



2015-17 STATE BIENNIAL BUDGET

Governor Scott Walker released his proposed state budget to a joint session of the Legislature on February 3, 2015. The budget is introduced as Assembly Bill 21/Senate Bill 21.

Highlights of the Governor's \$68.3 billion spending plan include:

- Expansion of the voucher and charter school programs
- Reducing funding for the UW System by 13% and maintaining a tuition freeze
- Borrowing \$1.3 billion for transportation purposes
- Eliminating approximately 400 state positions
- Providing additional property tax relief by increasing the school levy tax credit by \$211.2 million
- Transitioning the current property value assessment system to a county-based system

The WCA Government Affairs staff has prepared the following summary of provisions in the Governor's budget that are likely to affect counties. WCA will continue to provide members with additional information about the budget as it becomes available. Please check the WCA website at www.wicounties.org for updates.

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COUNTY ORGANIZATION AND PERSONNEL

Broadband Access: The Governor's budget expands the Technology for Educational Achievement (TEACH) program, which offers broadband access to public schools and libraries at discounted rates, by broadening existing statutory language so more schools can request access to multiple data lines and video links. The initiative will be funded with up to \$25 million of an E-rate cash loan.

The Governor's budget provides expenditure authority to support the continuation of the State Broadband Office at the Public Service Commission.

The Governor's budget provides \$6 million of new funding from the Universal Service Fund cash balance to the Broadband Expansion Grant Program. In addition, the budget increases flexibility for the Public Service Commission in using current funds over the biennium and redirecting unused funds from other Universal Service Fund appropriations to the Broadband Expansion Grant Program.

Government Accountability Board (GAB): The Governor's budget transfers all information technology services from the GAB to the Department of Administration, including operation of the Statewide Voter Registration System, cross-referencing voter lists with the Department of Corrections to find ineligible felons, and maintaining a state website that allows new voters to register online.

Employee Trust Funds: The Governor's budget provides an additional position at the Department of Employee Trust Funds to streamline the administration of optional insurance benefit plans.

The Governor's budget also provides an additional position for the call center at the Department of Employee Trust Funds to improve customer service.

Boundary Changes: The Governor's budget consolidates the process related to recording all changes in municipal boundaries by transferring responsibility from the Secretary of State to the Department of Administration.

The budget requires each municipal clerk to submit a report to the county clerk confirming the boundaries of the municipality and of each ward within a municipality by October 15 of each year after the federal census. The report must be accompanied by a map showing the municipal and ward boundaries and a list of the census block numbers of which each municipality and each ward is comprised.

The budget requires county clerks to submit a report twice a year to the Legislative Technology Services Bureau (LTSB) in a format approved by the LTSB that confirms the boundaries of each municipality, ward, and supervisory district. The LTSB must then reconcile and compile the information into a statewide database consisting of municipal boundary information for the entire state.

JUDICIAL AND PUBLIC SAFETY

Circuit Court Funding: The Governor's budget consolidates all major funding programs for circuit courts into a single block grant (called the circuit court cost appropriation) and then allows the Director of State Courts to determine how to distribute the money.

Circuit courts now receive state funding through three major programs – the Circuit Court Support Payment, Guardian ad Litem reimbursements, and court interpreter funding. The largest is the Circuit Court Support Payment, which provides about \$18 million annually to counties based on a formula involving the number of circuit court branches and population. The payment is made twice a year, in January and July.

The Governor's budget gives the Director of State Courts the authority to define "circuit court costs" in any way he or she chooses and to distribute the block grant as he or she determines. The budget also gives the Director additional flexibility in budgeting by making the circuit courts budget a biennial, or two-year, appropriation instead of requiring separate appropriations for each year of the budget.

The Governor's budget transfers funding and position authority for court reporters from the circuit courts' current sum sufficient appropriation (which includes funding for judges' salaries) to the new circuit court cost block grant. Under current law, counties are reimbursed for the court reporters' costs regardless of how much money the state budgets; under the Governor's budget, once the appropriation in the state budget is used up, counties must make up the difference. This line item is currently underfunded by roughly \$2 million annually. The Governor's Office has indicated this was a technical error and will be corrected.

Additionally, the Governor's budget eliminates the uniform system of accounts reports that counties are required to submit to the Director of State Courts. Reporting these costs have formed the basis for reimbursements in some of the circuit court funding programs. These reports have also helped counties and the Director of State Courts document exactly how much funding the circuit courts are receiving from counties compared to the state.

Surcharge Exemptions: The Governor's budget eliminates exemptions from the circuit court fee for four offenses (failure to wear a seatbelt, violations related to smoking in a public place, failure to carry proof of motor vehicle insurance, and failure to carry a handicap permit) to ensure equity among similar violations. These changes are estimated to provide an additional \$3.2 million annually for the justice system and the state's general fund.

Emergency Management: The Governor's budget establishes the Office of Government Continuity in the Department of Administration to coordinate and improve

the required statewide continuation of government and continuity of operations plans throughout the state.

Surplus Property: The Governor's budget eliminates the state's federal surplus property program, but retains the 1033 surplus military purchase program for law enforcement at the Department of Military Affairs.

Drug Abuse Treatment: The Governor's budget expands existing drug addiction programming in the Department of Corrections by creating a voluntary pilot program for eligible offenders with an opioid addiction-related conviction. The budget provides \$386,700 GPR in each year for the program.

Community Reintegration Services: The Governor's budget amends statutory language to enable the Department of Corrections through competitive bidding to select vendors for community reintegration services, improve research, and improve program effectiveness.

Crime Prevention Funding Boards: The Governor's budget creates a new \$20 surcharge, known as the crime prevention funding board surcharge, for each count of a felony or misdemeanor conviction. All funds collected by a county will be held in a special crime prevention fund, which may only be disbursed as grants by a seven-member crime prevention fund board made up of local law enforcement officials. At least half of the grants from each county must go to private organizations.

Justice Department Grant Consolidation: The Governor's budget consolidates various justice grant earmarks into a single Justice Assistance Grant program.

Public Defenders Pilot: The Governor's budget seeks to reduce the use of private bar defense counsel in cases where there would be a conflict of interest for the Public Defender's Office to represent multiple clients in a trial through the creation of a pilot Conflict Defender's Office to manage cases in Milwaukee, Waukesha, and Racine counties, and increases staffing levels in the Office of Public Defender in order to reduce the use of private attorneys in these cases.

District Attorneys: The Governor's budget provides no additional staff positions. District attorneys had requested 107 new positions statewide.

Treatment, Alternatives and Diversion (TAD): The Governor's budget maintains funding for county TAD programs at \$3.5 million annually, plus an additional \$500,000 annually for treatment courts around the state.

HEALTH AND HUMAN SERVICES

Drug Testing:

The Governor's budget proposes drug testing, screening, and treatment opportunities for individuals receiving unemployment insurance benefits from the Department of

Workforce Development, or public assistance benefits in certain work-based programs at the Department of Children and Families DCF) and the Department of Health Services (DHS). The budget requests waivers from the federal government (Department of Health and Human Services and U.S. Department of Agriculture) to test able-bodied adults without dependents on Medicaid and FoodShare for illegal drugs.

