

Summary of Partial Vetoes of 2015 Wisconsin Act 55

2015 Senate Bill 21

2015-17 Wisconsin State Budget

Legislative Fiscal Bureau
July 20, 2015

2015-17 WISCONSIN STATE BUDGET

2015 Senate Bill 21

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Legislative Fiscal Bureau

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INTRODUCTION

Under Article V, Section 10 of the Wisconsin Constitution, "Appropriation bills may be approved in whole or in part by the governor, and the part approved shall become law ... The rejected part of an appropriation bill, together with the governor's objections in writing, shall be returned to the house in which the bill originated."

The Governor signed 2015 Senate Bill 21 (the state's 2015-17 budget) into law on July 12, 2015. The Governor exercised his partial veto authority over 104 provisions in the budget as passed by the Legislature.

This document summarizes each of the Governor's partial vetoes. It is organized in the order listed in the Governor's July 13, 2015 veto message. For each partial veto, the document summarizes the provision as passed by the Legislature, *explains the Governor's veto in italics*, and identifies the fiscal effect, if any, of the veto.

TABLE 1

2015-17 General Fund Condition Statement

Enrolled Senate Bill 21

	<u>2015-16</u>	<u>2016-17</u>
Revenues		
Opening Balance, July 1	\$254,400	\$138,349,600
Taxes	15,203,845,000	15,783,310,000
Departmental Revenues		
Tribal Gaming Revenues	23,278,400	22,985,400
Other	<u>516,055,500</u>	<u>513,500,400</u>
Total Available	\$15,743,433,300	\$16,458,145,400
 Appropriations, Transfers, and Reserves		
Gross Appropriations	\$15,905,604,000	\$17,054,191,800
Transfers to		
Transportation Fund	38,009,600	39,458,300
Compensation Reserves	10,692,500	18,616,800
Less Lapses	<u>-349,222,400</u>	<u>-740,784,500</u>
Net Appropriations	\$15,605,083,700	\$16,371,482,400
 Balances		
Gross Balance	\$138,349,600	\$86,663,000
Less Required Statutory Balance	<u>-65,000,000</u>	<u>-65,000,000</u>
Net Balance, June 30	\$73,349,600	\$21,663,000

TABLE 2

2015-17 General Fund Condition Statement

2015 Wisconsin Act 55

	<u>2015-16</u>	<u>2016-17</u>
Revenues		
Opening Balance, July 1	\$254,400	\$161,799,900
Taxes	15,207,945,000	15,791,610,000
Departmental Revenues		
Tribal Gaming Revenues	23,378,400	23,085,400
Other	<u>516,055,500</u>	<u>513,521,700</u>
Total Available	\$15,747,633,300	\$16,490,017,000
Appropriations, Transfers, and Reserves		
Gross Appropriations	\$15,886,353,700	\$17,041,368,000
Transfers to		
Transportation Fund	38,009,600	39,458,300
Compensation Reserves	10,692,500	18,616,800
Less Lapses	<u>-349,222,400</u>	<u>-740,784,500</u>
Net Appropriations	\$15,585,833,400	\$16,358,658,600
Balances		
Gross Balance	\$161,799,900	\$131,358,400
Less Required Statutory Balance	<u>-65,000,000</u>	<u>-65,000,000</u>
Net Balance, June 30	\$96,799,900	\$66,358,400

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GROWING OUR ECONOMY

ITEM A-1. WISCONSIN ECONOMIC DEVELOPMENT CORPORATION FUNDING TO THE JOINT COMMITTEE ON FINANCE SUPPLEMENTAL APPROPRIATION

Chg. to Enr. SB 21	
GPR	- \$28,700,000

As passed by the Legislature, Senate Bill 21 would have reduced GPR funding by \$17,900,000 in 2015-16 and \$12,400,000 in 2015-16 from the Wisconsin Economic Development Corporation's (WEDC) operations and programs appropriation and, instead, provided those amounts in the Joint Committee on Finance's (JFC) supplemental appropriation. *The Governor's partial veto retains the reductions to WEDC's operations and programs appropriation, but deletes \$16,300,000 in 2015-16 and \$12,400,000 in 2016-17 that would have been placed in JFC's supplemental appropriation. [The \$1,600,000 that would remain in JFC's supplemental appropriation in 2015-16 from the amounts subtracted from WEDC's operations and programs appropriation was also vetoed by the Governor and is described under "Investing in Infrastructure -- Item D-70."]*

[Act 55 Vetoed Section: 481 (as it relates to s. 20.865(4)(a))]

ITEM A-2. WEDC GRANTS TO VARIOUS ORGANIZATIONS

As passed by the Legislature, Senate Bill 21 would have provided WEDC with funding of \$750,000 GPR in 2015-16 in its operations and programs appropriation to make the following four grant awards:

a. \$250,000 for a grant to the Midwest Energy Research Consortium (M-WERC) to be used to support the growth, training, and research and development of private companies in the energy, power, and control sector headquartered in Wisconsin. WEDC would have been required to develop policies and procedures to determine if a business was headquartered in Wisconsin and eligible for an award from M-WERC. M-WERC would have been prohibited from expending any of these grant monies after June 30, 2017, or a later date established by WEDC. In addition, the bill would have required any unspent grant monies to be returned to DOA for deposit in the state's general fund. M-WERC would have been subject to the same reporting requirements that apply to other WEDC grant and loan recipients.

b. \$250,000 for a grant to Prosperity Southwest Wisconsin for a new revolving loan program in the southwest region of the state to promote regional economic development and entrepreneurial startups.

c. \$150,000 for a grant to the Northcentral Technical College that would have been used to purchase commercial stoves, ovens, and other equipment for its culinary arts program and business incubator facilities.

d. \$100,000 for a grant to the Marathon County Economic Development Corporation that would have been used for a revolving loan fund to support minority owned businesses in Marathon County. The bill would have specified that a business would be considered to be "minority owned" if at least 30% of the business is owned by a person who is a member of a minority group.

The Governor's partial veto deletes the provisions described above. However, the Governor did not veto the \$750,000 GPR provided to WEDC's operations and programs appropriation in 2015-16 associated with the four economic development grant awards. The veto message indicates that this veto would provide WEDC flexibility to make its own determination as to which organizations should receive assistance.

[Act 55 Vetoed Section: 9150(5dc)]

ITEM A-3. DEFINITION OF BONA FIDE ANGEL INVESTMENTS

As passed by the Legislature, Senate Bill 21 would have modified the definition of "bona fide angel investment" for purposes of the angel investment tax credit to include the purchase of a note or bond that is convertible to an equity interest. This provision would have first applied to bona fide angel investments made in taxable years beginning on January 1, 2016, and would have reduced estimated state tax revenues by a minimal amount. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Sections: 2191 and 9337(4b)]

ITEM A-4. CONDUIT REVENUE BONDS

As passed by the Legislature, Senate Bill 21 would have made the following changes to current law governing the Public Finance Authority (PFA):

- a. Specify that the PFA may adopt policies and procedures, in addition to bylaws as under current law, and may amend the bylaws, policies, and procedures;
- b. Provide that PFA may own or operate property and may gift or otherwise transfer property;
- c. Provide that in addition to being able to employ or appoint agents, employees, finance professionals, and special advisors, PFA can employ counsel;
- d. Provide that the PFA may purchase bonds issued by or on behalf of, or held by, a subunit of a political subdivision, as well as the federal government or a subunit of the federal government. In addition, clarify current law allowing bond purchases of any state to include a department, authority, or agency of such a state;
- e. Authorize the PFA to create or cause to be created one or more nonprofit corporations of which it is the sole member or may appoint or veto appointments of the governing board, provided that the purpose of the nonprofit corporation is to carry out or assist PFA to carry out all or

part of the purposes or powers of PFA. Provide that a nonprofit corporation established may be created under Chapter 181 or under the laws of any state or territory of the United States, and could exercise any power PFA may exercise. Specify that such a nonprofit corporation and the PFA could make loans to, borrow money from, and acquire or assign or transfer property to or from one another. Provide that such a nonprofit corporation would be subject to the same exemptions and immunities that apply to PFA. Provide that any nonprofit corporation established would be a legal entity separate and distinct from PFA, and its assets, liabilities and funds could neither be consolidated nor commingled with those PFA. Provide that PFA would not be held accountable for the actions, omissions, debts or liabilities of any nonprofit corporation nor would any nonprofit corporation be held accountable for the actions, omissions, debts or liabilities of PFA or any other nonprofit corporation established under this provision.

f. Modify current law references to the "face" of a bond, to instead refer to the "form" of the bond;

g. Provide that a bond resolution may provide that facsimile, electronic, or digital signatures of any person authorized to execute documents, including bonds, on behalf of PFA would be deemed the legal equivalent of a manual signature on specified documents or all documents and would be valid and binding for all purposes;

h. Modify current law relating to establishing an alternative to specifying the matters required to be specified in a bond resolution, to provide that PFA may delegate authority to the matters appropriate for inclusion, rather than which of the matters are included;

i. Delete a reference to "as provided in the resolution" from current law relating to early mandatory or optional redemption or tender;

j. Specify that current law relating to a trust agreement or indenture would apply to other agreements providing for issuance of the bonds, and allow the pledge or assignment of tangible or intangible collateral, including contractual rights;

k. Delete the current law requirement that PFA disclose to any person who purchases a tax exempt bond issued by PFA, that interest paid on the bond is exempt from taxation;

L. Specify that the property of PFA and related nonprofit corporations would be exempt from property taxes. Specify that conveyances from PFA or a related nonprofit corporation would be exempt from real estate transfer taxes and that income of PFA and related nonprofit corporations would be exempt from the state income tax. Provide that related nonprofit corporations would be exempt from the sales tax;

m. Extend current law that exempts PFA board members from personal liability on the bonds, so that this exemption would apply to an officer, employee, or agent of PFA. Expand this exemption to also apply to any contract entered into by PFA, and provide that it would apply to the nonprofit corporation under (e) above;

n. Extend current law that specifies that the state and the political subdivisions who are parties to the agreement creating PFA are not liable for PFA bonds or contracts, to also apply to any

political subdivision within or outside this state approving the issuance of bonds, and that liability would also not apply to bonds or contracts of the nonprofit corporation under (e) above;

o. Extend current law that specifies that the bonds of PFA are not a debt of the state and the political subdivisions who are parties to the agreement creating PFA to also apply to any political subdivision within or outside this state approving the issuance of bonds. Specify that all bonds contain a statement to this effect, but eliminate the current requirement that it be on the face of the bonds;

p. Delete a current law requirement that PFA have debt covenants audited at least every two years;

q. Provide that projects not located in this state related to the PFA could not be considered public projects of this state and would not be subject to state law governing public projects;

r. Delete current law that prohibits PFA from issuing bonds to finance a capital project in Wisconsin unless all of the political subdivisions within whose boundaries the project is to be located approve. Instead, the bonds could be issued if one of those political subdivisions approves, which is the level or approval required for PFA bonding in other states. Specify that an approval could be made by the governing board of a political subdivision or its designee, or, except for a first class city in this state or the county it is located in, by the highest ranking elected official of the political subdivision, or his or her designee. As an alternative to approval by a political subdivision, except for a first class city in this state, or a county in which a first class city is located, PFA could approve the financing in accordance with the IRC code relating to other requirements for private activity bonds. In addition, specify that bonds issued by PFA would not be deemed to finance the construction or improvement of a capital improvement project if the proceeds of those bonds are used to finance a project placed in service for federal tax purposes prior to the issuance of such bonds or to finance the acquisition of bonds of a different issuer and those bonds are or were used to finance a capital improvement project or to acquire leases, installment sale, or other contracts from a third party provider of capital improvement projects, or to finance the acquisition of a project if no more than 10% of the bond proceeds are used to finance the construction of capital improvements;

s. Modify current law governing projects located outside of the United States or its territories, to allow a participant, as well as a borrower, to be organized under the laws of the U.S., rather than be incorporated in the U.S. Delete a current law provision that specifies that to the extent current law applies to a borrower, it also applies to a participant if the participant is a nongovernmental entity.

t. Modify current law specifying that any action challenging bond issuance by PFA must be filed in circuit court within 30 days of PFA adopting the authorizing resolution for the bonds, to add the phrase: "or be barred". Specify that current law that generally governs the validity of municipal obligations would not apply to PFA.

u. Authorize eminent domain to a commission created by contract under current law governing intergovernmental cooperation among Wisconsin entities that are acting under the

provision of the PFA statute. Under current law, this provision applies to municipal interstate cooperation.

The Governor's partial deletes these provisions.

