Tony Evers
OFFICE OF THE GOVERNOR

To the Honorable Members of the Assembly:

I have approved Assembly Bill 68 as 2021 Wisconsin Act 58 and deposited it in the Office of the Secretary of State.

Two years ago, I wrote to you at the completion of the 2019-21 biennial budget process. I was – and am – proud I was able to sign a better version of the 2019-21 budget prepared by Republicans in the Legislature, and that, in many cases, we were able to make key investments in areas that had been underfunded or neglected altogether for the better part of the prior decade.

I was glad the Legislature decided to join me in making historic investments in and down payments on key priorities like making healthcare more affordable and accessible, fixing and building new infrastructure, and doing what's best for our kids by working to fully fund our public schools. While Republicans rejected my efforts then to expand healthcare to tens of thousands of Wisconsinites, we were able to make important investments to improve mental healthcare and treatment and increase support for direct care and rural healthcare providers. We also provided more than $465 million in new funding for our local roads, highways, and transit aids. We also invested $330 million into general school aids – the largest in more than a decade –

funded a $97 million increase for special education – the largest ever – and, by using my broad veto authority, were able to provide nearly $100 million more in per pupil aid for our schools compared to the budget passed by the Legislature.

Because of the historic investments we were able to make in the last biennial budget, our state was well positioned to enter the new biennium. Unfortunately, since signing that budget, Wisconsin has experienced unrelenting challenges in the face of the coronavirus pandemic – one of the worst public health crises in a century. And we have worked around-the-clock to keep Wisconsinites healthy and safe and put our state and our economy in the best fiscal position to rebound and recover.

The sudden and severe health crisis had an immediate effect on our economy that required us to make difficult decisions in 2020 to reduce state spending in many areas. In addition to lapsing funding from many agency budgets, we also knew it made sense to take advantage of the interest rate environment. As governor, I am proud to say that we have saved our taxpayers roughly $274 million by refinancing existing state debt to date over the last two and a half years.

We invested billions into our state's response, including distributing more than 26 million pieces of PPE and sanitizing supplies to hospitals, long-term care facilities, veteran's homes, and frontline workers. We provided more than $379 million to help stabilize our economy and support nearly 53,000 of our small businesses, more than 15,000 farms, and our lodging, hospitality, and tourism industries – work that was critical for ensuring folks across the state could rebound from this pandemic and continues still today. This year, we have announced as much as $420 million to help

as many as 84,000 small businesses and $140 million to support our state's tourism and entertainment industries that have been hit especially hard during this pandemic.

My administration also worked hard to make Wisconsin one of the best states in the country for our vaccine distribution program and getting available shots in arms, which has helped ensure folks could get back to business and our economy could recover. I am also proud today that our unemployment rate is among the lowest in the entire country and has nearly returned to pre-pandemic levels.

These efforts – both our state's response to the public health crisis and our efforts to stabilize our economy – have been critical for the economic recovery our state is seeing. Our hard work and resilience have carried us through this crisis as we bounce back with an economy that we will continue to make even better than before the pandemic hit. Today, we anticipate having a nearly $2.39 billion general fund surplus as we start a new fiscal year, which will be the largest opening balance in state history. According to estimates from the Legislative Fiscal Bureau, we expect to increase our rainy day fund by over $800 million later this summer, more than doubling the current record high balance of $762 million.

Amidst one of the most trying times in our history – just as we have done before – we listened to hundreds of Wisconsinites from across our state and heard their urgent pleas for fueling our recovery and rebuilding our economy – that we must invest in healthcare, education, infrastructure, small businesses, farmers, and protecting our environment to ensure the state could weather the storm of COVID-19. So, that's what we did.

Because we made critical decisions to get our state in the best position to recover, we were able to propose bold solutions to address the urgent crisis we faced. I introduced my 2021-23 biennial budget – our Badger Bounceback Agenda – providing a blueprint to not only get our economy back on track and back to normal, but to ensure we could bounce back better and stronger than we were before this pandemic hit.

We again proposed to expand BadgerCare – this time with the added incentive of more than $1 billion in federal funds through the American Rescue Plan Act – and invested in healthcare by increasing funding for our direct care workforce, our community health centers, and substance abuse treatment. We put additional revenues into our schools by increasing state support for students with disabilities, mental health aids, and directly for our rural districts. We again proposed the largest state investment in broadband in state history and held true to our goal of continuing to rebuild and maintain our roads and bridges throughout our state by providing additional general transportation aid to our counties and municipalities.

