

Joint Finance/Legislature: Require that, for injuries occurring on or after January 1, 2026, weekly indemnity for permanent total disability, beginning with the 6th anniversary of the date of injury and then annually thereafter on that anniversary, be increased as follows: (a) if the employee was receiving the maximum compensation rate, the employee's weekly indemnity must be increased to the maximum compensation rate then in effect for that year; (b) if the employee was receiving less than the maximum compensation rate, the employee's weekly indemnity must be

increased to an amount that bears the same proportion to the maximum compensation rate then in effect for that year, as the employee's compensation rate bore to the maximum compensation rate that was in effect at the time of the injury.

Under the hospital assessment provisions summarized in the "Health Services -- Medical Assistance" section of this document, the Department of Health Services (DHS) must submit an initial notice to the Legislative Reference Bureau (LRB) for publication in the Wisconsin Administrative Register if all of the following are true: (a) all necessary federal approvals have been received; (b) the Department expects to collect hospital assessments totaling at least \$1,356,000,000 on an annual basis in 2026-27 and 2027-28; and (c) the Department expects to make total hospital payments on an annual basis in 2026-27 and 2027-28 of at least the amount of assessment revenue collected divided by 56.1%. Specify that the permanent total disability benefit indexing provisions take effect on the day after the initial notice from DHS is published by the LRB in the Wisconsin Administrative Register. If the initial notice is not published by the LRB before the first day of the 25th month beginning after the effective date of 2025 Act 15 (July 3, 2025), specify that the permanent total benefit indexing provisions in Act 15 would be void.

Under the hospital assessment provisions summarized in this document, DHS must submit a notice to the LRB for publication in the Wisconsin Administrative Register if any of the following are true: (a) DHS expects less than \$1,356,000,000 in total statewide hospital assessment payments to be paid in the current fiscal year or the next fiscal year; or (b) the total amount that DHS expects to pay to hospitals from hospital assessment revenues plus associated federal matching funds in the current fiscal year or the next fiscal year is less than the amount of assessment revenue collected divided by 56.1%. This notice must include the statewide total hospital assessments that DHS expects to be paid in the current and next fiscal year, and the statewide total in hospital payments that DHS expects to be made in the current and next fiscal year from hospital assessment revenues and associated federal matching funds. Specify that, if DHS provides notice that the Department expects statewide total hospital assessment or payment amounts to drop below the threshold in the current state fiscal year, then no further indexing increases for permanent total disability benefits would apply after the date that notice is published, until a subsequent notice is published indicating that the hospital assessment or payment thresholds equals or exceeds the thresholds used for the first notice. Specify that, if DHS provides notice that the Department expects statewide total hospital assessment or payment amounts to drop below the threshold in the next state fiscal year, then no further indexing increases for permanent total disability benefits would apply beginning on the first day of the calendar year following the calendar year in which the notice is published, until a subsequent notice is published indicating that the hospital assessment or payment thresholds equals or exceeds the thresholds used for the first notice.

Under the hospital assessment provisions summarized in this document, DHS must submit a subsequent notice to LRB for publication in the Wisconsin Administrative Register, if DHS determines that the total amount of assessment revenue collected or the total amount of hospital payments made equals or exceeds the thresholds used for the prior notice. If DHS provides notice that the Department expects statewide total hospital assessment or payment amounts to increase above threshold in the current state fiscal year, the indexing increases for permanent total disability benefits would apply from the day the notice is published. If DHS provides notice that the

Department expects statewide total hospital assessment or payment amounts to increase above the threshold in the next state fiscal year, the indexing increases for permanent total disability benefits would apply beginning on the first day of the calendar year following the calendar year in which the notice is published.

[Act 15 Sections: 292, 303, 304, and 9450(2)]

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PROVISIONS REMOVED FROM BUDGET CONSIDERATION (Joint Finance Committee Motion #4)

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* Related provision included in Act 15.