[Act 55 Vetoed Sections: 1067b, 1969ab thru 1969v, 2033b, 2037d, 2237d, 2238b, 2515j, and 2524p]

TRANSFORMING EDUCATION

ITEM B-5. STATEWIDE ASSESSMENT SYSTEM

As passed by the Legislature, Senate Bill 21 would have required the Department of Public Instruction to review and adopt or approve a statewide pupil assessment system to annually assess pupils in grades three through 10 in the subjects of English, reading, writing, science, and mathematics beginning in the 2015-16 school year, and would have established specific requirements for that system. The system would have been required to meet the following criteria: (a) be a vertically-scaled, standards-based system of summative assessments; (b) document student progress toward national college and career readiness benchmarks derived from empirical research and state standards; (c) be capable of measuring individual student performance in the following subject matter areas: English, reading, writing, science, and mathematics; (d) be able to be administered primarily in computer-based format, with paper and pencil format available for limited circumstances; and (e) be a predictive measure of student performance on college readiness assessments used by institutions of higher education. *The Governor's partial veto deletes these provisions.*

[Act 55 Vetoed Sections: 3248b (as it relates to renumbering s. 118.30(1)) and 3248c]

ITEM B-6. PARTICIPATION IN ATHLETICS AND EXTRACURRICULAR ACTIVITIES

As passed by the Legislature, Senate Bill 21 requires school boards to permit pupils who are enrolled in a home-based private educational program and reside in the school district to participate in interscholastic athletics or extracurricular activities on the same basis and to the same extent as public school pupils. The bill would have specified that a school district could not be a member of an athletic association unless the association required member school districts to permit home-based pupils to participate in interscholastic athletics in the district. *The Governor's partial veto deletes the second provision prohibiting school district membership in an athletic association, unless the association requires members to allow pupils enrolled in a home-based private educational program to participate in athletics.*

[Act 55 Vetoed Section: 3245t]

ITEM B-7. READ TO LEAD FUND DELETION

As passed by the Legislature, Senate Bill 21 would have deleted the Governor's Read to Lead Development Fund and its two associated SEG sum sufficient appropriations, effective June 30, 2017. *The Governor's partial veto deletes the sunset of the Governor's Read to Lead Development Fund and its two associated appropriations effective June 30, 2017.*

[Act 55 Vetoed Sections: 65b, 568b, 720d, 723d, 1007b, 1031b, 1678m, 1678r, 1678s, and 9406(1q)]

ITEM B-8. INDEPENDENT FINANCIAL AUDITS FOR PARENTAL CHOICE PROGRAM

As passed by the Legislature, Senate Bill 21 requires that independent financial audits of private schools participating in the Milwaukee, Racine, or statewide private school choice programs be prepared in accordance with generally accepted accounting principles beginning with audits of the 2015-16 school year, with allowable modifications for long-term fixed assets acquired before 2014. *The Governor's partial veto modifies the language related to allowable modifications for long-term fixed assets by striking the words "acquired before 2014."*

[Act 55 Vetoed Sections: 3355c and 3382c]

ITEM B-9. APPOINTMENT OF DIRECTOR OF OFFICE OF EDUCATIONAL OPPORTUNITY

As passed by the Legislature, Senate Bill 21 would have required the UW System President to appoint a special assistant to serve as the Director of the Office of Educational Opportunity no later than 120 days after the effective date of the bill. *The Governor's partial veto deletes the requirement that the appointment be made no later than 120 days after the effective date of the bill.*

[Act 55 Vetoed Section: 9148(4g)]

ITEM B-10. DIRECTOR OF OFFICE OF EDUCATIONAL OPPORTUNITY SALARY

As passed by the Legislature, Senate Bill 21 would have required the UW Board of Regents to set the salary range for the Director of the Office of Education Opportunity. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Section: 1207g]

ITEM B-11. CUSTODIAN OF RECORDS FOR OPPORTUNITY SCHOOLS AND PARTNERSHIP PROGRAM

As passed by the Legislature, Senate Bill 21 would have created parallel provisions for the powers of the Commissioner of the OSPP as exist for the powers of the MPS Board in a number

of areas, including designating records custodians. Under that provision, SB 21 would have allowed the Commissioner to designate one or more persons to be legal custodians of records on behalf of specified state or local authorities, including for the Commissioner. *The Governor's partial veto deletes the provision allowing the Commissioner to act on behalf of other authorities for the designation of records.*

[Act 55 Vetoed Section: 3387n (as it relates to Commissioner records custodian powers)]

ITEM B-12. CONTRACT FOR STUDY OF SPECIAL NEEDS SCHOLARSHIP PROGRAM

As passed by the Legislature, Senate Bill 21 creates a special needs scholarship program to allow a child with a disability to attend a participating private school of the child or the child's parent's choice beginning in 2016-17. The bill would have required the Legislative Audit Bureau to contract for a study of the program with one or more researchers who have experience evaluating school choice programs, with the results of the study reported to the appropriate standing committees of the Legislature by January 9, 2019. *The Governor's partial veto deletes language requiring that the Legislative Audit Bureau contract with one or more researchers who have experience evaluating school choice programs for the study of the program. Under Act 55, the Legislative Audit Bureau would be required to conduct the study.*

[Act 55 Vetoed Section: 3224m (as it relates to the LAB study requirement)]

ITEM B-13. SPECIAL NEEDS SCHOLARSHIP PROGRAM ELIGIBILITY REQUIREMENT

As passed by the Legislature, Senate Bill 21 creates a special needs scholarship program and establishes the following eligibility requirements for participating pupils: (a) the pupil has an individualized education plan (IEP) or services plan in place; (b) the pupil attended a public school in Wisconsin for the entire school year immediately preceding the school year in which the pupil first participates in the program; and (c) the pupil applied to attend a public school in one or more nonresident school districts under the open enrollment program in the same school year in which he or she would begin participating in the program and was rejected or prohibited from attending public school in the nonresident districts.

Senate Bill 21 would have required that in the 2016-17 school year, a pupil would be eligible for the program if he or she has an IEP in place, attended a public school in Wisconsin for the entire 2015-16 school year, and had applied to attend a public school in one or more nonresident school districts in at least one of the previous five school years and was rejected or prohibited from attending public school in the nonresident districts.

The Governor's partial veto modifies the program's eligibility requirements for the 2016-17 school year by striking the word "entire" from the requirement related to the pupil's public school attendance in the 2015-16 school year. Under Act 55, a pupil could participate in the special needs scholarship program in the 2016-17 school year if he or she attended a public

school in Wisconsin for the 2015-16 school year.

[Act 55 Vetoed Section: 9134(6q)]

ITEM B-14. VIRTUAL MARKETPLACE FOR DIGITAL EDUCATIONAL RESOURCES

Chg. to Enr. SB 21	
GPR	- \$10,000

As passed by the Legislature, Senate Bill 21 would have required DPI to establish a virtual marketplace to allow authorized personnel from public school districts, independent "2r" charter schools, and private schools, as well as home school educators, to purchase or license digital educational resources. The bill would have appropriated \$10,000 GPR of one-time funding in 2015-16 to fund a contract with one or more vendors to develop and add educational content to the marketplace. *The Governor's partial veto deletes these provisions.*

[Act 55 Vetoed Sections: 481 (as it relates to s. 20.255(1)(dt)), 560m, and 3193s]

ITEM B-15. PERFORMANCE FUNDING FORMULA

As passed by the Legislature, Senate Bill 21 would have established that the percentage of state general aid to technical colleges that would be distributed under the performance based funding formula would remain at 30% in 2017-18 and annually thereafter. The remainder of general aids would be distributed according to the property tax partially equalizing funding formula, which is based on property values and aidable costs. *The Governor's partial veto deletes this provision. As a result, the portion of state general aid distributed under the performance based formula would revert to zero beginning in fiscal year 2017-18.*

[Act 55 Vetoed Section: 1343m]

ITEM B-16. PERFORMANCE FUNDING REPORT

As passed by the Legislature, Senate Bill 21 would have required that the Wisconsin Technical College System Board review the performance-based funding formula and submit a report to the Joint Committee on Finance in the 2015-17 biennium. The report would have included possible changes to the performance-based funding formula and additional performance criteria that could be included. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Section: 9143(3j)]

ITEM B-17. ALLOCABLE STUDENT FEES

As passed by the Legislature, Senate Bill 21 would have modified current law to provide that students at UW institutions would have the responsibility for recommending the disposition of those student fees which constitute substantial support for campus student activities, subject to the approval of the chancellor and the final confirmation of the Board of Regents. *The Governor's partial would delete these changes and restore current law in this area. Under*

current law and Act 55 as vetoed, students have the responsibility for the disposition of those fees in consultation with the chancellor and subject to the final confirmation of the Board of Regents.

[Act 55 Vetoed Sections: 1139g and 1142m (as it relates to responsibility for allocable student fees)]

ITEM B-18. ANNUAL FINANCIAL AUDIT

As passed by the Legislature, Senate Bill 21 would have specified that the Legislative Audit Bureau (LAB) would not conduct a financial audit of the UW System for the 2015-16 and 2016-17 fiscal years as would otherwise be required under current law. Instead, SB 21 would have provided that the Board of Regents contract with an independent accounting firm licensed by the accounting examining board for the purposes of conducting an annual financial audit of the UW System for fiscal years 2015-16 and 2016-17. SB 21 would have specified that the accounting firm report to the Board of Regents and provide all of the following to the Board of Regents, the Governor, the Joint Legislative Audit Committee, and the Joint Finance Committee: (a) the audited financial statements; (b) performance improvement observations; and (c) a management letter complete with internal control deficiencies and audit differences. SB 21 would have provided that the independent accounting firm with which the Board of Regents contracts could have used the Legislative Audit Bureau to assist in conducting the audit to the extent the work relied upon did not modify the audit opinion with the exception of accepting the prior year's unqualified opinion. *The Governor's partial deletes this provision, so that the LAB's current law role in providing financial audits would be unchanged.*

[Act 55 Vetoed Section: 9148(7j)]

ITEM B-19. ENERGY CONSERVATION MASTER LEASE PROGRAM

As passed by the Legislature, Senate Bill 21 would have provided that the UW System President may annually identify and approve eligible energy conservation projects for the UW System. SB 21 would have provided that eligible energy conservation projects approved by the UW System President would be financed through the state's master lease program with the amount to be determined by the Secretary of the Department of Administration (DOA) in consultation with the UW System President. SB 21 would have defined "eligible energy conservation project" as a project that satisfies all of the following criteria: (a) the estimated costs associated with the project are offset by the estimated savings to the UW System after completion of the project; (b) all estimated savings from the project are guaranteed by the qualified provider selected for the project by the UW System President through a performance contract; and (c) the period in which estimated savings are projected to be realized from the project does not exceed ten years. SB 21 would have specified that the estimated savings for each eligible energy conservation project would be measured and verified in a manner established by the UW System President. SB 21 would have defined a "qualified provider" as a person who is experienced in the design, implementation, and installation of energy conservation and facility improvement measures and who has the ability to provide labor and material

payment and performance bonds equal to the maximum amount of any payments due under a performance contract entered into by the person.

SB 21 would have provided that: (a) eligible energy conservation projects approved by the UW System President would not be subject to approval by the State Building Commission; (b) the UW System would select qualified providers for such projects and that current law bidding procedures for construction project contracts, which specify that DOA lets construction contracts, would not apply to such projects; (c) the State Building Commission could not prescribe simplified bidding procedures for such projects as it may under current law for other projects that do not require approval by the Building Commission; (d) the UW System President would supervise the implementation of energy conservation projects financed through the state's master lease program and that such projects would not require review and approval by DOA; (e) DOA would not take charge of and supervise engineering or architectural services or construction work performed for such projects; and (f) the Board of Regents could employ engineering, architectural, or allied services and expend money for construction purposes for energy conservation projects approved by the UW System President and financed through the state's master lease program.

SB 21 would have specified that the following current law provisions would not apply to eligible energy conservation projects approved by the UW System President and financed through the state's master lease program: (a) an exemption for contracts for engineering or architectural services, for construction work of more than \$10,000, and for limited trades work of more than \$30,000 from current law related to contractual services and bidding; (b) a requirement that DOA attempt to ensure that 5% of the amount expended through such contracts be paid to minority businesses; (c) a requirement that DOA attempt to ensure that 1% of the amount expended through such contracts be paid to disabled veteran-owned businesses; and (d) a provision specifying such contracts, payments related to those contracts, and change orders related to those contracts must be approved by the DOA Secretary or his or her designated assistant and, in some cases, the Governor.

SB 21 would have provided that the UW System would be able to undertake or finance energy conservation projects through other state programs including DOA's energy efficiency program.

The Governor's partial veto deletes these provisions.

[Act 55 Vetoed Sections: 29, 29m, 35m, 41m, 55m, 364m (as it relates to eligible energy conservation projects), 366m (as it relates to eligible energy conservation projects), 375m, 378t, 392g (as it relates to eligible energy conservation projects), 392r (as it relates to eligible energy conservation projects), and 1176m]

ITEM B-20. INVESTMENT OF CERTAIN FUNDS

As passed by the Legislature, Senate Bill 21 would have provided that the Board of Regents could invest revenues from its auxiliary enterprises, gifts, grants, donations, and segregated fees collected for building projects by doing one of the following: (a) directly employing a financial

manager to oversee the investment of these funds; (b) contracting with the State of Wisconsin Investment Board (SWIB); or (c) selecting a private investment firm using the current law competitive sealed proposal process. SB 21 would have specified that the Board would not be required to deposit revenues from its auxiliary enterprises, gifts, grants, donations, and segregated fees collected for building projects in the State Investment Fund if the Board invests those moneys as specified in (a), (b), or (c). SB 21 would have modified the UW System's program revenue appropriations for general program operations and gifts and nonfederal grants and contracts to include earnings from the investment of revenues from its auxiliary enterprises, gifts, grants, donations, and segregated fees collected for building projects.