The budget bill requires the Department of Workforce Development (DWD) to establish a program to require claimants who apply for regular unemployment insurance (UI) benefits to submit to drug tests. Consistent with federal law, DWD will be required to determine, when a claimant applies for regular UI benefits, whether the claimant is an individual for whom suitable work is only available in an occupation described in federal regulations (an occupation that regularly conducts drug testing will be added if changes are made to federal regulations). If DWD determines that the claimant is such an individual, DWD must conduct a screening to determine whether the claimant should be required to submit to a drug test. If the screening indicates that a drug test is warranted, then DWD must require the claimant to submit to such a test.

Under the budget, if a claimant declines to submit to such a test, the claimant is ineligible for UI benefits for 52 weeks or until a subsequent claim for benefits, whichever is later. If a claimant takes the drug test and tests positive for one or more controlled substances without a valid prescription, the claimant will be ineligible for UI benefits for 52 weeks or until a subsequent claim for benefits, whichever is later, except that following the positive test, the claimant may maintain his or her eligibility by enrolling in a state-sponsored substance abuse treatment program and undergoing a state-sponsored job skills assessment.

- Permits employers who conduct preemployment drug screenings to report screening failures to the Department of Workforce Development.
- Requires the screening and drug testing of unemployment benefit recipients for whom suitable work is only available in certain occupations that are federally approved for benefits eligibility testing.
- Upon amendment or overturn of federal regulations, require the screening and drug testing of unemployment benefit recipients for whom suitable work is only available in an occupation that regularly conducts drug testing, as determined by the Department of Workforce Development.

The budget bill also requires every individual who applies to participate in the Transform Milwaukee Jobs program or the Transitional Jobs program, for W-2 services and benefits for noncustodial parents, or who applies for or is ordered by a court to register for a work experience or job training program (Children First) to complete a questionnaire that screens for the abuse of a controlled substance. If, based on the answers to the questionnaire, the Department of Children and Families determines that there is reasonable suspicion that an individual is abusing a controlled substance, the individual must undergo a test for the use of a controlled substance. If the individual refuses to submit to a test, the individual would not be eligible until the individual complies with the requirement to undergo a test for the use of a controlled substance. If the test is positive and the individual does not have a valid prescription for the drug, the individual

must participate in substance abuse treatment to remain eligible for the program. If, at the end of the treatment, the individual tests negative or has a valid prescription, the individual will have satisfactorily completed the substance abuse screening and testing and treatment requirements for the program.

While undergoing treatment, the individual would have to submit to random testing for the use of a controlled substance, and the test results would have to be negative, or positive with evidence of a valid prescription, in order for the individual to remain eligible. If any test results are positive and the individual does not have a valid prescription, the individual could restart treatment one time and remain eligible so long as all subsequent test results are negative or positive with a valid prescription.

These provisions would not apply to participants in W-2 community service jobs or transitional placements.

The Department of Health Services will be required to seek a waiver/amendment to authorize drug testing for participants in the FoodShare Employment and Training (FSET) program, as well as the Medicaid program for childless adults. Under the FSET program, if the federal waiver is approved, DHS would be authorized to screen and, if indicated, test participants for illegal use of a controlled substance. The budget also requires that if the waiver is approved in the 2015-17 biennium, DHS must address any future fiscal impact resulting from the requirements in its biennial budget request for the 2017-19 fiscal biennium. Under the Medicaid program for childless adults, if an amendment to the state's Medicaid waiver is approved, DHS must require a drug screening assessment and, if indicated, a drug test as a condition of eligibility. If the amendment is approved in the 2015-17 biennium, DHS must identify any costs incurred or savings resulting from the new requirements in the quarterly report on MA changes that DHS is required to submit to the Joint Committee on Finance, as well as address any future fiscal impact resulting from the requirements in its biennial budget request for the 2017-19 biennium.

Elderly and Disabled Transportation Aids: The Governor's budget increases funding by \$438,000 (\$145,400 in FY 16 and \$292,200 in FY 17) for elderly and disabled aids to local governments and nonprofit organizations. The budget provides a 1% increase annually based on the combined SEG funding for county assistance and capital aids, but would provide the total increase in the appropriation for county assistance.

The budget also renames the elderly and disabled capital assistance program the seniors and individuals with disabilities specialized transportation aids appropriation and makes several program modifications.

Department of Children and Families

Transitional Jobs Program: The Governor's budget proposes a \$3 million increase over the biennium (\$1 million in FY 16 and \$2 million in FY 17) for expansion of the transitional jobs program.

Under current law, in conducting the Transitional Jobs program DCF must give priority to areas with relatively high rates of unemployment and childhood poverty. The Governor's budget expands the Transitional Jobs program to other areas with special needs that DCF determines should be given priority.

Wisconsin Works: The Governor's budget reduces the lifetime Wisconsin Works time limit from 60 months to 48 months.

- DCF will be given discretion to determine exact transition times for those already in the program and near the 48-month time limit, with the goal that the transition period be completed within six months.
- The budget bill allows a W-2 agency to extend the time limits if it determines that the individual is experiencing hardship or that the individual's family includes an individual who has been battered or subjected to extreme cruelty.

The Governor's budget makes other changes to the W-2 program relating to notice and opportunity to rectify before sanctions are imposed, as well as modifications to behaviors that constitute refusal to participate.

W-2 Community Steering Committees: The Governor's budget modifies provisions regarding W-2 community steering committees.

- Under the budget, a W-2 agency is required to establish *one or more* community steering committees within 60 days after the contract is signed. W-2 agencies would be authorized to appoint as many committees as necessary to allow the required representation on each committee without exceeding the maximum number of committee members.
- Currently, the W-2 agency must recommend the members of the committee to the chief executive officer (CEO) of each county served by the agency, and the county CEO must appoint the members of the committee. For multi-county agencies, the number of members that each CEO appoints to the committee must be in proportion to the population of that officer's county relative to the population of each other county served by the W-2 agency, except that the CEO of a county that is served by a non-county W-2 agency must appoint the director of the county department of human/social services, or his or her designee, and one other representative of the county department. The committee must consist of at least 12 members, but not more than 15 members. The Governor's budget repeals all of these provisions. Instead, the budget specifies that the total number of committee members could not exceed 20. In addition, each county that the W-2 agency serves would have to be represented on a committee by a member who is a representative of a county department responsible for economic development, of a city department responsible for economic development of a city that is in that county, or of the business community in that county. The W-2 agency would have to appoint at least one representative of business interests as a committee member.
- The budget also makes modifications to the duties of the community steering committees.

Emergency Assistance: The Governor's budget modifies current law to require DCF to recover overpayments of emergency assistance. In the case of an error in payment, the budget requires DCF to recover the overpayment from the W-2 agency. DCF would be able to recover by offsetting the agency's contract. The budget requires county departments and W-2 agencies to notify DCF if they determine that DCF may recover an overpayment.

CARES: The Governor's budget updates the Client Assistance for Reemployment and Economic Support System (CARES) work program subsystem, used for public assistance programs, to reflect modern user interfaces and case management best practices.

Domestic Abuse: The Governor's budget increases funding for domestic abuse grants by \$5 million in FY 17 to enhance services to victims of domestic abuse and their families. The additional funding would be used to help maintain, strengthen and expand core services to serve domestic violence victims and their children. Total funding would be \$9,557,600 in FY 16 and \$14,557,600 in FY 17.