Shortly after releasing my budget, I was heartened to hear bipartisan support and praise for many of the provisions in our Badger Bounceback Agenda. Unfortunately, many of the priorities for which I know had and still have bipartisan support failed to receive the bold and meaningful investment our Badger Bounceback Agenda proposed and that they deserve.

There is much to be said about areas where this budget fails to deliver on the support Wisconsinites need after facing a severe economic crisis like we did last year. When I

delivered my budget message in February, I said there would be those who would give us the false choice between making healthcare more accessible and saving hard-earned tax dollars; between fully funding our public schools and cutting taxes at the same time; between supporting our farmers, rural communities, and small businesses and protecting our natural resources and investing in new, clean jobs; between spending within our means while still supporting Wisconsinites who need help to recover. In many ways, the Legislature's budget presents false choices between the priorities the people of this state care about and deserve.

But after a long eight years of politicians making decisions for all the wrong reasons, I ran to be the governor of this state and promised I would always put people before politics—that I would always try to do the right thing, that I would work to find common ground, and that I would make decisions based on what's best for our kids and our state.

That's a promise I intend to keep as long as I am the governor of this great state. And it's among the reasons why vetoing the entire budget was not an option.

I am proud to be the 'Education Governor,' and I believe, as I have often said, that what's best for our kids is what's best for our state. So, this budget begins and ends where it always does for me – with education.

Years ago, a Republican-led, bipartisan commission on school funding recommended returning to two-thirds funding. I am proud that after providing several opportunities to meet this obligation during my time as governor, Republicans in the Legislature

have decided to join me in restoring two-thirds funding for our schools, and we will finally be hitting that mark in the next biennium for the first time in two decades.

I am also glad that legislators joined me in doing what we can to pay our bills on time as today we eliminate a $75 million delayed general school aid payment for our public schools, something that was put in place beginning with the 1997-98 school year. This action will also improve our state's general fund balance under Generally Accepted Accounting Principles (GAAP) by an equivalent amount.

This budget also provides roughly $685 million in additional net general and categorical school aids. I am proud that during my time as governor, we have worked to reverse the course of eight years of cuts and underfunding to education at every level. by investing in special education, school mental health, sparsity aid, and transportation costs.

At the end of the day, vetoing this budget in its entirety would have meant not only jeopardizing these investments but also likely causing our kids and our schools to lose $2.3 billion in federal funds when they need it the most. Moreover, leaving $2.3 billion up to the chance that Republicans – who took nearly 300 days to pass a second COVID-19 response bill during this pandemic – would come in and pass a meaningful budget in a timely fashion is not a risk I am willing to take for our kids or our schools.

This budget isn't good enough for our kids, and Republicans could and should have done more. While they might be fine forcing Wisconsinites across the state to go to referenda just to support their public schools, I am not.

Two years ago, when I signed my first biennial budget, I used my broad veto authority to provide nearly $100 million more in per pupil aid. Of course, Republicans and their allies have worked since that time to prevent me from being able to use that same authority this time around.

Well, other people playing politics hasn't stopped me from doing what's best for our kids before, and it's not going to stop me today.

This past year has been tough for all of us – but it's been especially tough for students and their families, schools, and educators. Our schools and our students have faced unprecedented challenges during the coronavirus pandemic – from distance learning to reducing class sizes to spending money that had been budgeted for pencils on PPE. I have been working every day to find a way to get to yes for our kids and our schools because that's what they deserve – elected officials who will do more than the bare minimum. That's why today I'm announcing I'm investing more than $100 million in federal funds into our kids and our public schools. Schools in districts across our state will be able to use these funds to support kids in the classroom, hire educators and staff, provide additional educational or mental health supports, buy art supplies, or computers, keep the lights on – whatever they need.

Here's the bottom line: this investment is a critical step in ensuring our kids, our state, and our economy can continue to recover, but I also want to be clear today: we must do everything we can to support our kids and our schools if we want our economic recovery to continue.

And we're not just going to do everything we can to invest in our schools – when I said investing in our schools and cutting taxes are not mutually exclusive, I meant it. During the last biennium, I was proud to sign our last budget that, together with 2019 Wisconsin Act 10, provided an estimated $577 million in individual income tax relief through income tax rate reductions targeting lower and middle income earners. Then, the first bill I signed this biennium, 2021 Wisconsin Act 1, provided roughly $480 million in tax relief for Wisconsin businesses and families affected by the coronavirus pandemic. Even before this 2021-23 budget, I signed into law $2 billion in cumulative tax relief for Wisconsin families and businesses.