In addition, SB 21 would have provided that SWIB would invest the UW System's auxiliary enterprises revenues, gifts, grants, donations, and segregated fees collected for building projects if contracted to do so by the Board of Regents. SB 21 specifies that SWIB would invest these moneys in accordance with the terms of the contract with the Board of Regents and SWIB's standard of responsibility.

The Governor's partial veto would delete references to auxiliary enterprises and segregated fees collected for building projects. As a result of the partial veto, the Board of Regents would be authorized to invest revenues from gifts, grants, and donations and the SB 21 provisions above would only apply to those specific funds.

[Act 55 Vetoed Section: 1162r]

ITEM B-21. GIFT AND GRANT FUNDED BUILDING PROJECTS

As passed by the Legislature, Senate Bill 21 would have defined a UW gift and grants project as a construction project funded entirely by gifts and grants made to the UW System for the express purpose of funding the construction project. Senate Bill 21 would exempt these UW building projects from Building Commission and Department of Administration (DOA) approval and specify that DOA would not take charge of and supervise engineering or architectural services or construction work performed for such projects. *The Governor's partial veto would delete the phrase "for the express purpose of funding the construction project". As vetoed, the UW System could use any gifts and grants made to the UW System to fund projects under this provision.*

[Act 55 Vetoed Section: 369t]

ITEM B-22. DOA ASSESSMENT FOR PR FUNDED BUILDING PROJECTS

As passed by the Legislature, Senate Bill 21 would have required DOA in providing engineering, architectural, project management, and other building construction services to assess the UW System for certain building projects on a fee-for-service basis, except that total fees could not have exceeded four percent of the total cost of the project. This provision would have applied to UW System projects funded entirely by program revenues or program revenue supported bonding. This provision would have first applied to services provided on the effective date of the

budget act. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Sections: 365m and 9301(3f)]

ITEM B-23. STUDENT IDENTIFICATION NUMBERS

As passed by the Legislature, Senate Bill 21 would have deleted current law prohibiting UW institutions and private educational institutions located in Wisconsin that award bachelor's or higher degrees from using a student's social security number as his or her identification number. *The Governor's partial veto would this proposed change and retain this current law restriction.*

[Act 55 Vetoed Sections: 1279, 4468e, 4468m, and 4468s]

ITEM B-24. PROCUREMENT

As passed by the Legislature, Senate Bill 21 would have provided that the Board of Regents would develop policies related to procurement and specified that these policies would not be promulgated as rules. SB 21 would have provided that the Board would submit its procurement policies to the Joint Finance Committee and that the Joint Finance Committee would submit its approval of the policies to the Legislative Reference Bureau (LRB). SB 21 would have provided that, upon receipt of the approval, LRB would publish a notice in the Wisconsin Administrative Register that states the date on which the approval was submitted. Beginning on that date, current law related to purchasing by state agencies would not have applied to the UW System and the Board of Regents would have been authorized to purchase all necessary materials, supplies, equipment, all other permanent personal property and miscellaneous capital, and contractual services for the UW System. SB 21 would have provided that on that date DOA or its agents could enter into an agreement with the UW System under which either of the parties may agree to participate in, administer, or conduct purchasing transactions under a contract for the purchase of materials, supplies, equipment, permanent personal property, miscellaneous capital, or contractual services.

The Governor's partial veto deletes these provisions.

[Act 55 Vetoed Sections: 316p, 321, 322, 327d, 328, 355s, 1204m, 3578p, 9148(2d), and 9448(2d)]

ITEM B-25. AQUACULTURE SPECIALIST

As passed by the Legislature, Senate Bill 21 would have provided \$100,000 PR annually from tribal gaming revenues to fund a UW-Extension aquaculture specialist for the aquaculture demonstration facility. This funding would have been sunset on July 1, 2017. *The Governor's partial veto deletes this funding and related provisions.*

Chg. to Enr. SB 21	
PR	- \$200,000
GPR-Tribal	200,000

[Act 55 Vetoed Sections: 806g, 806r, and 9448(5j)]

ITEM B-26. MINORITY TEACHER LOAN PROGRAM ELIGIBILITY

As passed by the Legislature, Senate Bill 21 would have modified the existing minority loan program such that only minority students who meet all of the following would be eligible to receive loans through the program: (a) are residents of this state enrolled at least half-time as sophomores, juniors, or seniors in an institution of higher education, as defined in 20 USC 1001 (a) and (b), located in this state; (b) are enrolled in a program of study leading to a teacher's license in a discipline identified as a teacher shortage area for this state by the U.S. Department of Education; (c) are enrolled in a program of study that includes a student teaching component located at a public or private elementary or secondary school in the City of Milwaukee; and (d) have a grade point average of at least a 3.0 on a 4.0-scale or the equivalent. *The Governor's partial veto deletes the requirement under (c), so that the program of study would not have to include a teaching component located in a public or private elementary or secondary school in the City of Milwaukee.*

[Act 55 Vetoed Sections: 1372r and 9319(3f)]

ITEM B-27. POSITION REPORTS

As passed by the Legislature, Senate Bill 21 modifies current law to require the Board of Regents to report annually by November 1, instead of quarterly, to DOA and the Co-Chairs of the Joint Finance Committee regarding the number of full-time equivalent positions created by the Board in the previous 12-month period, based on the System's October 1 payroll. SB 21 would have also deleted current law specifying that positions authorized for the UW System not be included in any state position report beginning on July 1, 2015. *The Governor's partial veto restores this second provision, so that the statutes would continue to specify that positions authorized for the UW System not be included in any state position report beginning on July 1, 2015.*

[Act 55 Vetoed Section: 277m]

ITEM B-28. ACADEMIC STAFF APPOINTMENTS

As passed by the Legislature, Senate Bill 21 would have provided that, beginning on July 1, 2015, the Board of Regents could not appoint an academic staff member to a probationary or indefinite term academic staff appointment. SB 21 would have specified that an academic staff member who holds a probationary appointment on June 30, 2015, would hold a fixed term appointment effective July 1, 2015. SB 21 would have modified current law to specify that the policies for indefinite appointments made before July 1, 2015, would provide for permanent status and such other conditions of appointment as the Board establishes. *The Governor's partial veto delete these provisions.*

[Act 55 Vetoed Section: 1210m]

ITEM B-29. CONSERVATION FUND APPROPRIATION

As passed by the Legislature, Senate Bill 21 would have specified that in 2015-16 and 2016-17, \$124,400 annually, rather than \$78,000 annually as under current law, of the total annual appropriation of \$134,500 be provided for the UW-Stevens Point paper science program. As under current law, the remaining \$11,100 would have been provided for grants to forest cooperatives. *The Governor's partial veto deletes this change to the funding allocation, so that \$78,000 would be provided to UW-Stevens Point and the remaining \$56,500 for grants to forest cooperatives as under current law.*

[Act 55 Vetoed Sections: 596g, 596r, and 9448(5k)]

REFORMING GOVERNMENT

ITEM C-30. GROUP INSURANCE BOARD APPOINTMENTS

As passed by the Legislature, Senate Bill 21 would have provided that the six members of the Group Insurance Board (GIB) who are appointed by the Governor to two-year terms under current law, would now be appointed to the Board only with the advice and consent of the Senate. The bill specified that the terms of office of the current gubernatorial appointees to GIB would have terminated on the effective date of the budget bill. Incumbent gubernatorial appointees to GIB would have continued as Board members and exercised their powers and duties until a successor was appointed and qualified to assume the Board position. Further, the bill would have expanded the membership of GIB from 11 to 15 members and provided that the following be added as members of the Board: (a) one Representative appointed by the Speaker of the Assembly; (b) one Representative appointed by the Minority Leader of the Assembly; (c) one Senator appointed by the Majority Leader of the Senate; and (d) one Senator appointed by the Minority Leader of the Senate. *The Governor's partial veto deletes the provision.*

[Act 55 Vetoed Sections: 105d, 136d, and 9112(1c)]

ITEM C-31. REVIEW OF ANNUAL PROPOSED CHANGES TO THE STATE GROUP HEALTH INSURANCE PROGRAM

As passed by the Legislature, Senate Bill 21 would have provided that the Group Insurance Board (GIB), in consultation with the Division of Personnel Management in the Department of Administration, annually, by April 1, submit any proposed changes to the state group health insurance program to the Joint Committee on Employment Relations (JCOER). The bill would have specified that GIB could not implement any changes to the state group health insurance program unless approved by JCOER. The Joint Committee on Employment Relations would have been required to hold a public hearing on the proposed changes. Annually, before May 1, JCOER would have been required to approve, disapprove, or approve with modifications the proposed

changes and notify the Governor of its actions. Within 10 calendar days of this notification, the Governor would have been required to approve or reject in its entirety the proposed changes approved by JCOER. The bill specified that a vote of six members of JCOER (an eight member committee) would have been required to override any rejection of the Governor.

Notwithstanding the regular process identified above, GIB would have been required to submit proposed changes to the state group health insurance program for calendar year 2016 no later than 30 days after the effective date of the budget bill. The Group Insurance Board could not have implemented any changes to the state group health insurance program for the 2016 calendar year unless approved by JCOER. The Joint Committee on Employment Relations would have been required to hold a public hearing on the proposed changes. The bill would have specified that no later than 30 days after GIB submitted the proposed changes to JCOER, JCOER would have been required to approve, disapprove, or approve with modifications the proposed changes and notify the Governor of its actions. Within 10 calendar days of this notification, the Governor would have been required to approve or reject in its entirety the proposed changes approved by JCOER. The bill specified that a vote of six members of JCOER would have been required to override any rejection of the Governor. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Sections: 1389r and 9112(3j)]

ITEM C-32. AGENCY BUDGET REQUESTS

As passed by the Legislature, Senate Bill 21 would have required that state agencies making their agency biennial budget request would submit three proposals as follows: (a) a proposal written as if there would be no increase in expenditures of GPR, PR, or SEG from the base levels for the current fiscal year; (b) a proposal written as if the only increase in expenditures of GPR, PR, or SEG from base levels would be for cost to continue programs, including standard budget adjustments and increases in costs due to case load or population adjustments, and for the amounts necessary to fund previously enacted program commitments; and (c) the proposal submitted in (b) but modified to include increases in GPR, PR, or SEG from base levels for programmatic changes.

SB 21 would have required the DOA Secretary when compiling the requests for agencies for the succeeding biennium under the current law report due on November 20 of each even-numbered year, to ensure that the data is presented as the three of these proposals described above. *The Governor's partial veto deletes these provisions.*

[Act 55 Vetoed Sections: 272d, 272h, and 272i]

ITEM C-33. STATUTORY RESERVE AND BUDGET STABILIZATION FUND

As passed by the Legislature, Senate Bill 21 would have modified current law that requires beginning in 2017-18, the required balance would equal 2% of total GPR appropriations plus GPR compensation reserves for each fiscal year. SB 21 would have specified that the statutory reserve for fiscal years 2015-16 and 2016-17 would equal \$65 million plus the accumulated amount drawn from moneys that otherwise would have been transferred to the budget

stabilization fund. Beginning in 2017-18, the statutory reserve would equal the prior year reserve amount plus \$5,000,000, plus the accumulated amount drawn from moneys that otherwise would have been transferred to the budget stabilization fund in that fiscal year, but not to exceed 2%.

Under current law, if actual general fund tax collections in a fiscal year exceed the estimated amount for that year used in the budget act, then 50% of the excess is transferred to the budget stabilization fund, as long as this transfer would not reduce the general fund balance below the statutory reserve. SB 21 would have modified current law governing transfers to the budget stabilization fund to specify that if the transfer of 50% of the excess in actual tax collections compared to the estimate would have caused the general fund balance on June 30 of the fiscal year to be less than 2% of total GPR appropriations plus GPR compensation reserves for that year, then the Secretary of Administration could not have made the transfer. Instead, the moneys would have remained in the general fund, and the statutory reserve would have been increased correspondingly. The statutory reserve would have been set equal to \$65 million plus the accumulated amount of any moneys retained in the general fund under this procedure, but could not have exceeded 2% of total GPR appropriations plus GPR compensation reserves. In addition, SB 21 provides that beginning in 2017-18, at a minimum the statutory reserve would equal the prior year amount plus \$5 million, plus any moneys that would have been retained under this procedure, but could not exceed the 2% level. Once the general fund balance has reached this 2% amount, then transfers to the budget stabilization fund in subsequent fiscal years would have occurred as under current law, and the \$5 million annual increase would not apply. *The Governor's partial veto would delete the modifications relating to transfers to the budget stabilization fund, so that current law would continue to apply. The SB 21 requirement that the statutory reserve be increased by \$5,000,000 each year beginning in 2017-18 would be retained.*

[Act 55 Vetoed Sections: 282m, 478d, 478g, and 478h]

ITEM C-34. UTILIZATION OF DEPARTMENT OF ADMINISTRATION PROCUREMENT AND PURCHASING SERVICES

As passed by the Legislature, Senate Bill 21 would have authorized the Department of Employee Trust Funds (ETF) and its governing boards to purchase all supplies, materials, equipment, and contractual services required to carry out their responsibilities. The bill would have provided that contracts entered into by ETF or its governing boards be signed by an individual authorized by the Secretary of ETF. Further, it would have specified that ETF and its governing boards must maintain copies of all purchasing requisitions and contracts and permit inspections and copying of these documents as required under subchapter II of Chapter 19 (General Duties of Public Officials). The Department of Employee Trust Funds and its governing boards would have been required to file all bills and statements for purchases and engagements with the Secretary of the Department of Administration (DOA), who would have been required to audit and authorize payment of all such bills and statements.