Child Sex-Trafficking Victims: The Governor's budget provides \$2 million in FY 17 to the Department of Children and Families to purchase or provide treatment services for children who are victims of sex trafficking. The budget requires DCF to ensure that treatment and services are available to children in all geographic areas of the state, including both urban and rural communities.

Fostering Futures: The Governor's budget provides \$72,800 in FY 16 and \$457,000 in FY 17 and 1.0 FTE position for a state coordinator to create the Fostering Futures: Connections Count initiative, which will support community connectors, who are trusted neighbors or community leaders, to interact with vulnerable families with children up to age five and connect the families with formal and informal community support services.

- \$360,300 in FY 17 for grants.

Out-of-Home Care to Age 21: The Governor's budget provides additional funding for the ongoing implementation of 2013 Wisconsin Act 334, which extends eligibility for out-of-home care support from age 18 to age 21 for young adults who have individualized education programs and who are enrolled in school. The budget provision does not include funding for additional case management services.

- \$1,066,400 in FY 16
- \$1,250,900 in FY 17

The Governor's budget requires DCF to promulgate rules governing the provision of subsidized guardianship payments, kinship care payments, and adoption assistance to any child 18 years of age or older.

The Governor's budget clarifies that the current-law process for extending out-of-home care also applies to persons in shelter care placements on the date the juvenile court's order expires.

Adoption Assistance and Subsidized Guardianship: The Governor's budget permits subsidized guardianship payments to be made or adoption assistance to be provided until a child attains 21 years of age if the child is a full-time student at a secondary school or its vocational or technical equivalent, an individualized education program (IEP) is in effect for the child, and the subsidized guardianship or adoption assistance agreement for the child became effective after the child attained 16 years of age.

The Governor's budget clarifies and codifies current law and administrative rules such that subsidized guardianship payments may be made and adoption assistance may be provided after age 18 for youth: (a) under the age of 19 who are full-time students at a secondary school, or its vocational or technical equivalent, and are reasonably expected to complete school prior to the age of 19; and (b) under 21 years of age who are full-time students, have a mental or physical disability that warrants the continuation of payments, are not eligible for social security disability insurance or supplemental security income payments, and otherwise lack adequate resources to continue in secondary school or its vocational or technical equivalent. The budget makes clear that full-time students qualify for the above extensions at the vocational or technical equivalent of high school.

Kinship Care: Under current law, monthly kinship care payments may be made to a relative of a child who is providing care for the child if certain additional conditions have been met. Kinship care payments generally end when the child attains 18 years of age, except that those payments may be made until a child attains 21 years of age if the child is a full-time student and an IEP is in effect for the child.

The budget requires, as an additional condition for eligibility for kinship care payments under that exception, that the child be placed in the home of the kinship care relative under an order of the court assigned to exercise jurisdiction under the Children's Code and the Juvenile Justice Code or under a voluntary transition-to-independent-living agreement.

Voluntary Transition-to-Independent-Living: The Governor's budget, with respect to voluntary transition-to-independent-living agreements, 1) requires the agency executing the transition-to-independent-living agreement to petition the juvenile court for a hearing (and provide notice to the child and guardian); 2) requires the juvenile court, by no later than 180 days after the date of the agreement, to determine whether placement of the child in out-of-home care under the agreement is in the best interests of the child; 3) provides that if DCF, DOC, or a county enters into such an agreement with a child, the agreement must specifically state that DCF, DOC, or the county has placement and care responsibility for the child and has primary responsibility for providing services to the child; and 4) grants to any person who is aggrieved by an agency's failure to enter into such an agreement or termination of such an agreement the right to a contested case hearing under the state administrative procedures laws.

Under current law, during the 90 days immediately preceding the termination of the juvenile court order placing the child in out-of-home care, the agency primarily responsible for providing services to the youth must provide assistance and support in

developing a plan for the youth's transition from out-of-home care to independent living. The Governor's budget would require the agency to also provide such services during the 90 days immediately preceding the termination of a voluntary transition-to-independent-living agreement.

Permanency Plans and Review: The Governor's budget requires a permanency plan to be prepared for a child who is placed outside the home under a voluntary transition-to-independent-living agreement. The Governor's budget also modifies the allowable goals of permanency plans. The goal of "transition to independent living if the child has attained 18 years of age" is repealed. Instead, the goal of "some other planned permanent living arrangement that includes an appropriate, enduring relationship with an adult, including sustaining care or long-term foster care" is amended to remove long-term foster care and substitute the goal of transitioning to independence (at any age).

Under current law, if the youth is subject to an order which would terminate as a result of the youth attaining a high school diploma or reaching the age of 21, then the court (or panel) must review the appropriateness of the transition-to-independent-living plan, the extent of compliance with that plan, and the progress toward making the transition to independent living. The Governor's budget requires review when the youth is the subject of a transition-to-independent-living agreement.

Under current law, if the youth has been outside the home for 15 or more months out of the most recent 22 months, then the court (or panel) must also review the appropriateness of the permanency plan and the circumstances preventing the achievement of its goals. The Governor's budget includes into such reviews the goal of transitioning to independent living and the circumstances which are preventing such transition.

Community-Based Residential Facility (CBRF): The Governor's budget provides that a facility licensed as a foster home, group home, or residential care center for children and youth that provides care for a person 18 years of age or over, but under 21 years of age, who is placed in the facility under an order of the juvenile court, a voluntary transition-to-independent-living agreement, or the placement and care responsibility of another state is not required to also be licensed as a CBRF.

Child Support: The Governor's budget improves the efficiency of the child support system by: (1) exempting filing fees in voluntary paternity acknowledgement cases, (2) expanding state tax intercept authority to cases not receiving county child support services, (3) requiring Wisconsin banks to directly honor other states' child support enforcement liens, and (4) including state income continuation benefits and duty disability as benefits that may be assigned for child support purposes.

Under current law, if a person has been ordered to pay child or family support or maintenance, a portion of the person's income may be assigned, or set aside by the person's employer, to satisfy his or her support obligations. Under the Governor's budget, state income continuation insurance benefits and, if the person's occupation is law enforcement or fire fighting, duty disability benefits may be assigned.

The budget bill also eliminates the usual filing fee (\$194.50) for an action brought by the state or its delegate or commenced on behalf of the child by a guardian ad litem to determine child support and legal custody and physical placement of a child for whom paternity has been established by his or her parents' voluntary acknowledgement of paternity.

The Governor's budget provides that DCF must, at least annually, certify to DOR delinquent payments of centralized receipt and disbursement fees that are owed by all other persons not already subject to the certifications.

Also under the Governor's budget, in addition to sending child support to another state to enforce the other state's lien in response to a request sent by DCF, a financial institution is required to honor a notice of levy or request to enforce a lien in favor of another state that it receives directly from the other state.

Wisconsin Shares: The Governor's budget increases funding to pay the full costs of an increase in Wisconsin Shares rates to child care providers that went into effect on November 9, 2014. The budget also implements the child care parent-pay project (EBT parent pay initiative) to have parents receive an electronic benefits card to pay providers directly beginning in FY 17.