When I ran for governor, I promised I would cut taxes for middle-class families by 10 percent. Today, I am keeping my word.

Today I am signing one of the largest tax cuts in Wisconsin state history. The bipartisan budget I signed today, along with prior reductions, not only delivers on my promise to cut taxes for middle-class families by 10 percent – I am cutting middle-class income taxes by 15 percent – and newly providing tax relief to more than 1.6 million Wisconsin taxpayers. When combined with prior reductions, 2.4 million filers will be receiving tax relief as a result of my actions.

This budget alone provides $2 billion in individual income tax relief over the biennium and approximately $1 billion annually going forward. Together with prior individual income tax rate reductions in the 2019-21 biennial budget and in 2019 Wisconsin Act 10, the median family of four will enjoy over $800 in annual tax relief beginning in tax

year 2021, with approximately $550 of that coming from this budget. Combined, these reductions provide an approximate 15 percent reduction in individual income taxes compared to the rates in place in 2018 before I took office. This combined tax cut is the result of reducing the bottom two individual income tax bracket rates in the previous Legislative session with the budget's reduction to the third individual income tax bracket.

The budget also provides additional targeted tax relief. This budget expands the exemption for income earned by Wisconsin servicemembers to cover all active-duty income, providing $20.2 million in annual tax relief. Further, beginning in tax year 2022, families claiming the federal child and dependent care tax credit will be able to claim 50 percent of that credit for Wisconsin purposes, providing $9.8 million in additional relief for families. Taken together with prior actions since 2019, Wisconsin individual income taxpayers will experience over $1.4 billion in annual tax relief beginning in tax year 2022. My action today ensures that our state continues to recover while also providing tax relief to folks across our state at a time when our economy and working families need it most.

Additionally, as was the case during the last budget, I am glad the Legislature joined me in supporting a number of other provisions and initiatives included in my Badger Bounceback Agenda.

I was proud to make significant investments to support the servicemembers who have served our state and our country and was glad to have the Legislature join me in this work by increasing funding for Veterans Service Office grants and providing $200,000

toward suicide awareness and prevention and mental health services, especially for veterans in underserved communities and areas. One legislative Republican called this "a really good budget for veterans." I agree.

We are also continuing our work to fix our roads and invest in infrastructure across our state. While I am disappointed that the Legislature continues to reject increased, meaningful investments in support of mass transit and transportation alternatives, I am glad our budget will provide $100 million into improving local roads across our state, invests in our harbor and freight rail systems, and increases general transportation aids for our local communities in both years of the biennium.

Additionally, the coronavirus pandemic underscored and exacerbated the urgency with which we must work to expand access to reliable, affordable Internet. In 2021, high-speed Internet is no longer a luxury – it is a necessity – and it is a key part of supporting small businesses, increasing access to healthcare in our rural communities, and addressing the digital divide in our classrooms. I am disappointed that in the Year of Broadband Access, the Legislature failed to meet my nearly $200 million proposed investment into broadband – the largest state investment in state history, and nearly quadruple the investment of the last budget – and decided to use bonding for broadband investments, which will ultimately cost taxpayers more in the long-run. But I am proud my Badger Bounceback Agenda was able to push the Legislature to make increased investments in making high-speed Internet more accessible and includes $129 million in funding over the biennium to support the expansion of the Broadband Expansion Grant program.

The biggest problems with this budget are not the things in it which need to be removed with the stroke of a pen, but rather the work the Legislature left undone – whether it is investing in our kids and our schools, criminal justice reform measures, equity initiatives, or support for our state's small businesses, there was much more that we could have accomplished together. Therefore, I am once again using my broad constitutional authority to rework this budget in order to bring it closer to the one I assembled for the people of our state.

My actions today will improve this document and leave resources available to ensure that this unfinished business can be addressed, including meaningfully investing in our kids and our schools. In addition, investments in healthcare, clean water, protection of our natural resources, and support for our small businesses and entrepreneurs are all critical to our continued economic recovery and to our state's future.

The following is a short summary of how this budget, including my vetoes, will continue to build upon our foundation by putting us in position to do so going forward:

Healthy Communities

- Increases Medicaid dental rates by 40 percent by providing an additional $46 million over the biennium.