The bill would have deleted the authority of DOA to require ETF and its governing boards to utilize DOA procurement and purchasing services. The Department of Administration would have been required, upon request, to: (a) make recommendations and provide assistance to ETF

and its governing boards regarding purchasing procedure; and (b) process requisitions for purchases submitted by ETF or a governing board and procure materials, supplies, equipment, and services for ETF or a governing board in accordance with the statutory purchasing procedure prescribed for executive branch agencies. *The Governor's partial veto deletes the provision.*

[Act 55 Vetoed Sections: 282s, 326q, 327b, 327d (as it relates to s. 16.745), 330n, 333r thru 339n, 345b thru 355b, and 355s (as it relates to s. 16.745)]

ITEM C-35. PAY-FOR-PERFORMANCE CONTRACTING REPORTS

As passed by the Legislature, SB 21 would have required all executive branch agencies to examine current programs and submit to the Joint Committee on Finance on or before December 1, 2015, a plan that identifies existing government expenditures that could be decreased or programs that could be improved through the use of pay-for-performance contracts. A pay-for-performance contract would have been defined as a contract between a government agency and a private organization for the delivery of services under which payment is contingent upon and delayed until achievement of specified outcomes as measured by an independent evaluator using agreed upon metrics. The bill also would have specified that under a pay-for-performance contract the contracting organization may serve as an intermediary which: (a) obtains funding to perform the contract by raising capital from private investors (whether philanthropic, profit seeking, or otherwise); and (b) subcontracts with direct providers (which may or may not be nonprofits) to achieve the required performance outcomes. *The Governor's partial veto deletes all of these provisions.*

The budget bill passed by the Legislature also authorizes the Department of Children and Families (DCF) to issue a request for proposals (RFP) for a pay-for-performance contract which, after a term of five years, provides an agreed upon payment on the condition that the contracting organization can demonstrate savings realized by the state (and not by local or federal government bodies) as defined by the terms of the contract from reducing rates of recidivism by offenders residing in the City of Milwaukee who have left incarceration and reentered the community. The contract must also provide for no payment unless a certain minimum level of success is demonstrated. The Legislative Audit Bureau must assist DCF and the RFP offerors to identify benchmarks to measure performance and must conduct an audit upon completion of the five-year contract term to determine whether the agreed-upon benchmarks have been achieved. In evaluating proposals, DCF must give priority to those which incorporate reuniting parents with their children.

After selecting a proposal, DCF would have been required to submit a plan to the Joint Committee on Finance for approval under a 14-day passive review process before a final contract with the RFP offeror elected by DCF could be executed or otherwise implemented. The plan would have had to include specific information on the RFP offeror selected, the methods under which the offeror would finance startup and ongoing costs, the levels of increased payment for greater degrees of success, the desired outcomes and benchmarks, the methods of monitoring and measuring performance, and any additional service providers which the offeror intended to engage for delivery of services. *The Governor's partial veto deletes the requirement that DCF submit a plan for passive review by the Joint Finance Committee. The other provisions authorizing DCF*

to enter into a pay-for-performance contract for a recidivism program are retained.

[Act 55 Vetoed Sections: 1785m and 9152(1c)]

ITEM C-36. LOCAL ZONING EXCEPTION

As passed by the Legislature, Senate Bill 21 would have specified that the structure or facility that is to be constructed for the benefit, or use, of the state and that was first enumerated under the 2007-09 building program and last modified under the 2013-15 building program as the State Transportation Building replacement in Madison would not be subject to any zoning ordinance or regulation of any city, village, or town. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Sections: 44b and 44m]

ITEM C-37. BUILDING COMMISSION CONTRACTING REQUIREMENTS

As passed by the Legislature, Senate Bill 21 would have deleted a reference to authorizing lease or lease purchase from current law governing the waiver of state contracting requirements. SB 21 would have deleted current law governing single prime contracts so that it would not apply to the use of leases or lease purchase in lieu of state construction, but would continue to apply to other alternatives to state construction approved by the Commission. SB 21 would also have deleted a reference to the acquisition of existing facilities in lieu of state construction, so that the Building Commission could have considered the lease or lease purchase, but not acquisition of facilities in lieu of state construction for any project enumerated in the state building program.

The Governor's partial veto would delete these changes, except the current law reference to "existing" facilities is still eliminated under Act 55, so that Act 55 specifies that the Commission may authorize the lease, lease purchase, or acquisition of state facilities in lieu of state construction, rather than the lease, lease purchase, or acquisition of existing facilities as under current law.

[Act 55 Vetoed Sections: 47b (as it relates to the acquisition of facilities), 370, 373b, and 374b]

ITEM C-38. HEALTH INSURANCE FOR PROTECTIVE SERVICE EMPLOYEES

As passed by the Legislature, Senate Bill 21 specifies that if a first-class city (Milwaukee) offered health care insurance to employees who are police officers, fire fighters, or emergency medical technicians, the first-class city would be required to also offer to the employees who are police officers, fire fighters, or emergency medical technicians, a high-deductible health plan (HDHP) that had identical design features to the HDHP offered to state employees. *The Governor's partial veto deletes the requirement that the offered HDHP must have identical design features to the HDHP offered to state employees.*

[Act 55 Vetoed Section: 1952c]

ITEM C-39. INFORMATION TECHNOLOGY SERVICES FOR CERTAIN AGENCIES AND SHARED AGENCY SERVICES PILOT PROGRAM

As passed by the Legislature, Senate Bill 21 requires DOA to consult with certain agencies and develop a plan for assuming responsibility for services relating to human resources, payroll, finance, budgeting, procurement, and information technology for any of the agencies specified. *The Governor's partial veto excludes the following from the list of agencies specified: (a) Board on Aging and Long-Term Care; (b) Board for People with Developmental Disabilities; (c) Office of the Secretary of State; (d) Office of the State Treasurer; (e) Office of the Governor; and (f) Office of the Lieutenant Governor.*

[Act 55 Vetoed Section: 9101(5n)(a)]

ITEM C-40. ENERGY EFFICIENT BUILDING DESIGNER TAX DEDUCTION CERTIFICATION

As passed by the Legislature, Senate Bill 21 would have required DOA, upon request, to provide any necessary certification for a person to receive a federal tax deduction under 26 U.S.C. 179D if the person is the primary designer of an energy efficient commercial building property installed on or in state-owned property. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Section: 393p]

ITEM C-41. TIME ALLOCATION FOR WORKERS' COMPENSATION

As passed by the Legislature, Senate Bill 21 transfers most formal adjudicatory functions related to workers' compensation claims from the Department of Workforce Development to the DOA Division of Hearing and Appeals (DHA). The bill would have specified that a minimum of 18 administrative law judges would be transferred to DHA to hear worker's compensation cases and that each of the 18 DHA worker's compensation administrative law judges allocate a minimum of 80% of their time on workers compensation issues. **The Governor's partial veto deletes the provision that requires at least 18 DHA examiners to devote not less than 80 percent of their work time to hear workers compensation cases.**

[Act 55 Vetoed Section: 2830e]

ITEM C-42. DUTIES OF THE SECRETARY OF STATE

As passed by the Legislature, Senate Bill 21 creates a new method for municipal incorporation without utilizing the Department of Administration's current law process. The new method currently applies only to the Town of Windsor (Dane County) and the Town of Maine (Marathon County). A requirement of the process is that the town conduct a referendum, and if a majority of the votes are cast in favor of a city, the town clerk must certify the fact to the Secretary of State, who then issues and records a certificate of incorporation. Another provision of Enrolled SB 21 transferred the municipal filing functions of the Secretary of State to DOA. *The Governor's partial veto removes the words "of state" from the requirement to issue and record a certificate*

of incorporation. As a result, the veto message indicates: "With this partial veto, the town clerk would certify the incorporation vote to the 'secretary.' The intent of this veto is to retain this function in the Department of Administration."

[Act 55 Vetoed Section: 1959e]

ITEM C-43. ALTERNATIVE TELECOMMUNICATIONS UTILITIES

As passed by the Legislature, Senate Bill 21 would have removed the current law authority of the Public Service Commission (PSC) to require alternative telecommunications utilities (ATUs) to: (1) obtain PSC approval before abandoning or discontinuing any line, extension, or service; (2) remove poles and certain other structures from a right-of-way, if the ATU abandons the right-of-way; or (3) dispose of any part of a right-of-way obtained by the ATU by condemnation, if the right-of-way is in a rural area and the ATU abandons the right-of-way. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Section: 3528m]

ITEM C-44. INTERVENOR COMPENSATION

As passed by the Legislature, Senate Bill 21 would have modified the amounts paid under the intervenor financing and grants appropriation by repealing the authorization for grants of up to \$300,000 in total each year for operational costs of nonprofit corporations that have a history of advocating at the PSC on behalf of ratepayers, and by reducing the compensation rate for consumer groups and consumer representatives from up to 100% of the reasonable cost of participating in a PSC hearing, to 50% of that cost. To reflect these changes, the intervenor compensation biennial appropriation in the Chapter 20 appropriations schedule was decreased by \$671,300 PR each year, from \$1,042,500 to \$371,200. *The Governor's partial veto deletes the statutory changes to the program, thereby restoring the authorization for grants to nonprofit organizations and the compensation rate of up to 100% for consumer groups and consumer representatives. However, the veto does not restore the funding in the appropriation schedule. The PSC could limit 2015-17 expenditures to the amounts available in the appropriation, or seek increased funding, if necessary, under separate legislation or through Joint Committee on Finance action under s. 13.10 of the statutes.*

[Act 55 Vetoed Sections: 510m, 3532k, 3532m, and 3532n]

ITEM C-45. EXTENSION OF MUNICIPAL WATER AND SEWER SERVICE APPEALS PROCESS

As passed by the Legislature, Senate Bill 21 authorizes a municipality in Kenosha County to request the extension of water or sewer utility service from another municipality that owns and operates a water or sewer utility and to appeal any decision of the municipality that owns and operates the water or sewer utility to deny the service extension to the PSC. In addition, the bill would have allowed the municipality requesting the service extension or the municipality owning

and operating the utility to appeal the decision of the PSC to the Department of Natural Resources and would have required the Department to provide a determination within 45 days of receiving the appeal. *The Governor's partial veto deletes the provision allowing the appeal of the PSC decision to the Department of Natural Resources and requiring the Department to provide a determination within 45 days of receiving the appeal. Under current law, decisions of the PSC may be appealed to circuit court.*

[Act 55 Vetoes Section: 1991m]

ITEM C-46. UNIVERSAL SERVICE FUND REVENUES REPORT

As passed by the Legislature, Senate Bill 21 would have required the PSC to submit a report to the Joint Committee on Finance on causes of the unencumbered balance in the universal service fund and the changes that could be made to the procedures for setting the budgets for the various universal service fund programs and for establishing contribution rates for providers that would reduce the fund's unencumbered balance in the future. The report would have been required to include a recommendation on the level of fund balance that is appropriate to accommodate timing imbalances between revenues and expenditures and to include an explanation of how unspent revenues in the fund's balance, in excess of any revenues needed to accommodate timing imbalances between revenues and expenditures, was incorporated into the contribution rates to be imposed on telecommunications providers in 2015-16. Finally, the report was required to be submitted to Joint Finance for its third quarterly meeting in 2015 (September) under s. 13.10 of the statutes and the PSC would have been prohibited from imposing any revisions to contribution rates in 2015-16 without the report being approved by the Committee. *The Governor's partial veto deletes these provisions.*

[Act 55 Vetoes Section: 9136(2u)]

ITEM C-47. STATE AGENCY LEASE REQUIREMENTS

As passed by the Legislature, Senate Bill 21 would have required DOA, before signing or renewing any executive branch agency lease for space that is located in Dane or Milwaukee Counties, to solicit lease options in counties other than Dane or Milwaukee. In addition, the bill would have required DOA to prepare a cost benefit analysis for each lease or renewal regarding whether savings would accrue to the state from locating the agency, department, division, bureau, office to a location outside of Dane or Milwaukee Counties and provide a copy of the analysis to the agency head and the Joint Committee on Finance. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoes Sections: 356q and 356r]

ITEM C-48. TOURISM MARKETING--EARMARK STUDY

As passed by the Legislature, Senate Bill 21 would have required Tourism to conduct a study of the statewide benefits of five earmarked expenditures required during the 2015-17

biennium under s. 41.11 (6) of the statutes. [Those earmarks are: (a) at least \$125,000 annually for marketing sporting activities and events; (b) at least \$25,000 annually for broadcasts of the Milwaukee Symphony Orchestra; (c) at least \$50,000 biennially to promote multicultural events in Wisconsin; (d) at least \$200,000 biennially to promote exhibits and activities at the Milwaukee Public Museum; and (e) at least \$200,000 annually for grants to Native American Tourism of Wisconsin.] As part of the study, Tourism would have been required to examine alternative expenditures that could be made with the same funds. Tourism would have been required to report findings to the Joint Committee on Finance, by January 1, 2017. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Section: 9144 (3j)]

ITEM C-49. SURPLUS FOR RATE-BASED AND RATE-REGULATED PROVIDERS

As passed by the Legislature, Senate Bill 21 would have modified statutory contracting requirements for rate-based services and rate-regulated services as detailed below. These changes would have taken effect on January 1, 2016, and first applied to contracts commencing performance on that date.