Under current law, in all areas of the state except Milwaukee County, DCF must enter into a contract with a county department or agency to make an initial determination about whether individuals who are in a particular geographic region or who are members of a particular Indian tribal unit are eligible for the child care subsidies under Wisconsin Shares. Also under current law, the same county department or agency must administer Wisconsin Shares for that geographic region or Indian tribal unit. Current law requires DCF, to the extent practicable and with certain restrictions, to allocate funds for the administration of Wisconsin Shares in a geographic region or Indian tribal unit in the same proportion as the geographic region's or Indian tribal unit's proportionate share of all statewide child care subsidy authorizations and eligibility redeterminations in the 12-month period prior to the start of the contract period.

Under the Governor's budget, DCF has the option to make child care subsidy eligibility determinations, to contract with a county department or agency to make these determinations, or to contract with a county department or agency to share in making these determinations. If DCF contracts with a county department or agency for the eligibility determination function, the budget requires DCF to allocate funds for this function under the contract. These changes would first apply to contracts made between DCF and county departments or agencies beginning on October 1, 2015.

The budget bill also requires DCF to allocate funds for a county department's or agency's administration of Wisconsin Shares in the same proportion as the geographic region's or Indian tribal unit's proportionate share of all funding allocated for eligibility determination functions. Alternatively, the budget allows DCF to elect to allocate these

funds in the same proportion as the geographic region's or Indian tribal unit's proportionate share of all children for whom a child care subsidy was issued in the most recent 12-month period for which applicable statistics are available prior to the start of the contract period. Specifically, the budget allows DCF to take into consideration trends in applications, a county department's or agency's past eligibility determination expenditures, the respective portions of the eligibility determination function to be performed by DCF and the county department or agency, and any other factor DCF determines. These changes would first apply to contracts made between DCF and county departments or agencies beginning on October 1, 2015.

Child Care Licensure: Under current law, DCF, a county, or an agency contracted with to certify child care providers must require any person applying for issuance, continuation, or renewal of a child care provider license, certificate, or contract to complete a background information form. The Governor's budget exempts these persons from completing such a form when applying to continue or renew a license, certification, or contract.

Under current law, every four years an entity that provides care for children must require all of its caregivers and nonclient residents to complete a background information form provided by DCF, except that a regulated child care provider must require the form to be completed every year. The Governor's budget exempts child care providers from the four-year requirement and instead obligates them to require any new caregiver or nonclient resident to complete the form.

Uniform Appeals Process: The Governor's budget provides additional funding (\$87,700 annually) for the ongoing implementation of a uniform appeals process for child protective services cases, which began January 1, 2015.

Public Assistance Program Fraud and Error Reduction: The Governor's budget provides \$605,500 annually in the Department of Children and Families budget to reimburse counties for program integrity and W-2 and child care fraud investigations.

Children and Families Allocation: The Governor's budget sets the Children and Families Allocation at \$68,264,800 in FY 16 and \$68,327,900 in FY 17.

Department of Health Services

Food Safety and Recreational Licensing Activities: The Governor's budget consolidates all food safety, recreational facility, lodging and food protection activities into the Department of Agriculture, Trade and Consumer Protection.

- Transfers from DHS include: licensing and inspection of all restaurants, vending machines, food commissaries, licensed campgrounds, recreational camps, swimming pools, hotels and rooming houses.

The Governor's budget also transfers oversight of tattooing, body piercing, and tanning from DHS to the new Department of Financial Institutions and Professional Standards.

Mental Health Funding: The Governor’s budget consolidates base funding for community mental health services by repealing several programs and funding allocations and transferring base funding from these programs to a funding allocation under the state’s community aids program, effective January 1, 2016. The budget anticipates savings of \$3,744,300 in FY 16 and \$7,488,500 in FY 17 due to program consolidation.

The budget repeals the following programs:

- Treatment funds for mentally ill persons program.
- Relocation services for individuals with mental illness program.
- Community support programs and psychosocial services.

The budget expands the statutory purpose of the community aids program to explicitly include community mental health services. The budget requires DHS to distribute not less than \$24,348,700 in each fiscal year for community mental health services. In FY 16, DHS may distribute one-half of that amount after January 1, 2016.

	2015-16	2016-17
Mental Health Treatment Services	-\$4,006,800	-\$8,013,700
Community Support Programs and Psychosocial Services	-\$1,878,800	-\$3,757,500
Community Options Program (mental health/substance abuse)	-\$6,288,800	-\$12,577,500
Community Aids – Community Mental Health Services	\$12,174,400	\$24,348,700

Note: The administration indicates that the intent of this provision is to consolidate several different programs into one appropriation and one programmatic distribution, but to provide the same allocation to individual counties as DHS currently provides from the programs that would be repealed. The budget does not require DHS to maintain the current distribution and would not specify a distribution mechanism. Counties would not be subject to the same requirements with respect to the use of funds distributed under the eliminated programs.

IMDs: The Governor’s budget eliminates the requirement that if a skilled nursing facility or an intermediate care facility is found to meet the classification of an institution for mental diseases, DHS must pay for care in the community or in that institution for mental diseases for individuals meeting certain criteria, as well as the requirement that DHS pay for relocations of certain individuals who have mental illness to the community. Trempealeau County Health Care Center will continue to receive \$1,551,000 annually.

CCS: The Governor’s budget allocates an additional \$26 million to fully fund the state’s costs of providing the comprehensive community services (CCS) mental health benefit.

Emergency Detention: The Governor's budget, with regard to the emergency detention process, eliminates the current emergency detention procedure and pilot program operating in Milwaukee County and applies the existing procedure for emergency detentions in other counties to Milwaukee County. In addition, the budget adds that a physician who has completed a residency in psychiatry, a psychologist, or a mental health professional must perform a crisis assessment on the individual and agree with the need for detention in order for a county department to approve an emergency detention. The budget allocates \$1,500,000 in FY 16 for DHS to distribute as grants to counties for mental health crisis services.

Office of Children's Mental Health: The Governor's budget attaches the Office of Children's Mental Health to the Department of Health Services. Under the budget bill, the director of the office shall be appointed by the secretary of health services to serve at the pleasure of the secretary of health services. Under current law, the director is appointed and serves at the pleasure of the governor.

Family Care: The Governor's budget requires DHS to submit a request for a federal waiver allowing for the administration of the Family Care program statewide by MCOs, unless DHS waives this requirement for a specific MCO. If a federal waiver is approved, the budget requires DHS to make the Family Care program available statewide by January 1, 2017, or a date determined by DHS, whichever is later (36-month enrollment phase-in).

The budget also makes the following changes with regard to the Family Care program:

- Requires DHS to request a federal waiver allowing for the elimination of the competitive procurement process for MCOs, and, if approved, to contract for the statewide provision of services with any MCO that meets the statutory requirements for providing services.
- Removes the requirement that DHS submit proposals for Family Care expansion to the Joint Committee on Finance for approval.
- Allows DHS to eliminate the CIP, CORP, and COP after Family Care is offered to all eligible residents in a county.
- Eliminates the IRIS program but specifies that individuals may self-direct their services within the Family Care program.
- Services will be provided to participants through managed care organizations (MCOs) operating statewide.
- Requires DHS to request a waiver from HHS allowing for the inclusion of any primary and acute health services mandated under federal MA law that DHS chooses to offer as a benefit under the Family Care program.
- Provides members with a choice of MCOs.
- Regulates MCOs as insurance entities under the jurisdiction of the Office of Commissioner of Insurance (effective July 1, 2018).
- Requires long-term care districts existing on June 30, 2015 to be dissolved before June 30, 2017, or before a date established by DHS, whichever is later. The budget also prohibits any new long-term care districts from being created after

June 30, 2015. The budget removes all statutory language regarding and references to long-term care districts, effective July 1, 2018.