- Provides a 12 percent rate increase in fiscal year 2021-22 and another 12 percent in fiscal year 2022-23 for nursing homes.

- Increases funding for direct care workforce serving individuals in the Family Care program by $104 million over the biennium.

- Increases funding for Medicaid personal care rates by over $78 million over the biennium.

- Provides an additional $104 million to hospitals who serve a disproportionate share of low-income individuals through Disproportionate Share Hospital payments.

- Provides a 15 percent increase to the reimbursement rates for autism services for adaptive behavioral health treatment.

- Increases funding for Community Health Centers and Free and Charitable Clinics by $2 million each over the biennium.

- Provides $3.5 million over the biennium to fund 18 additional dementia care specialist and seven additional tribal dementia care specialist positions at Aging and Disability Resource Centers to ensure staffing in all 72 counties.

- Provides an additional $750,000 over the biennium for crisis team training for law enforcement agencies.

- Provides a 15 percent increase in reimbursement rates for outpatient mental health and substance use disorder services.

- Provides a 20 percent increase in reimbursement rates for child and adolescent day treatment.

- Provides a 5 percent increase in services received from opioid treatment providers.

- Fully funds the Wisconsin Health Care Stability Plan to help reduce premiums paid by individuals who purchase insurance on the individual market.

- Provides $250,000 annually to increase the maximum amount of funding provided under the Alzheimer's Family and Caregiver Support Program.

Safe and Just Communities

- Provides $1 million over the biennium to expand career and technical education opportunities at correctional facilities.

- Provides $200,000 annually to expand the Windows to Work Program.

- Provides an additional 7.4 assistant district attorney positions.

- Expands the Treatment Alternatives and Diversion Program by $2.5 million in fiscal year 2022-23.

- Provides $100,000 annually for a sexual assault victim services grant.

- Provides $455,000 in fiscal year 2021-22 to purchase equipment for the State Crime Laboratories to test for synthetic drugs and drug analogs.

- Provides $227,400 annually to purchase and maintain body-worn cameras for conservation wardens.

- Provides $700,000 in fiscal year 2021-22 to purchase and maintain body-worn cameras for State Patrol troopers.

- Provides $2 million for grants to law enforcement agencies to purchase body-worn cameras.

What's Best for Kids

- Provides two-thirds funding to our schools for the first time in two decades.

- Invests an additional $408 million in general school aids, building upon the $330 million increase in the last budget.

- Provides $89 million over the biennium to increase reimbursement for students with disabilities in fiscal year 2022-23.

- Invests an additional $19 million in school mental health programs.

- Doubles state resources for gifted and talented students.

- Fully funds high cost transportation aid and increases the number of districts eligible to receive it.

- Increases the number of small, rural school districts eligible for sparsity aid.

- Increases funding by $600,000 annually for the Housing Assistance Program to provide housing and support services to move more persons and families experiencing homelessness to independent living.

- Ensures child care is more affordable and accessible for parents by providing over $46 million Temporary Assistance for Needy Families (TANF) in fiscal year 2021-22 and over $53 million TANF in fiscal year 2022-23 for a targeted rate increase to bring all maximum reimbursement rates in Wisconsin Shares within the 65th percentile of market rates.

- Provides nearly $2.4 million TANF in fiscal year 2021-22 and over $4.8 million TANF in fiscal year 2022-23 to raise kinship care monthly rates from $254 to $300, consistent with the increase for foster care level 1 rates.

- Increases funding to the Boys and Girls Clubs of America – Wisconsin Chapter by $132,000 TANF in each year to expand the Be GREAT: Graduate Program to two additional clubs in Wausau and Sheboygan to support Wisconsin's youth in achieving academic success.

- Provides $500,000 TANF in each fiscal year for Jobs for America's Graduates – Wisconsin Program to provide educational support and job or post-secondary readiness for TANF-eligible youth.

- Invests in juvenile justice youth aids to counties with an additional $4.7 million GPR in each year.

- Invests an additional $1 million TANF in each year in child welfare safety services to reduce the number of children entering the out-of-home care system.

- Supports permanency for some of Milwaukee's most vulnerable children in out-of-home care by increasing funding for the Wendy's Wonderful Kids Adoption Recruitment Program with $300,000 in fiscal year 2021-22.

- Invests in quality care for children in the state's child welfare system by providing a total of $577,800 in fiscal year 2022-23 for provider training and nursing services in Qualified Residential Treatment Programs as part of Wisconsin's implementation of the federal Families First Prevention Act.