Current law enables the Departments of Children and Families (DCF), Health Services (DHS), and Corrections (DOC), and counties to enter into rate-based contracts with private agencies (and counties) to provide social services, child welfare, economic support, public assistance, and correctional services to the public. Rate-based contracts procure client services on the basis of a unit rate per client. For proprietary agencies, such contracts provide a separate fixed add-on for profits. The Senate Bill 21 provision would have specified that a "rate-regulated service" means a rate-based service that is reimbursed through a rate established under s. 49.343 (rate regulation of residential care centers, group homes, and child welfare agencies by DCF).

Currently, nonprofit providers (and counties) are permitted to keep a portion of the excess revenue generated by a rate-based service. Retention of the surplus is meant to allow the provider to build a reserve that can be used to cover costs in other years for which the unit cost is inadequate to cover the costs under the contract. For DCF and DHS, retention of excess revenue has historically been limited by a two part test: a 5% annual limit and a 10% cumulative limit over four contract periods. Contracts may specify an annual retention limit lower than 5%. The Senate Bill 21 provision would have repealed the 10% cumulative limit and prevented purchasers (counties, DCF, DHS, and DOC) from negotiating contracts which set an annual retention limit smaller than 5%.

In calculating the retained amount for nonprofits and in calculating profits for proprietary agencies, the Senate Bill 21 provision would have permitted agencies to: (a) offset surpluses and losses across all rate-regulated services; (b) offset surpluses in rate-regulated contracts generated by affiliated providers against deficits generated by affiliated providers (but not below zero); and (c) offset surpluses and deficits in both rate-based and rate-regulated contracts from a preexisting provider in the event of a merger, sale, or other transfer. If the surplus retained by a nonprofit provider for a rate-based service under all contract periods ending in the calendar year exceeded 5% of the total revenues under such contracts as of December 31, then the provider would have

had to provide written notice of the amount of the excess to all purchasers under those contracts. The provider would have had to return a purchaser's proportional share of the overall excess if that purchaser provided a written request no later than six months after the date the purchaser received the written notice of the excess.

The Senate Bill 21 provision would also have specified that the retained surplus could be used for any allowable purpose under federal law in the sole discretion of the provider. Purchasers would not have been entitled to restrict the use of the funds for such purposes. Further, the provision would have specified that there would be no guarantee of a surplus under a contract for rate-based or rate-regulated services.

The Governor's partial veto deletes all of these provisions.

[Act 55 Vetoed Sections: 1471nb thru 1471ns, 1776n, 1776p, 1777fb thru 1777fr, 4250c thru 4250k, 9306(3u), and 9406(1v)]

ITEM C-50. AMBULATORY SURGICAL CENTER ASSESSMENT REPORT

As passed by the Legislature, Senate Bill 21 would have required the Department of Health Services (DHS) to annually report to the Joint Committee on Finance all of the following information for the prior fiscal year: (a) the total amount of revenue collected from eligible ambulatory surgical centers (ASCs) under the ASC assessment; (b) the amount each eligible ASC paid under the assessment; (c) the total amount of money received by each managed care organization, if money was received, in medical assistance (MA) payment increases made in connection with the assessment; (d) the total amount each managed care organization paid to ASCs; and (e) the total amount of MA payment increases paid to eligible ASCs on a fee-for-service basis under the assessment. In addition, the bill would have required the Department of Revenue to provide to DHS any information necessary for DHS to complete the report. ***The Governor's partial veto deletes this provision.***

[Act 55 Vetoed Section: 3483t]

ITEM C-51. TRANSFER OF REGULATION OF FOOD, LODGING AND RECREATIONAL ESTABLISHMENTS

As passed by the Legislature, Senate Bill 21 transfers regulatory authority for restaurants, lodging establishments, and certain recreational establishments from Department of Health Services (DHS) to the Department of Agriculture, Trade and Consumer Protection (DATCP), effective July 1, 2016. The bill would have created a food safety advisory council in DATCP, effective July 1, 2016. The DATCP Secretary would have appointed council members reflecting a broad representation of the restaurants and other retail food establishments. The council would have been required to meet at least quarterly, and advise the DATCP Secretary on all aspects of food safety, including license or permit fees. ***The Governor's partial veto deletes the creation of a food safety advisory council in DATCP.***

The bill also prohibits DHS, or any local health department acting as an agent of the

Department, from modifying certain food safety-related fees, from the effective date of the bill through July 1, 2016. The bill would have prohibited DATCP, or any local health department acting as an agent of the Department, from modifying its current fees for regulation of retail food establishments from the effective date of the bill through July 1, 2016, and any food safety-related fees contained under newly-created Subchapter II of Chapter 97, from July 1, 2016 through July 1, 2017. In combination, these provisions would have implemented a two-year freeze on food safety-related fees charged by those Departments. *The Governor's partial veto maintains the one-year fee freeze for DHS that applies to 2015-16, but deletes the DATCP fee freeze that would have applied to retail food establishments in 2015-16 and all food safety-related fees in 2016-17. This results in a one-year freeze on fees charged by DHS for restaurants, temporary restaurants, and certificates of food protection practices.*

[Act 55 Vetoed Sections: 132m, 9102(3q), and 9402(1v)]

ITEM C-52. AUDIOLOGIST AND SPEECH LANGUAGE PATHOLOGIST FEES

Chg. to Enr. SB 21	
GPR-REV	\$21,300
PR-REV	213,400

As passed by the Legislature, Senate Bill 21 would have set the biennial credential renewal fees for audiologists and speech-language pathologists at \$75 for credential renewals during the 2015-17 biennium. Currently, the license renewal fee for those professions is set at \$170 for the 2015-17 biennium under the DSPS fee proposal approved by the Joint Committee on Finance in March, 2015. This provision in the enrolled bill would have reduced fee revenues DSPS collects by an estimated \$213,400 in 2016-17, and reduced the amount transferred to the general fund by DSPS (GPR-Rev) by an estimated \$21,300 in 2016-17. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Section: 9138(6c)]

ITEM C-53. PROGRESSIVE RAFFLES

As passed by the Legislature, Senate Bill 21 would have permitted organizations with a Class B raffle license to conduct a progressive raffle, in which a series of drawing is held and in which the money collected in ticket sales, from which a prize is awarded, is carried over to the succeeding drawing if the drawing winner does not select a prize card from among a set of cards. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Sections: 4546m, 4546p, 4546r, and 4546t]

ITEM C-54. JOINT COMMITTEE ON FINANCE APPROVAL OF TAX RECIPROCITY AGREEMENTS

As passed by the Legislature, Senate Bill 21 would have prohibited any new income tax reciprocity agreement from taking effect unless the agreement is approved by the Joint Committee on Finance under the procedures authorized in s. 13.101 of the state statutes. This prohibition would not have applied to the agreements currently in effect with Kentucky, Illinois, Michigan, or

Indiana. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Sections: 2117e, 2226e, and 2226em]

**ITEM C-55. SALES TAX EXEMPTION FOR AMUSEMENT
DEVICE PROCEEDS**

GPR-Tax	\$300,000
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As passed by the Legislature, Senate Bill 21 would have required that, with regard to taxable sales on access to or the use of an amusement device, the state sales and use tax only be imposed on the sales of playing time on the device. Further, to the extent that playing time on an amusement device derives from playing specified digital goods ("specified digital goods" means digital audio works, digital audiovisual works, and digital books under current law) or additional digital goods ("additional digital goods" includes video or electronic games under current law) on the device, the state sales and use tax would not apply. The bill would have defined "amusement device" as a pool table, video game machine, video gambling machine, dart board, pinball machine, foosball table, air hockey table, shuffleboard table, or jukebox. Under the bill, the exemption would have become effective January 1, 2016, and was estimated to reduce state revenues by \$100,000 in 2015-16 and \$200,000 in 2016-17. *The Governor's partial veto deletes these provisions.*

[Act 55 Vetoed Sections: 2515m, 2515n, 2524m, 2524n, and 9437(2u)]

ITEM C-56. CIGARETTE TAX MANUFACTURER'S DISCOUNT

GPR-Tax	\$1,100,000
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As passed by the Legislature, Senate Bill 21 would have increased the cigarette tax stamp discount from 0.7% to 0.8% for cigarette manufactures, bonded direct marketers, and distributors. It was estimated that this provision would reduce state revenues by \$500,000 in 2015-16 and \$600,000 in 2016-17. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Section: 3445p]

ITEM C-57. ADDITIONAL AUDITOR REPORTING COMPARISON REQUIREMENTS

As passed by the Legislature, Senate Bill 21 would have required the Department of Revenue (DOR) to submit an annual report to the Joint Committee on Finance within six months following the close of state fiscal years 2015-16 through 2019-20 that contains information regarding the actual or estimated amounts of state tax revenues generated by, and expenditures associated with, the additional full-time auditor positions provided under the bill. DOR would have been required to include in the annual report the number of audits, and the amount of revenue generated from those audits, that were performed on persons headquartered or residing outside Wisconsin compared to persons headquartered or residing in Wisconsin.

The Governor's partial veto deletes the requirement that DOR include the number of audits, and the amount of revenue generated from those audits, that were performed on persons headquartered or residing outside Wisconsin compared to persons headquartered or residing in Wisconsin.

[Act 55 Vetoed Section: 9137]

ITEM C-58. SALES TAX EXEMPTION FOR CONSTRUCTION MATERIALS

GPR-Tax	\$11,000,000
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As passed by the Legislature, Senate Bill 21 would have created a sales and use tax exemption for goods sold to construction contractors who, in fulfillment of a real property construction activity, transfer the goods to Wisconsin elementary and secondary school districts, municipalities, or nonprofit entities if such goods become a component of a facility in this state that is owned by the entity. The bill specified that eligible nonprofit entities would include those that are organized and operated exclusively for religious, charitable, scientific or educational purposes, or for the prevention of cruelty to children or animals, except hospital service insurance corporations. The bill would have defined "facility" as any building, shelter, parking lot, parking garage, athletic field, athletic park, storm sewer, or water supply system, but not a highway, street, or road. This provision would have taken effect on January 1, 2016, and first applied to construction contracts entered into on that date. This provision would have reduced revenues by an estimated \$3,500,000 in 2015-16 and \$7,500,000 in 2016-17. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Sections: 2524r, 9337(4c), and 9437(2c)]

ITEM C-59. IMPLEMENTATION OF ROOM TAX MODIFICATIONS

As passed by the Legislature, Senate Bill 21 modified the definition of a "tourism entity" to mean a nonprofit organization that came into existence before January 1, 2016, spends at least 51% of its revenues on tourism promotion and tourism development, and provides destination marketing staff and services for the tourism industry in a municipality, except that if no such organization exists in a municipality on January 1, 2016, a municipality may contract with such an organization if one is created in the municipality. *The Governor's partial veto deletes the first reference to 2016 and the elimination of the prior law reference to 1992, thereby limiting the definition of "tourism entity" to such nonprofit organizations in existence before January 1, 1992, unless no such organization existed in a municipality on January 1, 2016.*

Senate Bill 21 also established a restriction on the amount of room tax revenues municipalities could retain for general purposes equal to the greater of 30% of current year revenues or an annual sliding scale of prior year amounts. The bill would have specified that this restriction would not have applied to any room tax revenues needed to meet the terms of any contract which existed on or before January 1, 2016. *The Governor's partial veto deletes the exception to the restriction for revenues needed to meet the terms of a contract.*

[Act 55 Vetoed Sections: 1990ec, 1990ek, and 1990ekf]

ITEM C-60. LAYOFF PROCEDURES FOR CERTAIN EMPLOYEES

As passed by the Legislature, Senate Bill 21 would have specified that for the 11.0 education-related positions and 18.4 science services positions eliminated from the Department of Natural Resources under the bill, the statutory requirements under section "230.34(2)(a)" of the statutes shall not apply. [Section 230.34(2) of the statutes requires the agency to identify and

terminate (release) all employees in the layoff group who are performing duties which the employee would be qualified to perform including: (a) limited-term employees, including provisional employees; (b) employees serving on a project appointment; and (c) employees serving an original appointment probationary period.] *The Governor's partial veto corrects the statutory reference by deleting "(a)" to accurately reflect the Legislature's intent.*

[Act 55 Vetoed Section: 9132(3d)]

ITEM C-61. UNFUNDED PENSION LIABILITY PAYMENTS

As passed by the Legislature, Senate Bill 21 would have modified current law that allows the Secretary of Administration to lapse or transfer moneys from state agencies to pay debt service on pension obligation bonds to also authorize the Secretary to require a direct payment to the general fund in lieu of a lapse or transfer. SB 21 would have modified the current definition of state agency to also include the following entities: (a) the Wisconsin Housing and Economic Development Authority; (b) the Wisconsin Health and Educational Facilities Authority; (c) the community development finance authority created before July 1, 1988; (d) the nonprofit corporation with which the Department of Workforce Development contracts under the 1989 statutes; (e) the University of Wisconsin Hospitals and Clinics Authority (UWHCA); (f) the Fox River Navigational System Authority; (g) the Wisconsin Aerospace Authority; and (h) the Wisconsin Economic Development Corporation.