- Repeals long-term care advisory committees.
- Allows MCOs to provide services statewide and not only in a specified geographic area.
- Requires DHS to request a federal waiver allowing Family Care enrollees to switch MCOs only in an open enrollment period.
- Eliminates the requirement that, as a term of a contract with an MCO, an MCO must contract for the provision of services covered under the Family Care benefit with any CBRF, RCAC, nursing home, ICF-ID, community rehabilitation program, home health agency, provider of day services, or provider of personal care that agrees to accept the reimbursement rate that the MCO pays under contract to similar providers for the same service and that satisfies any applicable quality of care, utilization, or other criteria that the MCO requires of other providers with which it contracts to provide the same service.
- Eliminates the ability of DHS to prohibit MCOs from including provisions in contracts with Family Care service providers to return any funding for residential services, prevocational services, or supported employment services that exceed the costs of services to MCOs.

The budget requires that, if any of the waiver requests specified are not approved, DHS continue to administer the Family Care benefit in accordance with current statutory requirements.

ADRCs: The Governor's budget allows DHS to contract with a resource center or private entity for some or all of the information and referral services, among other functions, provided by ADRCs. Current law requires ADRCs to provide all services specified by law. The Governor's budget also eliminates the requirement that a resource center have a governing board and eliminates the requirement to create long-term care advisory committees.

Dementia Care: The Governor's budget provides one-time funding of \$1,128,000 in FY 17 to support dementia care specialists in aging and disability resource centers.

Long-Term Care Eligibility: The Governor's budget provides that, when determining or redetermining an individual's financial eligibility for an MA long-term care program, or any other MA program that counts assets for determining or redetermining financial eligibility, DHS must include as a countable asset a promissory note for which the individual or his or her spouse provided the goods, money loaned, or services rendered, that is entered into or purchased on or after the effective date of the 2015-17 state biennial budget, that is negotiable, assignable, and enforceable, and that does not contain any terms making the note unmarketable. The budget bill provides that a promissory note is presumed to be negotiable and that its value is the outstanding principal balance at the time of the individual's application or redetermination of eligibility for MA, unless the individual shows by credible evidence from a knowledgeable source that the note is nonnegotiable or has a different current market value, which will then be considered the note's value.

The budget bill provides that if an individual or his or her spouse enters into or purchases a promissory note on or after the effective date of the 2015-17 state biennial budget, it is a transfer of assets for less than fair market value that triggers a period of ineligibility for MA unless all of the following apply to the promissory note: it satisfies the requirements under current law; and it is negotiable, assignable, and enforceable and does not contain any terms making the note unmarketable.

FSET: The Governor's budget funds the FoodShare Employment and Training program. The state will begin enforcing federal time limits on nutrition assistance benefits for able-bodied adults without dependent children who are not enrolled in an employment program offered by the Department of Health Services, Department of Children and Families, or Department of Workforce Development.

- \$7,070,500 in FY 16
- \$29,956,000 in FY 17

DHS Organization: The Governor's budget merges the Department of Health Services' Division of Long-Term Care with its Division of Health Care Access and Accountability.

Medicaid Services:

- The Governor's budget requires, subject to federal approval, DHS to provide MA reimbursement to pharmacists who meet certain requirements specified by DHS for administering vaccines to people 6 to 18 years of age.
- The Governor's budget, subject to any necessary federal approval, adds licensed midwife services, as well as substance abuse treatment services provided by a medically monitored treatment service or a transitional residential treatment service to other services paid for currently under the MA program.
- The budget bill requires DHS to increase the MA reimbursement rate in Brown, Polk, and Racine counties to providers of pediatric dental care and adult emergency dental services, if DHS receives any necessary federal approval for the increased rate.
 - \$11,480,000 in FY 17

BadgerCare Plus: The Governor's budget eliminates the three-month waiting period for enrollment in BadgerCare Plus for certain children and pregnant women whose access to other health insurance has ended.

- An individual with family income over 150% of the FPL.
- An unborn child or an unborn child's mother.
- A pregnant woman with income over 200% of the FPL.
- A non-disabled, non-pregnant adult with income over 133% of the FPL, and his or her non-disabled children.

The Governor's budget also repeal's provisions that impose a three-month waiting period on the following individuals if the federal Department of Health and Human Services approves of a DHS request to impose that waiting period:

- A child in a household with income above 133% of the FPL.

- A non-disabled, non-pregnant parent or caretaker relative with income above 100% of the FPL.
- An adult with income greater than 100% of the FPL who is under 26 years of age and is eligible for coverage under his or her parent's employer-sponsored insurance.

The budget repeals provisions defining a “good cause reason” for ending other insurance coverage for the purposes of determining who is currently subject to a three-month waiting period for BadgerCare Plus coverage.

Funeral and Cemetery Aid Program: The Governor's budget reforms the Funeral and Cemetery Aid program by requiring individuals with life insurance policies to be included in Estate Recovery and reducing reimbursements for decedents who own life insurance policies with a face value of over \$3,000.

Medicaid (BadgerCare Plus) for Childless Adults: The Governor's budget:

- Seeks a waiver from the federal Department of Health and Human Services for authority to impose monthly premiums as determined by DHS, as well as impose higher premiums for enrollees who engage in behaviors that increase their health risks, as determined by DHS.
- Childless adults will be required to have a health risk assessment and to be screened for drug use to receive benefits.
- Enrollment will be limited to no longer than 48 months.

The Governor's budget repeals the current statutory provision that requires childless adults with income over 133% of the FPL to pay premiums of between 3% and 9.5% of household income.

Personal Care Services: The Governor's budget requires, prior to an MA recipient receiving personal care services on a fee-for-service basis, that an entity that does not oversee, manage, or provide the personal care services conduct an assessment to determine the amount and frequency of services the individual requires.

Income Maintenance Consortia Reestimate: The Governor's budget provides \$10,836,600 in FY 16 and \$9,079,300 in FY 17 to support services performed by income maintenance (IM) consortia and tribes for the administration of the MA and FoodShare programs.

PPACA Funding (all funds):

CY 15: \$9,814,800

CY 16: \$4,907,400

CY 17: \$2,453,700

FSET Funding:

\$4,730,100 annually

Children's Community Options Program: The Governor's budget creates a Children's Community Options Program (COP) by repealing the family support program (FSP) and

consolidating funding currently budgeted for that program and funding that currently supports long-term care services for children under the community options program (COP), effective January 1, 2016.

The budget directs DHS to allocate funds to county or private nonprofit agencies to provide long-term community support services to eligible children who have a disability. "Child" is defined as a person under 22 years of age and who is not receiving services in, or on a waiting list for, an adult long-term care program. The budget also defines disability.