- Provides $2.4 million in fiscal year 2021-22 and $5.2 million in fiscal year 2022-23 for the Department of Children and Families to make subsidized guardianship payments, which will allow counties currently making those payments to use Children and Family Aids on other important child welfare services.

- Improves collection of delinquent child support in the state by providing over $5 million annually to local child support agencies.

Higher Education and Workforce Development

- Addresses the shortage of professors in nursing disciplines by providing $5 million in fiscal year 2021-22 for a new nurse educator fellowship and financial aid program administered by the Higher Educational Aids Board. This program also will help to increase the number of nursing professionals in the state, ultimately improving access to healthcare.

- Helps protect the water quality of lakes and rivers by providing $5 million over the biennium to support the University of Wisconsin System's Freshwater

Collaborative, which trains water managers and scientists to address clean water and climate change challenges through a multidisciplinary approach.

- Boosts the University of Wisconsin-Madison's Division of Extension's ability to conduct outreach and education by providing $2 million over the biennium.

- Supports technical education by providing $2.25 million in each year to the Wisconsin Technical College System in general aid plus $2.25 million in each year for grants to district boards.

- Achieves property tax relief across state technical college districts by providing $72 million over the biennium in property tax relief aid.

- Enhances the ability of the Department of Workforce Development to provide employment services to individuals with disabilities.

- Bolsters the skilled workforce of the future by increasing support for youth and adult apprenticeship programs.

- Strengthens the Unemployment Insurance Trust Fund by providing $120 million over the biennium for the payment of unemployment benefits.

Agriculture, Tourism and Economic Development

- Provides $129 million in funding over the biennium to support the expansion of the Broadband Expansion Grant program, compared to $48 million during the 2019-21 biennium. The $129 million is comprised of $125 million in general fund

supported general obligation bonding, plus the statutorily required minimum of at least $2 million annually in funding from the state's universal service fund.

- Creates a $200,000 annual meat processor grant program to help meat processing facilities expand and modernize.

- Provides $558,400 annually for the Wisconsin Initiative for Agricultural Exports.

- Continues $100,000 annually in funding for farmer mental health assistance.

- Increases funding for producer-led watershed protection grant awards from $750,000 annually to $1 million annually.

- Provides $7 million over the biennium for Soil and Water Resource Management Program.

- Supports the Department of Tourism’s efforts to promote Wisconsin as a premier travel destination in new, targeted advertising markets by providing ongoing funding of $781,800 in each year of the biennium. Increasing the number of visitors to the state will bolster our local economies as they recover from the coronavirus pandemic.

- Sustains funding and staff for the Office of Outdoor Recreation in the Department of Tourism, which will allow the office to continue to forge relationships among the outdoor industry’s stakeholders to strengthen our outdoor economy.

Transportation

- Provides a 2 percent increase for general transportation aids to counties in both 2022 and 2023.

- Provides a 2 percent increase for general transportation aids to municipalities in both 2022 and 2023.

- Provides a $250,000 annual increase for the Wisconsin Employment Transportation Program.

- Provides $100 million for a one-time local road improvement program.

- Provides a 2.5 percent increase in both fiscal year 2021-22 and 2022-23 to Paratransit Aids.

- Provides a 2.5 percent increase in both years to seniors and individuals with disabilities aid payments.

- Provides $15.3 million in new bonding for the Harbor Assistance Program.

- Provides $20 million for the Freight Rail Preservation Program.

- Maintains project timelines for the Southeast Mega Projects program and the Major Highway Development program.

- Maintains purchasing power of the State Highway Rehabilitation program.

- Provides more than $1 million in fiscal year 2022-23 to install Hoan Bridge fencing improvements.

- Provides $3.4 million in fiscal year 2021-22 and $5.4 million in fiscal year 2022-23 for increased salt costs.

- Authorizes $20 million in bonding for the contracting method known as design-build.

- Enumerates and funds the expansion of I-94 East/West from three to four lanes between the Marquette and the Zoo interchange with geometric improvements to exits along the corridor.

Tax Fairness

- Provides over $1 billion annually in ongoing tax relief by reducing the third individual income tax bracket. This action will reduce taxes for the median income family of four by $550 – and when combined with the tax rate reductions in the preceding legislative session, raises total tax relief for the median family of four to $800.