SB 21 would have specified that for purposes of calculating the amount allocable to the UWHCA, the Secretary would have been required to include any amount allocable to the former UW Hospital and Clinics Board, which was eliminated in 2011 Act 10, based on the number of employees at the UW Hospital and Clinics Board on the day on which it was eliminated, as calculated by the Secretary. *The Governor's partial veto deletes these provisions.*

[Act 55 Vetoed Sections: 293d, 293h, and 293p]

ITEM C-62. COUNTY AND MUNICIPAL LEVY LIMIT ADJUSTMENT FOR TRANSFERRED SERVICES

As passed by the Legislature, Senate Bill 21 would have modified the levy limit authorized under current law by allowing any political subdivision that transfers to another governmental unit responsibility for providing any service that the political subdivision provided in the preceding year and any political subdivision that increases the services that it provides by adding responsibility for providing a service transferred to it from another governmental unit that provided the service in the preceding year to adjust its allowable levy. The adjustment would have equaled one-half of the difference between the cost that would have been incurred to provide the service and the cost to provide the service, but that amount would have been divided between the entities agreeing to the service transfer, as specified in the transfer agreement. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Section: 1986j]

ITEM C-63. ALCOHOLIC BEVERAGE LICENSE MODIFICATIONS

As passed by the Legislature, Senate Bill 21 would have allowed a municipality that had reached its "Class B" license (on-premises sales of liquor) quota to obtain a "Class B" license if the municipality that reached its quota paid a nonrefundable fee of \$10,000 to a contiguous municipality that had not reached its quota. The bill specified that, upon payment of the fee, the transferred license would be under the jurisdiction of the receiving municipality and would be renewed under existing law. Further, the bill would have permitted, but not required, municipalities with available licenses to transfer an available license to a contiguous municipality under these provisions. The bill would have prohibited dry municipalities (municipalities that have not issued a "Class B" license) from transferring available licenses under these provisions. In a separate provision, the bill would have specified that the \$10,000 fee paid for a reserve "Class B" license may not be rebated or refunded to the licensee by the municipality that issued the license. An additional provision in the bill would have deleted a current law provision that permits municipalities that have reached their quotas to issue a "Class B" license to a full-service restaurant that has a seating capacity of 300 or more persons. The bill would have also prohibited a winery from being issued a Class "B" license (on-premises sales of beer) after the effective date of the budget bill. *The Governor's partial veto deletes these provisions.*

[Act 55 Vetoed Sections: 3432d thru 3432g, 3432i thru 3432u, and 3432w]

ITEM C-64. LAFAYETTE COUNTY SHERIFF'S DEPARTMENT

Chg. to Enr. SB 21	
PR	- \$100,000

As passed by the Legislature, Senate Bill 21 would have provided \$50,000 PR annually in the 2015-17 biennium on a non-continuing basis to the Department of Justice to award a grant to Lafayette County Sheriff's Department for drug law enforcement and drug interdiction. Funding would have been provided to the law enforcement services drug law enforcement, crime laboratories, and genetic evidence activities PR appropriation. *The Governor's partial deletes the provision.*

[Act 55 Vetoed Sections: 481 (as it relates to s. 20.455(2)(kd)) and 9126(1q)]

INVESTING IN INFRASTRUCTURE

ITEM D-65. STATE BROADBAND OFFICE FUNDING

As passed by the Legislature, Senate Bill 21 increased the expenditure authority for the Public Service Commission's utility regulation appropriation by \$125,000 on a one-time basis for each year of the 2015-17 biennium to provide funding for the state broadband office. Further, the bill would have specified that the PSC not include the \$125,000 in the base year for purposes of developing the 2017-19 biennial budget. *The Governor's partial veto deletes the base year*

funding stipulation so that the additional funding will be included in the amount used to develop the 2017-19 base budget.

[Act 55 Vetoed Section: 9136(2q)]

ITEM D-66. ENVIRONMENTAL IMPACT STATEMENT -- EAST ARTERIAL HIGHWAY

As passed by the Legislature, Senate Bill 21 would have required the Department of Transportation to begin an environmental impact statement (EIS) in the 2015-17 biennium for a major highway project involving a proposed east arterial highway running from the intersection of STH 54 and STH 73 in the Village of Port Edwards to the intersection of STH 54 and Wood County CTH W in the City of Wisconsin Rapids, including a new crossing of the Wisconsin River. The current law requirement that the Transportation Projects Commission provide prior approval of an EIS would not have applied to this study. This item also provided \$822,000 SEG in 2015-16 in the major highway development program appropriation for this purpose. *The Governor's partial veto deletes this provision, but retains the associated funding provided in the major highway development appropriation, which could be used for other program purposes.*

[Act 55 Vetoed Section: 2551u]

ITEM D-67. STATE HIGHWAY PROGRAM AUDIT

As passed by the Legislature, Senate Bill 21 would have requested that the Joint Legislative Audit Committee direct the Legislative Audit Bureau to conduct a performance evaluation audit of the Department of Transportation's state highway program. If conducted, the audit would have evaluated various aspects of this program, including: (a) the Department's traffic forecasting methodologies; (b) the processes and factors that the Department uses to select the timing, type, and scope of highway improvements; (c) safety-related highway improvement practices; (d) compliance with federal and state highway design and construction requirements; and (e) the Department's bidding practices. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Section: 9145(1d)]

ITEM D-68. BICYCLE AND PEDESTRIAN FACILITIES ON STATE HIGHWAY PROJECTS

As passed by the Legislature, Senate Bill 21 replaced the section of the statutes that had generally required the Department of Transportation to include bicycle and pedestrian facilities as a part of new highway construction or reconstruction projects, funded in whole or in part with state funds, with the following provisions: (a) a requirement that the Department give due consideration to establishing bikeways and pedestrian ways in all new highway construction and reconstruction projects funded in part or in whole with state or federal funds; (b) a requirement that the Department may not establish a bikeway or pedestrian way as part of a new highway construction or reconstruction project if either of the following apply: (1) bicyclists or pedestrians are prohibited

by law from using the highway that is the subject of the project; or (2) the project is funded in whole or in part from state funds, unless the governing body of each municipality in which a portion of the project will occur has adopted a resolution authorizing the Department to establish the bikeway or pedestrian way, or if the federal government provides written notice to the Department that establishment of such facilities as a part of a project is a condition for the use of federal funds for that project; and (c) repeal of TRANS 75, which was the chapter of the administrative code that related to the inclusion and exclusion of bikeways and pedestrian ways in highway projects. The bill would have specified that all of these provisions first applied to projects not complete on the general effective date of the bill, except to the extent that funds for a project that had not been completed were encumbered on this date. *The Governor's partial veto deletes portions of these initial applicability provisions such that they only affect the requirement for municipal approval for the inclusion of bicycle and pedestrian projects as a part of state-funded highway projects. As vetoed, this requirement first applies to projects on the effective date of the act "except to the extent that a project has not been completed" on that date. The veto message indicates that the intent of this veto is that the municipal approval requirement not apply to projects that are already underway.*

[Act 55 Vetoed Section: 9345(6j)]

ITEM D-69. RAIL FIXED GUIDEWAY TRANSPORTATION SYSTEMS

As passed by the Legislature, Senate Bill 21 would have specified that a county containing a first class city (Milwaukee County) would not have been able to incur any direct or indirect expenses, including the forfeiture of any revenue, relating to the operation or accommodation of a rail fixed-guideway transit system in the first class city, unless the expense incurred or the revenue lost would have been fully reimbursed by the first class city. *The Governor's partial veto deletes the words "or accommodation," so that the restriction applies only to the operation of a rail fixed-guideway transit system.*

[Act 55 Vetoed Section: 2574]

ITEM D-70. FREIGHT OPTIMIZATION MODELING CONSULTANT CONTRACT

Chg. to Enr. SB 21	
GPR	- \$1,600,000

As passed by the Legislature, Senate Bill 21 would have allocated \$1,600,000 in the Joint Committee on Finance's GPR supplemental appropriation in 2015-16 for the purpose of funding a consultant contract for freight optimization modeling services, pending approval under s. 13.10 of the statutes. The Department of Transportation and the Wisconsin Economic Development Corporation would have been required to conduct a study and prepare a report for the Joint Committee on Finance analyzing possible applications of freight optimization modeling for economic development and transportation infrastructure prioritization in the state and recommending the use of available funding for contracting with one or more consultants to provide such services. If funding had been released by the Committee, the Department could have used the funds to contract with a consultant. *The Governor's partial veto deletes these provisions and the*

associated funding.

[Act 55 Vetoed Sections: 481 (as it relates to s. 20.395(4)(bk) and 20.865(4)(a)), 655e, 2547d, and 9145(4f)]

ITEM D-71. AMORTIZATION SCHEDULE FOR COMMERCIAL PAPER

As passed by the Legislature, Senate Bill 21 would have required that DOA establish a planned amortization schedule for the repayment of principal repayment on the state's short-term, general obligation commercial paper programs, so that a uniform portion of the principal amount of such obligations is planned to be retired annually. SB 21 would have defined short-term commercial paper program as a short-term debt obligation issued in lieu of long-term state general obligation debt. *The Governor's partial veto deletes these provisions.*

[Act 55 Vetoed Section: 239r]

ITEM D-72. GENERAL TRANSPORTATION AIDS APPEALS PROCESS

As passed by the Legislature, Senate Bill 21 would have created an appeals process within the general transportation aid program, such that any county or municipality that believed that information used to calculate the aid payment to the county or municipality was reported in error could have submitted a request to the Department of Transportation for correction of this information and the related aid amount. The bill would also have given the Department the authority to promulgate administrative rules establishing submission requirements and arbitration procedures for such appeals. *The Governor's partial veto deletes these provisions.*

[Act 55 Vetoed Sections: 648r and 2595k]

REFORMING HEALTH CARE ENTITLEMENTS

ITEM E-73. FAMILY CARE AND IRIS PROGRAMS

As passed by the Legislature, Senate Bill 21 requires the Department of Health Services (DHS) to develop a waiver to request changes to the state's long-term care programs that includes the following components: (a) expands the Family Care program statewide; (b) integrates acute and long-term care services, including Medicare-funded services to the extent allowable by the federal Centers for Medicare and Medicaid Services (CMS), under a single program; (c) increases the size of regions currently served by managed care entities; (d) provides long-term care services on a regional basis, with no fewer than five regions; (e) requires multiple integrated health agencies (IHAs) to provide services in all regions of the state; (f) requires IHAs to make available a consumer-directed option under the long-term care program; (g) modifies the long-term care programs, including allowing for audits of providers, in order to improve accountability in the

provision of services; (h) establishes an open enrollment period for the state's long-term care programs that coincides with the Medicare open enrollment period; (i) requires that rates paid to IHAs be set through an independent actuarial study; and (j) preserves the "any willing provider" provision under current law for a minimum of three years in each region following the implementation date of the program in that region. DHS is required to consult with stakeholders in developing the waiver, and is required to submit the waiver to the Joint Committee on Finance for approval prior to submittal to CMS. *The Governor's partial veto deletes the following requirements of the waiver request: (a) that there be at least five regions in which long-term care services are provided; (b) that the long-term care program's open enrollment period coincide with the Medicare open enrollment period; and (c) that rates paid to IHAs be set through an independent, actuarial study.*

[Act 55 Vetoed Section: 9118(9)]

ITEM E-74. LABOR REGION METHODOLOGY STUDY

As passed by the Legislature, Senate Bill 21 would have required the Department of Health Services to study the labor region methodology for establishing nursing home reimbursement rates, and to submit an implementation plan to the Legislature by July 1, 2016, for incorporating any necessary changes to the methodology such that the proposed labor region methodology results in adjustments to direct care costs that reflect labor costs for nursing homes in each county. The Department would be prohibited from implementing any changes without enactment of authorizing legislation. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Section: 9118(4u)]

ITEM E-75. DISPUTE RESOLUTION PROCESS RELATING TO HEALTH INSURANCE COVERAGE OF CHIROPRACTIC TREATMENT

As passed by the Legislature, Senate Bill 21 would have established a process for resolving disputes related to insurer conduct with respect to statutory requirements for chiropractic coverage, access, and reimbursement, and would have authorized the Insurance Commissioner to promulgate emergency rules to establish the process in advance of permanent rules. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Sections: 4590r and 9122(1v)]

ITEM E-76. FOODSHARE EMPLOYMENT AND TRAINING DRUG TESTING

As passed by the Legislature, Senate Bill 21 requires DHS to promulgate rules to develop and implement a drug screening, testing, and treatment policy for FoodShare Employment and Training (FSET) participants who are able-bodied adults without dependent children and subject to the FoodShare work requirements. The program would have included at least the following elements: (a) only participants for whom there is a reasonable suspicion of use of a controlled substance without a valid prescription are subject to testing, and the Department is required to

specify a mechanism for determining reasonable suspicion that requires submission to a drug test; (b) if a participant tests negative, or tests positive for the use of a controlled substance but presents evidence of a valid prescription, the individual has satisfactorily completed the testing requirements; (c) if a participant tests positive for a controlled substance for which he or she does not have a valid prescription, then the individual must participate in state-sponsored substance abuse treatment to remain eligible for FSET; (d) while participating in the mandatory substance abuse treatment, an individual must submit to random testing for the use of a controlled substance, and the test must be negative, or positive with evidence of a valid prescription, for the individual to remain eligible for FSET; (e) if an FSET participant enrolled in state-sponsored treatment tests positive for use of a controlled substance without a valid prescription, the individual may begin treatment again one time and would remain eligible for FSET; and (f) if an individual completes treatment and tests negative for use of a controlled substance, or positive for the use of a controlled substance for which the individual has a valid prescription, the individual will have satisfactorily completed the substance abuse screening and testing requirements. *The Governor's partial veto deletes the requirement that the policy only be applied to individuals for whom there is a reasonable suspicion of abuse of a controlled substance without a valid prescription. In addition, the Governor's partial veto deletes the language indicating that treatment be state-sponsored. The veto message indicates that the state would be the payer of last resort for any required treatment.*