The Governor's budget requires DHS to create a sliding scale formula for fees chargeable for conducting an assessment, developing a case plan, and providing long-term community support services, based on a child's ability to pay, unless prohibited under federal Medicaid law.

Children who seek services are assessed for Children's COP and a county department or private nonprofit agency will create a case plan and arrange for services. The budget lists a number of requirements for counties and DHS under the program.

DHS must seek a waiver of federal Medicaid law to obtain federal funding for Children's COP.

The budgetary provisions related to CCOP take effect January 1, 2016.

Allocation of School-Based Services: The Governor's budget requires DHS to deposit the state's share of school-based services in excess of \$42,200,000 in FY 16 and \$41,700,000 in FY 17 to the Medicaid trust fund and that any excess revenues received are spent on reducing waiting lists for children's long-term care services or other projects benefiting children.

Pretrial Intoxicated Driver Intervention Grant Program: The Governor's budget transfers the Pretrial Intoxicated Driver Intervention Grant Program from the Department of Transportation to the Department of Health Services. No funding is transferred from DOT to DHS.

Nursing Homes: The Governor's budget provides no increase in funding to nursing homes.

Juvenile Corrections

Youth Aids: The Governor's budget transfers the administrative responsibilities for youth aids, and related aids programs (community intervention program and Indian juvenile placements) for juvenile offenders, from the Department of Corrections to the Department of Children and Families, beginning on January 1, 2016, and updates performance measures and goals in the program (similar to the Children and Family Aids

program) with the goal of improved outcomes for juvenile offenders. Youth aids funding allocated to counties over the biennium is as follows:

- \$45,572,100 last 6 months of 2015
- \$91,150,200 CY 2016
- \$45,578,100 first 6 months of 2017

The Governor’s budget removes the provisions allowing advance payments before the beginning of the month in amounts equal to one-twelfth of the contracted amount.

Under the Governor’s budget, DCF would be required to: (a) develop procedures for implementation of youth aids and standards for development and delivery of community-based juvenile delinquency-related services; (b) provide consultation and technical assistance to aid counties in the implementation and delivery of those services; and (c) establish information systems and monitoring and evaluation procedures to report periodically to the Governor and Legislature on the statewide impact of youth aids.

Under current law, a portion of youth aids funding is allocated to counties for contracting for corrective sanctions services, with Corrections determining a county’s distribution by dividing the allocated amount by the number of slots authorized under the program and multiplying by the number of slots utilized by the county. Under the Governor’s budget, DCF would distribute to each county the full amount of the charges for services purchased by each county, except that if the amounts available are insufficient, DCF would distribute the available amounts to each county based on the ratio that the charges for services purchased by each county applied to the total charges for all the counties that purchased services.

Community Intervention Program: The Governor’s budget deletes statutory language specifying that the Department pay \$3,750,000 annually to counties for the community intervention program. Instead, the Department would distribute the amounts appropriated for the program. Under current law, Corrections makes payments to counties for early intervention services for first offenders and for intensive community-based intervention services for seriously chronic offenders. Base funding for the program is \$3,712,500 GPR.

Juvenile Correctional Institutions: The Governor’s budget projects an average daily population of 315. The budget sets the daily rates at \$279 in FY 16 and \$287 in FY 17. The Governor’s budget also recommends reducing the institutional daily add-on rate approved in 2011 Wisconsin Act 32 to \$6 per day.

Placement Type	FY 16	FY 17
Juvenile Correctional Facility (\$301 current rate)	\$279	\$287
Corrective Sanctions Services	\$132	\$127
DOC Aftercare Services	\$48	\$49

Juvenile Delinquency-Related Services: The Governor’s budget, effective January 1, 2016, redefines juvenile delinquency-related services into two separate categories: community-based juvenile delinquency-related services (DCF) and juvenile correctional services (DOC). The budget transfers from DOC to DCF the responsibility for allocating youth aids to counties and for supervising the administration of community-based juvenile delinquency-related services. DOC retains responsibility for supervising the administration of juvenile correctional services.

Under current law, DOC supervises the administration of juvenile delinquency-related services. Under the Governor’s budget, DCF would execute the laws relating to the detention, reformation, and correction of delinquent juveniles, other than juveniles under DOC’s jurisdiction, and promote the enforcement of laws for the protection of those juveniles by: (a) cooperating with the courts, DOC, county departments, licensed child welfare agencies, and institutions in providing community-based programming, including in-home programming and intensive supervision; and (b) establishing and enforcing standards for the development and delivery of services provided by DCF in regard to adjudicated juveniles.

Corrections would retain authority over juveniles placed in the Serious Juvenile Offender Program, juveniles placed in a juvenile correctional facility or a secured residential treatment center for children and youth, and all juveniles placed in the aftercare program.

Juvenile Correctional Community Supervision Programs: The Governor’s budget modifies statutory law by repealing references to juvenile corrective sanctions and aftercare services, and replacing the references with juvenile “community supervision.” Further, the budget deletes statutory language specifying the daily rates for corrective sanctions and aftercare services. Instead, the budget provides that the daily rate for community supervision services would be an amount determined by the Department based on the costs of providing those services. Multiple rates may be established for varying types and levels of services, and rates would be calculated by the Department prior to the beginning of each fiscal year and submitted to the Joint Committee on Finance for passive review. The budget does not specify the types and levels of services to be reviewed.

The budget modifies the corrective sanctions program to be a community supervision program. Under the new community supervision program the Department would purchase or provide any of the following juvenile community correctional supervision services: (a) surveillance available 24 hours a day, seven days a week, including electronic or GPS monitoring, based on the juvenile’s risk level and community safety; (b) report center programming, including social, behavioral, academic, community service, and other programming, after school, in the evening, on weekends, on other non-school days, and at other times when the juvenile is not under immediate adult supervision; (c) contacts with the juvenile and the juvenile’s family of a type, frequency, and duration commensurate with the juvenile’s level of risk and individual treatment

needs; and (d) case management services provided by a juvenile community supervision agent.

The revisions would occur starting in the 2017-19 biennium on July 1, 2017.

Under current law, the Department must provide a corrective sanctions program to serve an average daily population of 136 juveniles in not less than three counties, including Milwaukee County. The Department is required to have a report center in Milwaukee County. The Office of Juvenile Offender Review evaluates and selects juveniles for the program who have been placed in a juvenile correctional facility. Under the program, a juvenile is placed in the community and provided with intensive surveillance. In addition, an average of not less than \$3,000 annually is provided to purchase community-based treatment services for each corrective sanctions slot. The Governor's budget repeals this language related to corrective sanctions. The budget also removes the case management caseload limit of approximately 15 juveniles per agent.

TAXATION AND FINANCE

Shared Revenue: The Governor's budget maintains current funding levels for shared revenue.

Levy Limits: The Governor's budget leaves current levy limits unchanged so that counties may only increase their tax levies by the change in property values due to net new construction. All current law exemptions to the levy limit program are maintained.

School Levy Tax Credit: The Governor's budget increases funding for the school levy tax credit by \$211.2 million in the biennium to reduce property taxes by \$105.6 million annually.