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REPORTS AND STUDIES

Date Due	Nature	Prepared By	Reported To
Annually	Misclassification and Payroll Fraud. Require a report regarding investigations and prosecutions on worker misclassification and payroll fraud. [Act 15 Section: 316m]	Department of Justice	Department of Workforce Development, Department of Revenue, and appropriate standing committees of the Legislature
Annually	UW System Audit. Require the annual audit to include an evaluation of the compliance of UW System with the transfer credit requirements created under the Act. [Act 15 Section: 3]	Legislative Audit Bureau	Chief Clerk of each house of the Legislature, the Governor, the Department of Administration, the Legislative Reference Bureau, the Joint Committee on Finance, the Legislative Fiscal Bureau, and the UW System; Chief Clerks distribute to the Joint Legislative Audit Committee, the appropriate standing committees of the Legislature, and the Joint Committee on Legislative Organization.
No later than December 31, 2025	Transfer Credits. Require a proposal related to policies for the transfer of core general education credits. [Act 15 Section: 134]	UW System Board of Regents	Joint Committee on Employment Relations
No later than December 1, 2025	Faculty Credit Hour Requirement and Buyout Plan. Adopt guidelines consistent with the faculty credit requirement provisions under 2025 Act 15 that provide additional details relevant to these requirements, or present exceptions for reasonably justified circumstances; and, develop a buyout plan that allows for the reduction of the number of credit hours an instructional employee is required to teach for any instructional position not teaching the required minimum number of credits. [Act 15 Section: 137]	UW System Board of Regents	Joint Committee on Employment Relations

Date Due	Nature	Prepared By	Reported To
By December 31, 2026	Study of UW System Organizational Efficiency. Produce an organizational review and efficiency study with a focus on declining student enrollment and future operational analysis. Require the study to: (a) focus on an in-depth analysis of organizational efficiency, administrative processes, resource allocation, inventory of operations, and programming; (b) examine key performance indicators such as cost per student, time-to-degree completion, and faculty to administrator ratios with a goal to identify redundancies and opportunities for streamlining operations; (c) evaluate the administrative processes at UW System institutions and what can be done to improve them; and (d) assess the role of technology in reducing workloads and improving the systems already in place. [Act 15 Section: 9147(4g)]	UW System Board of Regents by contracting with an auditing firm or business consultancy by contract with UW System through competitive bid	Appropriate standing committees of the Legislature
April 30, 2027	Work Zone Safety Pilot Program. Act 15 creates a pilot program for the Department of Transportation (DOT) to test the effectiveness of enhanced highway work zone safety measures. DOT is required to prepare a report evaluating the impact of the enhanced measures on worker safety in comparison to control projects. [Act 15 Section: 273]	Department of Transportation	Legislature
At the conclusion of the pilot project (on or about June 30, 2027).	Child Care Center Teacher-Student Ratio. A report on the number of child care centers in each year of the pilot project that certified they were participating. [Act 15 Section: 9106 (2m)]	Department of Children and Families	Joint Committee on Finance; appropriate standing committees of the Legislature
No later than May 1, 2027	Child Care Access Grants. The outcomes of the grants to child care resource and referral agencies and to Wonderschool, Inc. [Act 15 Section: 167]	Department of Children and Families	Joint Committee on Finance
Biennial audit, beginning in 2027	Film Tax Credits. Prepare a performance evaluation audit of the state film office's accreditation of production services for the film production services tax credit and the film production company investment credit. [Act 15 Section: 4]	Legislative Audit Bureau	Joint Legislative Audit Committee
Annually, beginning April 30, 2027	Film Tax Credits. Specify the number of persons who submitted tax credit applications in the previous year and the amount of the tax credits allocated to each applicant. Additionally, provide recommendations on improving the efficiency of the state film office program for awarding credits. [Act 15 Section: 141]	State Film Office (Department of Tourism)	Legislature

Date Due	Nature	Prepared By	Reported To
December 31, 2027	Forestry Industrywide Strategic Plan. Using grant funding provided under Act 15, the Great Lakes Timber Professionals Association and Wisconsin Paper Council are to research and make recommendations on a strategic plan for the state forestry industry. Research findings and recommendations are to be presented to the Council on Forestry, which must in turn provide the report to the Governor and Legislature. [Act 15 Section: 9132(10)]	Great Lakes Timber Professionals Association, Wisconsin Paper Council, and Council on Forestry	Governor and Chief Clerk of each house of the Legislature

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LEGISLATIVE FISCAL BUREAU

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