[Act 55 Vetoes Section: 1833]

ITEM E-77. GRANTS TO AN ORGANIZATION THAT PROVIDES ADVANCED LIFE SUPPORT TRAINING

Chg. to Enr. SB 21	
GPR	- \$40,000

As passed by the Legislature, Senate Bill 21 would have provided \$20,000 in each year of the 2015-17 biennium for a one-time grant for an entity that provides or facilitates advanced life support training to physicians, physician's assistants, nurse practitioners, registered nurses, and emergency medical technician - paramedics, who work in rural areas of the state. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoes Sections: 481 (as it relates to appropriation 20.435(1)(ch)), 668r, 668s, 9118(3q), and 9418(7q)]

ITEM E-78. HEALTH CARE PROVIDER FEES FOR DATA COLLECTION AND DISSEMINATION

Chg. to Enr. SB 21	
GPR	- \$1,000,000

As passed by the Legislature, Senate Bill 21 requires DHS to transfer \$1,100,000 PR from the physician assessment appropriation to the general fund, and would have increased the Joint Committee on Finance's supplemental appropriation by an unreserved amount of \$1,000,000 GPR in 2015-16. *The Governor's partial veto maintains the transfer of \$1,100,000 PR from the physician assessment appropriation to the general fund, but deletes \$1,000,000 GPR from the Committee's supplemental appropriation.*

[Act 55 Vetoes Section: 481 (as it relates to appropriation 20.865(4)(a))]

ITEM E-79. COUNTY-TO-COUNTY NURSING HOME BED TRANSFERS

As passed by the Legislature, Senate Bill 21 would have required DHS to develop a policy that specifies the procedures for applying for, and receiving approval of, the transfer of available, licensed nursing home beds among counties. DHS would have been required to submit a report on the resulting policy to the Joint Committee on Finance no later than July 1, 2016. *The Governor's partial deletes this provision. In his veto message, the Governor indicates that he is directing DHS to review current procedures and prepare a plan to address any issues that arise from that review.*

[Act 55 Vetoed Section: 9118(7g)]

ITEM E-80. EXEMPT CERTAIN INSTITUTIONS FROM THE NURSING HOME BED ASSESSMENT

Chg. to Enr. SB 21	
GPR	- \$640,600

As passed by the Legislature, Senate Bill 21 would have exempted county government-owned institutions for mental disease and facilities that are state-licensed, but not certified to participate in the Medicaid or Medicare programs, from the nursing home bed assessment, to the extent permissible by the federal Department of Health and Human Services. This provision would have reduced estimates of segregated revenue to the MA trust fund by \$320,300 annually, and increased GPR funding for MA benefits by a corresponding amount. *The Governor's partial veto deletes this provision. In addition, the Governor's partial veto intended to reduce GPR funding to support MA benefits by \$640,600 over the 2015-17 biennium to reflect the deletion of this provision. However, the Governor's partial veto instead reduced GPR funding to support the general program operations of health services facilities for mental health and developmental disabilities by \$640,600 over the 2015-17 biennium.*

[Act 55 Vetoed Sections: 481 (as it relates to appropriations under s. 20.435(2)(a)), 1875d, 1875e, and 1875f]

ITEM E-81. NONEMERGENCY MEDICAL TRANSPORTATION

As passed by the Legislature, Senate Bill 21 would have required the Department of Health Services to modify the current contract for nonemergency medical transportation brokerage services for medical assistance recipients to exclude recipients in Jefferson, Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha counties, and make alternative arrangements for the provision of nonemergency medical transportation services to MA recipients in those counties. *The Governor's partial deletes this provision.*

[Act 55 Vetoed Section: 9118(11f)]

ITEM E-82. HEALTHY AGING GRANTS

As passed by the Legislature, Senate Bill 21 would have provided \$200,000 in one-time funding in each year of the 2015-17 biennium for a grant to a private, non-profit entity that would use the funds to conduct the following activities: (a) coordinate the implementation of evidence-

based health promotion programs in healthy aging; (b) coordinate with academic and research institutes regarding research on healthy aging; (c) serve as a statewide clearinghouse on evidence-based disease prevention and health promotion programs; (d) provide training and technical assistance to the staff of county departments, administering agencies, and other providers of services to aging populations; (e) collect and disseminate information on disease prevention and health promotion in healthy aging; (f) coordinate public awareness activities related to disease prevention and health promotion in aging; and (g) advise the Department on public policy issues concerning disease prevention and health promotion in aging. ***The Governor's partial veto deletes the requirement that the funds be granted to a private, non-profit entity. In addition, the Governor's partial veto deletes requirements (a) through (g) above, which specify the activities that the grant recipient must conduct. Consequently, DHS would be permitted to grant \$200,000 in each year of the biennium to an entity that conducts programs in healthy aging.***

[Act 55 Vetoes Sections: 703r and 9118(4f)]

ITEM E-83. ENHANCED DENTAL SERVICES REIMBURSEMENT PILOT PROGRAM

As passed by the Legislature, Senate Bill 21 establishes an enhanced dental services reimbursement pilot program in Brown, Marathon, Polk, and Racine Counties under the medical assistance program. The enrolled bill establishes various specific requirements for the pilot program, including the following: (a) a requirement that reimbursement rates be set at 80% of the median fee charged by dentists for each procedure, as specified in a survey conducted by the American Dental Association; (b) a requirement that the Department collaborate with the American Dental Association to produce a quarterly report on the pilot program that includes various data related to service utilization and the program's fiscal impact and submit the report to the Joint Committee on Finance; and (c) a requirement that the pilot program end after three years. In addition, the enrolled bill specifies that the enhanced reimbursement rates would first apply to services provided on the effective date of the waiver or plan amendment for the pilot program. ***The Governor's partial veto deletes the specific program requirements outlined above as well as the initial applicability provision for the program.***

[Act 55 Vetoes Sections: 1798 and 9318(2)]

ITEM E-84. BADGERCARE PLUS COVERAGE FOR CHILDLESS ADULTS

As passed by the Legislature, Senate Bill 21 requires DHS to request federal approval for the following BadgerCare Plus eligibility requirements for childless adults: (a) impose monthly premiums as determined by DHS; (b) impose higher premiums for enrollees who engage in behaviors that increase their health risks, as determined by DHS; (c) require a health risk assessment; (d) limit a childless adult's eligibility to no more than 48 months, and require DHS to specify the eligibility formula in the amendment; and (e) require, as a condition of eligibility, that a childless adult applying for or enrolled in the program submit to a drug screening assessment, and, if indicated, a drug test, as specified by DHS. In addition, the bill would have required, prior to submitting the proposal to the federal Department of Health and Human Services (DHHS), DHS to submit to the Joint Committee on Finance a report that summarized the provisions and estimated of

the fiscal effect of the proposal. If DHHS approved the proposal in whole or in part, the bill would have required DHS, before implementing the changes, to submit a report to the Joint Committee on Finance that summarizes the provisions, and provides an estimate of the fiscal effect, of the approved proposal. *The Governor's partial deletes the requirements that DHS provide reports to the Joint Committee on Finance before submitting or implementing the proposal.*

[Act 55 Vetoed Section: 1797]

ITEM E-85. CONSOLIDATE COMMUNITY MENTAL HEALTH PROGRAMS

As passed by the Legislature, Senate Bill 21 would consolidate three community mental health grant programs into a single program and require the Department of Health Services to distribute the consolidated funds to counties. Although the enrolled bill would not establish an allocation formula or specific criteria for distributing the funding, it would have required the Department to consult with the Wisconsin Counties Association and other persons and organizations with an interest in mental health services prior to developing a method for allocating the funds, and would have required the Department to submit the resulting method for distributing the funds to the Joint Committee on Finance for approval under a 14-day passive review process. *The Governor's partial veto deletes the requirement that the Department consult with the Wisconsin Counties Association and other interested parties prior to developing a method for distributing the funds, as well as the requirement that the Department submit the proposed method to the Joint Committee on Finance for approval.*

[Act 55 Vetoed Section: 9118(1q)]

ITEM E-86. CHILDREN'S COMMUNITY OPTIONS PROGRAM TECHNICAL MODIFICATION

As passed by the Legislature, Senate Bill 21 creates a children's community options program (Children's COP) by repealing the family support program and consolidating funding currently budgeted for that program and funding that currently supports long-term care services for children under the community options program. For the purposes of the program, the enrolled bill defines the term "child" as follows: "a person under 22 years of age who is not eligible to receive services in or be on a waiting list for an adult long-term care program." *The Governor's partial veto deletes the word "be" from the definition, so as vetoed a child is defined as "a person under 22 years of age who is not eligible to receive services in or on a waiting list for an adult long-term care program." In his veto message, the Governor indicates that this change is intended to clarify that individuals up to 22 years of age are eligible for Children's COP as long as they are not otherwise able to access services through the adult long-term care system.*

[Act 55 Vetoed Section: 1535]

ITEM E-87. DIVISION OF MEDICAID SERVICES

Chg. to Enr. SB 21 Positions	
FED	1.00

As passed by the Legislature, Senate Bill 21 consolidates the Division of Health Care Access and Accountability and the Division of Long-Term Care within DHS, to create a new Division of Medicaid Services. As a part of the merger, 1.00 FED unclassified division administrator position that is currently vacant would have been deleted beginning in 2015-16, and 1.00 GPR unclassified division administrator position that is currently held by the administrator of the Division Long-Term Care would have been deleted on June 30, 2017. *The Governor's partial veto deletes the provisions that eliminate these positions. Consequently, these positions are not deleted. [Since the deletion of the GPR position would have occurred at the end of the biennium, the restoration of the GPR positions as the result of the Governor's veto is not reflected in the box.]*

[Act 55 Vetoed Sections: 3665r, 3665s, and 9418(7p)]

PROTECTING WISCONSIN CITIZENS AND OUR MOST VULNERABLE
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ITEM F-88. PEDESTRIANS CROSSING RAILROADS

As passed by the Legislature, Senate Bill 21 would have allowed a person to walk directly across the tracks or right-of-way of any railroad without being prevented by the railroad or cited for the current law prohibition against persons walking, loitering, or being upon, or along, the track of any railroad. *The Governor's partial deletes this provision.*

[Act 55 Vetoed Section: 3527m]

ITEM F-89. EXPANDED PAYDAY LENDER AUTHORITY

As passed by the Legislature, Senate Bill 21 would have expanded the types of financial products and services a payday loan licensee may conduct, and permit others to conduct, to include: (a) the sale of insurance, annuities, and related products; (b) services commonly offered by a currency exchange; and (c) any financial or consumer finance services subject to regulation by statute or rule. Further, the bill specified that a payday loan licensee may sell merchandise and conduct other business at the place of business specified in the payday loan license provided that the licensee holds any applicable license, permit, or other approval required by law to sell the merchandise or conduct the other business. *The Governor's partial veto deletes these provisions.*

[Act 55 Vetoed Sections: 3443f, 3443h, 3443j, and 3443m]

ITEM F-90. NONPROFIT VOLUNTARY HOST FAMILIES REPORT

As passed by the Legislature, Senate Bill 21 requires the Department of Children and

Families (DCF) to establish a plan to engage and utilize non-profit volunteer programs to provide temporary host families for children whose parent or legal guardian has legally and voluntarily agreed to participate in such a program as an alternative to foster care. The bill also would have required DCF to submit a report on the plan to the Joint Committee on Finance on or before November 1, 2015. *The Governor's partial veto deletes the reporting requirement.*

[Act 55 Vetoed Sections: 9106(2e)]

ITEM F-91. INCREASE PART-TIME DISTRICT ATTORNEYS TO FULL-TIME

	Chg. to Enr. SB 21 Funding Positions	
GPR	-\$83,500	- 1.20

As passed by the Legislature, Senate Bill 21 would have provided \$83,500 GPR and 1.2 GPR DA positions in 2016-17 in order to increase part-time elected DAs in Florence County, Buffalo County, and Pepin County to full-time, beginning January 2, 2017. Further, effective January 2, 2017, Enrolled SB 21 would have repealed the current law requirement that the DAs for Florence County, Buffalo County, and Pepin County serve on a part-time basis. As a result, the DAs for Florence County, Buffalo County, and Pepin County would have served on a full-time basis beginning January 2, 2017. [Currently, Florence County has a 0.5 full-time equivalent DA, Buffalo County has a 0.5 full-time equivalent DA, and Pepin County has a 0.8 full-time equivalent DA.] *The Governor's partial veto deletes the statutory modifications, and the increased funding and position authority.*

[Act 55 Vetoed Sections: 481 (as it relates to s. 20.475(1)(d)), 4735d, 4735r, 4740e, 4740n, and 9410(1c)]