Property Tax Bill Disclosure: The Governor's budget requires property tax bills to disclose debt service and fees from each taxing jurisdiction and their respective property tax bill impacts. The Governor's budget also requires that property tax bills explicitly inform taxpayers of the impacts of additional amounts levied pursuant to a referendum to exceed a tax levy limitation.

Property Assessment: The Governor's budget recommends transitioning the property tax assessment process from a municipality-based system to a county-based system beginning in 2016 with full implementation by the 2017 property assessment year. The Governor's budget does, however, provide 1st and 2nd class cities with the option to conduct their own assessments.

According to the proposal, counties would be required to annually assess each property at 100% of fair market value, but may form multi-county assessment regions. Local boards of review—currently a municipal function—would also be consolidated at the county level. The board of review would consist of six to ten county residents, with no more than two members residing in the same municipality. In counties with an elected

executive, the county executive would appoint board of review members with county board approval. In counties without an elected executive, the county board chair would appoint board of review members, with county board approval.

The Governor's proposal also requires all board of review members to attend a training session at least once in the year prior to the board's first meeting. The county board of review is required to annually meet to examine the assessment rolls at least twice and hold the meetings in two different municipalities within the county.

The Governor's proposal also requires counties to create an office of assessment and designate an assessment administrator. The division of management in the state Department of Administration will recommend a reasonable salary range for the county assessor for each county based upon pay for comparable work or qualifications in that county. The state Department of Revenue shall assist the county in establishing the budget for the county assessor's offices, including the number of personnel and their qualifications, based on the anticipated workload.

On the funding side, the Governor allows counties to charge municipalities for a portion of assessment costs. The maximum annual amount a county may charge a municipality is 95% of what a municipality paid for assessment services in 2015.

Local Government Property Insurance Fund: The Governor's budget proposes closing the local government property insurance fund. The fund is currently operated by the state and offers property insurance for local units of government. The fund's June 30, 2014 annual statement shows surplus has gone from \$41 million to -\$1.3 million in five years. In addition, the fund's cash flow history shows five straight years of negative cash flow from operation.

Although property reevaluations and general rate increases have brought in additional premiums to the fund in recent years, it has not been adequate to offset claims and expenses. At the most recently reported negative surplus level, the fund is well below the surplus requirements of insurance companies under state law, as well as under the fund's own required surplus level.

Under the budget proposal, no new coverage may be issued through the fund on or after July 1, 2015 and no coverage may be renewed after December 31, 2015. All money remaining in the fund after claims are paid will be distributed among local governments that were insured on July 1, 2015. WCA is working with its insurance affiliates to better understand the upcoming transition period and coverage options for local governments.

Tax Enforcement: The Governor's budget provides additional auditor positions for the Department of Revenue. The enhanced tax collection efforts are expected to generate additional revenue of \$113.5 million over the biennium.

Sales and Use Tax Nexus: The Governor's budget modifies the definition of "retailer engaged in business in the state" to strengthen the state ability to collect sales and use taxes due from out-of-state businesses that have transactions in Wisconsin.

TRANSPORTATION AND PUBLIC WORKS

Funding: The Governor's budget includes a total of over \$6.3 billion invested for transportation finance.

Transfers to the Transportation Fund: The Governor's budget recommends transferring a one-time payment of \$21 million from the Petroleum Inspection Fund to the Transportation Fund in both fiscal years 2015-16 and 2016-17.

General Transportation Aids: The Governor's budget includes current state funding commitments to counties by maintaining statutory funding levels for General Transportation Aids based on funding in the second year of the current biennium. The previous biennial budget (2013 Wisconsin Act 20) allocated a 4% increase to the program in the second year of the budget (CY 2015). The allocation recommended by the Governor would remain at the 2015 level for calendar years 2016 and 2017.

Routine Maintenance Agreements: The Governor's budget maintains current funding for routine maintenance agreements between the state and the counties.

Funding for State Highway Maintenance is split between routine maintenance and overall state maintenance with the goal of ensuring that state operation expenditures do not reduce funding for highway maintenance and to further ensure performance-based contracting with counties or other routine maintenance providers.

Local Transportation Facilities Improvement Program: The Governor's budget does not include this WisDOT proposed program.

Transit Funding: The Governor's budget funds Mass Transit Operating Aids at current levels. The previous biennial budget (2013 Wisconsin Act 20) allocated a 4%, \$3,194,300 increase to the program in the second year of the budget (CY 2015). This funding would be allocated as follows:

- A. Tier A-1 Milwaukee: \$1,851,700
- B. Tier A-2 Madison: \$486,600
- C. Tier B Systems: \$706,300
- D. Tier C Systems: \$149,700

The allocation recommended by the Governor would remain the same in both years of the biennium and thereafter.

Majors Projects: The Governor's budget proposal provides an increase of \$108.4 million over the 2013-15 funding levels for a total funding level of \$836.1 million. The increase will assist in keeping several major highway projects on schedule, including the widening of I-39/90 between Madison and the Illinois border. The budget proposal provides \$623.2 million in total funding for construction of the Zoo Interchange project,

on schedule for completion in 2018. The proposal also delays construction of the I-94 north-south corridor (Illinois State Line to Mitchell Airport, Milwaukee) and adds \$20 million for rehabilitation of the Hoan Bridge. The budget further provides \$20 million for the construction of the Stillwater Bridge.

State Highway Rehabilitation Funding: The Governor's budget proposal maintains total funding for the State Highway Rehabilitation Program at \$1.6 billion in the biennium or \$815.5 million in each fiscal year. The funding for this program is unchanged from the current biennium.

Dam Projects: The Governor's budget provides \$4 million for dam repair, reconstruction and removal projects.

Elderly and Disabled Specialized Transportation Aids for Counties: The Governor's budget renames the program, "Seniors and Individuals with Disabilities Specialized Transportation Aids." Funding is increased for the program by \$438,000, a 1% increase in funding in each year of the biennium. The increase in total funding would be appropriated by providing an additional \$145,400 in 2015-16 and \$292,200 in 2016-17. Total funding for the program would increase to \$13,768,800 in 2015-16 and \$13,915,600 in 2016-17.

Freight Rail Preservation Program: The Governor's budget recommends \$43 million for the freight rail preservation program. This is a \$9 million decrease under the \$52 million provided in the 2013-15-budget cycle.

Car-Killed Deer: The Governor's budget removes payments made by the DNR to contract for the removal of car-killed deer. The proposal removes \$350,700 in each year from the general fund and \$350,700 in each year that is taken out of the fish and wildlife segregated fund for a total of \$701,400 per year and \$1,402,800 in the biennium.

TEA (Transportation Economic Assistance) Grants: The Governor's budget provides \$2 million in grants to local governments annually to assist local businesses in creating jobs or keeping existing jobs in an area. The state's maximum match in this program is increased from 50% to 80% with the corresponding reduction in local share being reduced from 50% to 20%.

Bicycle and Pedestrian Facilities: The Governor's budget proposal repeals state requirements that exceed federal law related to whether bicycle and pedestrian facilities be included in the construction of new highway projects. The Governor's office projects a cost savings of \$7.4 million. Under current law, exceptions to this requirement include:

- A. The law prohibits use of the highway by bicycles and pedestrians.
- B. Excessive Costs (exceeding more than 20% of the project costs).
- C. Excessive negative impacts on the constrained environment.
- D. Absence of need due to sparse population, traffic volume or other factors.
- E. The community in question refuses to accept a maintenance agreement.

Transportation Alternatives Program: The Governor's budget proposal repeals state funding for the program resulting in a savings of \$1 million annually. Under current law, state funding for this program can only be used for bicycle and pedestrian projects. Base level federal funding of \$7,049,300 annually remains in the program. Further, because no state funding is used to meet the required match, no change to the percent of project costs paid by local governments is anticipated.

Community Sensitive Design: The Governor's budget proposal prohibits WisDOT from funding Community Sensitive Design on highway projects resulting in \$7 million in savings. This provision of the budget simply prohibits state dollars from being spent on highway improvement projects that WisDOT determines are primarily related to the aesthetic preferences of communities adjacent to the project. This provision would initially be applicable to contracts entered into after the effective date of the bill.

WisDOT Construction Manager/General Contractor Pilot Project: The Governor's budget proposal allows WisDOT to implement construction manager/general contractor bidding on three pilot projects to evaluate the potential of future design cost savings on unique highway projects.

Advertising Revenues: The Governor's budget proposal allows WisDOT to collect advertising revenues at state-owned rail stations, which will provide an additional funding source for transportation projects.

Motor Fuel Tax to Bond Program: The Governor's budget proposal pledges the motor fuel tax to the Transportation Revenue Bond Program, which will increase the debt service coverage in the program and likely lead to a higher bond rating. The statutory change seeks to avoid motor fuel tax collections from being used for debt service.

State-Owned Lift Bridges: The Governor's budget provides an additional \$330,000 to counties for operating and maintaining the bridges for the state. There are currently 14 lift bridges operated in five counties. Each of the bridges is operated by the county in which it is located. However, the state is responsible for the operational costs. The increase will keep the program fully funded.

AGRICULTURE, ENVIRONMENT AND LAND USE

Private On-Site Wastewater Treatment Systems: The Governor's budget recommends transferring all regulatory authority related to the review of private on-site wastewater treatment systems, as well as position and associated funding, from the Department of Safety and Professional Services to the Department of Natural Resources. The budget also deposits revenue generated from fees related to the state sanitary permit surcharge into the environmental management account of the environmental fund for a total of \$395,100 in FY 2016 and \$790,100 in FY 2017.

Mapping: The Governor's budget provides increased funding to the Bureau of Parks and Recreation and Division of Forestry for improved geographical information system activities and global positioning system activities to more accurately identify property boundaries. A total of \$100,000 is provided in each year of the biennium.

County Forest Administrative Grant: The County Forest Administrative Grant has provided funding to counties who employ a 4-year degreed professional forester in the position of county forest administrator or assistant county forest administrator. In 2007, the DNR was given statutory authorization to fund up to 50% of the cost of a county's annual dues to a nonprofit organization that provides leadership and counsel to a county's forest administrator and to serve as a liaison to the Department of Natural Resources. The Governor's budget proposal removes the statutory authorization to fund up to 50% of the annual dues to a non-profit organization.

Natural Resources Board Rule Making: The Governor's budget eliminates the rule-making and policymaking powers currently vested with the board, converting the board officially to an advisory council.

Conversion of the Board of Agriculture, Trade and Consumer Protection to an Advisory Council: The Governor's budget eliminates the rule-making and policymaking powers currently vested with the board, and places the board under the direction and supervision of the Secretary of Agriculture, Trade and Consumer Protection. Finally, the board would no longer be a policy making body but rather would officially be converted to an advisory council.

Nonpoint Source Water Pollution: The Governor's budget provides an additional \$24 million over the biennium to reduce nonpoint source water pollution. Further, the budget proposal provides support to nonpoint source abatement projects through increased revenues, dedicated to the nonpoint account of the Environmental Fund.

Modifications to the Nonpoint Account of the Environmental Fund: The Governor's budget transfers \$1 million in each year of the biennium from the agricultural chemical clean up fund to the nonpoint account of the environmental fund (DNR) to ensure a positive fund balance in the account.

Municipal and County Recycling Grants: The Governor's budget cuts \$4 million in funding from the program in FY 2015-16 and maintains current funding levels for the program in FY 2016-17. Funding for the program declines from \$19 million to \$15 million in FY 2015-16 and is restricted to \$19 million in FY 2016-17. The program was created by 1989 Wisconsin Act 335 to provide grants to responsible units of local government for expenses related to DNR approved recycling programs and for landfill bans on recyclable materials.

Car-Killed Deer: The Governor's budget removes payments made by the DNR to contract for the removal of car-killed deer. The proposal removes \$350,700 in each year

from the general fund and \$350,700 in each year that is taken out of the fish and wildlife segregated fund for a total of \$701,400 per year and \$1,402,800 in the biennium.

Soil and Water Resource Management Bond Authority and Cost Share Grants: The Governor's budget proposal provides \$7 million in SEG-supported general obligation bonds for grants to counties for implementation of land and water resource management plans, including cost-share grants to landowners. The proposal is consistent with budgeting for the program in the previous biennium.

Ballast Water Fees: The Governor's budget eliminates ballast water fees effective on December 31, 2015. This is intended to allow the DNR to continue inspections of ballast water while monitoring whether new federal standards are necessary to protect Wisconsin's waters.

Environmental Management Account Funding Changes: The Governor's budget adjusts funding in the environmental management account of the environmental fund to ensure a positive balance. The proposal decreases funding for recycling grants by \$4 million and reduces funding for computer recycling aids by \$256,200 both in FY 16. The budget also eliminates all grants to the University of Wisconsin System in each year of the biennium for a reduction of \$4,749,800 in both years. Finally, the budget lapses \$2 million in each year of the biennium from the annual appropriations funded from the environmental management account of the environmental fund to ensure a positive account balance.

Safe Drinking Water Loans: The Governor's budget recommends allowing safe drinking water loans to be made to privately owned nonprofit public water systems. In addition the budget also recommends amending the unsewered municipality eligibility for financial assistance for a new water system to require that at least two-thirds of the residences be at least 20 years old, replacing the requirement that existing residences must have been constructed before 1972.

Forestry Reform: The Governor's budget eliminates approval of cutting notices submitted to the DNR by cooperating foresters, on behalf of owners of Managed Forest Law land, for mandatory cutting practices included in the approved forest management plan. The budget proposal also directs the Division of Forestry to allow cooperating foresters to complete the natural heritage review inventory process required before timber sales. Finally, the proposal directs the DNR to develop a plan to move the headquarters of the Division of Forestry from Madison to a location in northern Wisconsin as a budget request for the 2017-19 biennial budget.

Study on Wind Energy: The Governor's budget directs the Public Service Commission to conduct a study on wind energy system health-related impacts and submit a report of that study to the Governor and Legislature no later than one year after the effective date of the biennial budget.

All-Terrain Vehicles: The Governor's budget reduces \$297,000 annually with the goal of ensuring the long-term viability of the account.

Stewardship Program: The Governor's budget establishes a moratorium on Stewardship Program land purchases until the level of debt service is reduced to \$1 per \$8 of total cost for land purchases acquired since program inception. The local assistance component of the Stewardship Program is not frozen under the Governor's proposal.