ITEM F-92. REFERENCE TO THE DEPARTMENT OF CHILDREN AND FAMILIES

As passed by the Legislature, Senate Bill 21 transfers the administration of youth aids from the Department of Corrections to the Department of Children and Families (DCF). In conjunction with the transfer, numerous statutory references were modified to delineate the revised duties of Corrections and DCF. Among the modifications was a provision allowing both Corrections and DCF to review court records for the purpose of obtaining information concerning a juvenile who is required to register as a sex offender. *The Governor's partial veto removes the Department of Children and Families from the provision related to reviewing juvenile court records for the purpose of obtaining information concerning a juvenile who is required to register as a sex offender.*

[Act 55 Vetoed Section: 4699f]

SUPPORTING OUR VETERANS

ITEM G-93. COMMERCIAL DRIVER LICENSE FEE WAIVER

As passed by the Legislature, Senate Bill 21 would have waived the fees for a commercial driver license and related endorsements, as well as the \$10 additional license issuance fee, for holders of a military commercial driver license, only at the time of initial issuance or upgrading. *The Governor's partial veto deletes the language in the bill that would have limited the waiver of these fees to the time of initial issuance or upgrading. As a consequence, the waiver of these fees would also apply to commercial driver license renewals for applicants who also hold a military commercial driver license.*

[Act 55 Vetoed Section: 4334t]

PRESERVING WISCONSIN'S HERITAGE

ITEM H-94. PECFA PROGRAM SUNSET

As passed by the Legislature, Senate Bill 21 would have specified that a person would not be eligible for reimbursement of cleanup costs under the petroleum environmental cleanup fund award (PECFA) program if the person did not notify the Department of Natural Resources (DNR) of the discharge from the petroleum product storage system (primarily gas station) or home heating oil system and the potential for submitting a PECFA claim before July 1, 2017. The bill also specified that in order to be eligible for reimbursement, a person must submit a claim for the reimbursement of eligible costs: (a) before July 1, 2020; and (b) within 180 days after incurring the eligible costs, or by the first day of the seventh month after the effective date of the budget, whichever is later. *The Governor's partial veto changes the deadline for submittal of notification of the discharge and potential PECFA eligibility to DNR from "July 1, 2017" to "July 20" by deleting the first "1," and the numbers "17" in the year "2017" resulting in the Act reading "before July 20." The Governor's veto message states that the notification must be received by the Department "before July 20, 2015."*

[Act 55 Vetoed Section: 4213]

ITEM H-95. FRANK LLOYD WRIGHT HERITAGE TRAIL

As passed by the Legislature, Senate Bill 21 would have required the Department of Tourism to expend \$500,000 in 2015-17 only to promote, advertise and publicize buildings in Wisconsin designed or constructed by Frank Lloyd Wright that are open to the public. The bill

provided \$500,000 GPR in 2015-16 in the Department of Tourism's biennial general marketing appropriation for Wright promotions. In addition, the bill would have required the Department of Transportation to designate and sign various segments of highways in Kenosha, Racine, Milwaukee, Waukesha, Jefferson, Dane, Iowa, Sauk, and Richland counties, as the "Frank Lloyd Wright Heritage Trail." *The Governor's partial veto deletes the requirement for the Department of Transportation to designate and mark the Frank Lloyd Wright Heritage Trail, and it deletes the requirement for the Department of Tourism to expend \$500,000 in 2015-17 on Wright-related promotions. However, additional tourism marketing funding of \$500,000 GPR in 2015-16 is retained.*

[Act 55 Vetoed Sections: 641m, 641n, 1422m, 2564m, and 2595g]

ITEM H-96. 100th ANNIVERSARY OF THE STATE CAPITOL

As passed by the Legislature, Senate Bill 21 would have required the Joint Committee on Legislative Organization to establish a nine-member 100th Anniversary State Capitol Commemoration Commission. Each of the following would have been authorized to appoint one member to the Commission: (a) the Speaker of the Assembly; (b) the Minority Leader of the Assembly; (c) the President of the Senate; (d) the Minority Leader of the Senate; (e) the Governor; (f) the Supreme Court; (g) the Secretary of the Department of Administration; (h) the State Capitol and Executive Residence Board; and (i) the Director of the State Historical Society. The members of the Commission would have been required to elect a Chairperson.

The Commission would have been directed to plan events, including educational programs for children and students, to be held in 2017 for commemorating the 100th anniversary of the completion of the State Capitol. The Commission would have been authorized to request that individuals and organizations with knowledge of the history, construction, and renovation of the State Capitol assist the Commission in planning and executing the commemoration. The bill would have specified that the Commission dissolve upon conclusion of the commemoration of the 100th anniversary of the completion of the State Capitol. *The Governor's partial veto deletes the provision.*

[Act 55 Vetoed Section: 9127]

ITEM H-97. PROCEEDS FROM SALE OF STEWARDSHIP LANDS

As passed by the Legislature, Senate Bill 21 would have specified that the net proceeds (after repayment of any outstanding debt on that parcel, applicable federal tax law compliance, or other restrictions governing use of the proceeds, such as if the property was acquired by gift or grant) of DNR land sales from land required to be offered for sale under s. 23.145 of the statutes be used as follows: (a) fifty percent to pay principal on outstanding public debt issued under the stewardship program; and (b) fifty percent to be deposited in a new continuing conservation fund SEG appropriation to be used for DNR to acquire land in the manner specified under s. 23.09(2)(d) of the statutes. [Under section 23.145 of the statutes, the Natural Resources Board is required to, on or before June 30, 2017, offer for sale at least 10,000 acres of DNR property located outside the project boundaries established as of May 1, 2013, Currently, the net proceeds must be used to pay

principal on outstanding public debt issued under the stewardship program.] *The Governor's partial veto deletes the provision, and thereby restores the current law requirement that the net proceeds be used for stewardship debt service payments.*

[Act 55 Vetoed Sections: 481 (as it relates to s. 20.370(7)(iv)), 639m, 640d, 980b, and 980bm]

ITEM H-98. NORTHERN STATE FORESTS MASTER PLANS

As passed by the Legislature, Senate Bill 21 would have required DNR to amend master plans for all the Northern State Forests, except Governor Knowles State Forest, by March 1, 2017 so that 75% of all the land in those state forests combined is classified as a forest production area. Northern State Forests would include all state forests located outside the 16-county region composed of Calumet, Dodge, Fond du Lac, Jefferson, Kenosha, Manitowoc, Milwaukee, Outagamie, Ozaukee, Racine, Rock, Sheboygan, Walworth, Washington, Waukesha, and Winnebago Counties. In addition, the bill would have specified that the Department propose a variance to the master plans of all Northern State Forests by June 30, 2016, with the exception of Governor Knowles State Forest, to incorporate provisions related to requirements for land classified as a forest production area. *The Governor's partial veto deletes the specified dates. However, in his veto message the Governor directs DNR to amend the master plans and propose the variance by June 30, 2017.*

[Act 55 Vetoed Sections: 9132(4vw)&(4vx)]

ITEM H-99. AUDIT OF THE FORESTRY ACCOUNT

As passed by the Legislature, Senate Bill 21 would have requested that the Joint Legislative Audit Committee direct the Legislative Audit Bureau (LAB) to perform an audit of the forestry account of the conservation fund. If the Committee directs the Legislative Audit Bureau (LAB) to perform an audit, require LAB to file its audit report on or before June 30, 2017. *The Governor's partial veto deletes this provision.*

[Act 55 Vetoed Section: 9132(3f)]

ITEM H-100. CAR-KILLED DEER REPORT

As passed by the Legislature, Senate Bill 21 provides funding from the forestry account of the conservation fund on a one-time basis in 2015-16 and 2016-17 and requires the Department of Natural Resources to administer a program for removal of car-killed deer from state trunk highways. In addition, the bill would have required DNR to submit a report to the Governor, Joint Committee on Finance and appropriate standing committees of the Legislature by January 1, 2017, including the cost effectiveness of the car-killed deer program, the number of deer collected, and any recommendations regarding the program. *The Governor's partial veto deletes the reporting requirement.*

[Act 55 Vetoed Section: 9132(1q)]

ITEM H-101. SNOWMOBILE SUPPLEMENTAL TRAIL AIDS REQUESTS TO JOINT COMMITTEE ON FINANCE

As passed by the Legislature, Senate Bill 21 would have modified section 350.12(4)(br) of the statutes to clarify that if supplemental snowmobile trail aids payable to counties and to the Department exceeds the moneys available from the snowmobile gas tax multiplier and the nonresident snowmobile sticker transfer, DNR may only do the following or any combination of the following: (a) prorate the payments; or (b) submit a request to the Joint Committee on Finance for approval under a 14-day passive review procedure to provide additional funding from other available snowmobile account funds including funds from appropriation 20.370(5)(cr) [county snowmobile aids] and 20.370(5)(cs) [snowmobile fuel tax transfer]. [Under current law, if the supplemental aid payable to counties exceeds funding available from the two statutorily specified sources, s. 350.12(4)(br) of the statutes specifies that the Department may either prorate the claims or request that the Joint Committee on Finance take action under s. 13.101 (without the requirement of finding an emergency).] *The Governor's partial veto deletes this provision, thereby retaining current law.*

[Act 55 Vetoed Section: 4359m]

ITEM H-102. GRANTS TO NONPROFIT CONSERVATION ORGANIZATIONS

Chg. to Enr. SB 21	
SEG	- \$2,041,800

As passed by the Legislature, Senate Bill 21 would have restored funding for part, or all, of annual grants to the following non-profit conservation organizations: (a) National Off-Highway Vehicle Insurance & Services Group; (b) Wisconsin Lakes; (c) Great Lakes Timber Professionals Association; (d) Gathering Waters, Inc.; (e) Natural Resources Foundation; (f) Urban Forest Protection; (g) Ice Age Trail Alliance; (h) River Alliance of Wisconsin; (i) County Forests Association; (j) Wild Rivers Interpretive Center, and (k) Northern Great Lakes Center.

The Governor's partial veto removes funding for the grants (with the exception of the Northern Great Lakes Center). In addition, in his veto message, the Governor requests that the DOA Secretary not allot these funds. However, statutory authority for the grants remains. The following table shows the grant amount under the enrolled bill, and as item-vetoed by the Governor.

<u>Grant Recipient</u>	<u>Enabling Statute</u>	<u>Enrolled SB 21</u>	<u>Act 55</u>	<u>Source</u>
National Off-Highway Vehicle Insurance and Services Group	s. 23.33(5m)	297,000	0	ATV SEG
Wisconsin Lakes Great Lakes Timber Professionals - Association - Master Loggers	s. 281.69(1r)	180,000	0	Water Resources SEG
Gathering Waters, Inc.	s. 26.39(7)	75,000	0	Forestry SEG
Natural Resources Foundation	s. 23.0955	124,500	0	Water Resources/Forestry SEG
Urban Forest Protection	s. 23.0956	75,700	0	Water Resources/Forestry SEG
Ice Age Trail Alliance	s. 23.0957	66,800	0	Forestry SEG
River Alliance of Wisconsin	s. 23.295	66,800	0	Forestry SEG
County Forests Association	s. 281.72	62,300	0	Water Resources SEG
Wild Rivers Interpretive Center	s. 28.11(5m)	50,000	0	Forestry SEG
Subtotal DNR	s. 30.255	<u>22,800</u>	<u>0</u>	Conservation fund SEG
		\$1,020,900	\$0	
Northern Great Lakes Center-Historical Society	s. 20.145(1)(y)	<u>52,400</u>	<u>52,400</u>	Forestry SEG
Total		\$1,073,300	\$52,400	

[Act 55 Vetoed Sections: 481 (as it relates to s. 20.370(5)(at), (aw), (ax), (ay), (bw), (cx) and 20.370(6)(ar), (aw), and 20.370(9)(mu))]

ITEM H-103. AREAWIDE WATER QUALITY MANAGEMENT PLAN

As passed by the Legislature, Senate Bill 21 would have made several changes related to areawide water quality management planning for Dane County, including requiring the Department of Natural Resources (DNR) to approve or reject proposed revisions to the water quality management plan for Dane County, establishing a timeline for DNR action on proposed revisions, specifying which entities DNR could contract with to provide advisory services, and requiring DNR to use statewide water quality standards as a basis for the Department's decisions for Dane County. The bill would have also prohibited the Governor from designating, under applicable federal requirements, Dane County or any of its subunits, including the Dane County Lakes and Watershed Commission, to develop the areawide water quality management plan for Dane County, or to review proposed revisions to the plan. *The Governor's partial veto deletes the prohibition for the Governor to designate Dane County or any of its subunits, including the Dane County Lakes and Watershed Commission, to develop the areawide water quality management plan for Dane County, or to review proposed revisions to the plan.*

[Act 55 Vetoed Section: 4203m]

ITEM H-104. WELL COMPENSATION GRANT APPROPRIATION

As passed by the Legislature, Senate Bill 21 would have converted the Department of Natural Resources well compensation grant appropriation from continuing to biennial. *The Governor's partial veto deletes the provision. Under 2015 Act 55 any unencumbered June 30 balance in the appropriation would continue to carry-forward and be available for expenditure in the subsequent fiscal year.*

[Act 55 Vetoed Sections: 481 (as it relates to s. 20.370(6)(cr)), 639g, and 9232(1q)]