- Reduces property taxes on the typical homeowner to levels below the 2020-21 property tax year in each year of the biennium.

- Fully funds the video service provider fee replacement aid appropriation for municipalities.

- Increases the refundable research credit rate from 10 percent to 15 percent to provide additional incentives for businesses to engage in research and development in Wisconsin.

- Creates a new nonrefundable tax credit equal to 50 percent of the federal child and dependent care credit beginning in tax year 2022.

- Provides $40 million in tax relief for servicemembers to cover all basic, special and incentive active duty pay.

Clean Communities

- Reauthorizes the Knowles-Nelson Stewardship Program for an additional four years at the current annual funding level of $33.25 million per year.

- Provides $3 million for the restoration of the Pierce Islands Wildlife Area on the Mississippi River.

- Provides $1 million for the removal and reconstruction of the dam on the Sheboygan River at Sheboygan Marsh.

- Increases funding for state ATV and UTV trail maintenance by $250,000 annually.

- Increase aids for local ATV and UTV trails by $750,000 annually.

- Provides $200,000 annually for snowmobile trail mapping.

- Increases funding for the well compensation program by $1 million annually.

- Provides $4 million for Urban Nonpoint Source and Storm Water Management Program and the Municipal Flood Control Program.

- Provides $6.5 million for the Targeted Runoff Management Program.

- Provides $10 million for the Municipal Dam Safety Grant Program to repair and remove dams.

Good Government

- Provides $87.5 million GPR over the biennium for a general wage adjustment for most state employees at state agencies and the University of Wisconsin System of 2 percent in January of 2022, and an additional 2 percent in January of 2023.

- Provides $2 million GPR over the biennium for targeted market and parity wage adjustments for employees within certain classifications in state agencies to better align their wages to those paid by private and other public sector employers.

- Provides $1.2 million GPR in fiscal year 2022-23 to increase hourly night and weekend differential rates for employees of state agencies that qualify for such payments, beginning in January 2023.

- Provides over $1.3 million in state funds over the biennium to extend the long-term service award program for protective positions within the Department of Corrections and Department of Health Services.

- Provides $1.75 million in state funds over the biennium to support a $5 hourly wage add-on for correctional officers and sergeants working within an institution with greater than a 40 percent vacancy rate.

- Provides $2.7 million over the biennium for pay progression for assistant district attorneys, deputy district attorneys and assistant state public defenders.

- Provides $25 million over the biennium for the NG911 system implementation and Public Safety Answering Point grants.

- Requires the Department of Military Affairs to oversee the development and operation of a statewide interoperable radio network to replace WISCOM.

- Requires a study in fiscal year 2022-23 to determine the feasibility of constructing an electric microgrid system at Truax Field in Madison, to include the Joint Force Headquarters, the State Emergency Operations Center and the Joint Operations Center.

- Provides $7 million in fiscal year 2021-22 in the Joint Committee on Finance supplemental appropriation for discretionary grants made to each of the state's tribes, based on the number of employees working for each tribe.

- Continues funding to support the creation of the tribal youth wellness center with $350,000 of one-time funding in each year.

- Provides an additional $109,300 of one-time funding in each year to University of Wisconsin Green Bay to provide summer camp programs in cooperation with the Oneida Nation.

- Increases funding for Veterans Service Office grants by $152,400 over the biennium.

- Provides $100,000 annually to promote suicide prevention and awareness among veterans by providing outreach, mental health services, and support to individuals who are members of a traditionally underserved population.

Nevertheless, this budget leaves much unfinished business, and there is, as always, more work to do. I will continue working to reduce our state's tax burden for family caregivers, first-time homebuyers, low-income families, and seniors, all areas where current leaders in the Legislature dropped the ball in this budget.

I was also disheartened to see the Legislature remove long overdue initiatives I had proposed to make meaningful progress on reforming our justice system while also promoting equity both within state government and across our entire state. The people of our state have loudly and consistently demand that we – as a state and as a country – deliver on the promise of justice, fairness, and opportunity. This work is far from over, and the Legislature must be held to account for their failure to take meaningful action.

It is also disappointing the Legislature did not provide state funding for investments in the Verso Paper Mill in Wisconsin Rapids and the Park Falls Pulp and Paper Mill in Park Falls. Our state and our economy – clearly – are well-positioned to make meaningful investments in support of our paper industry. I previously called a special session that would have invested $1 billion into economic development projects and initiatives across the state, the purchase of both of these paper mills among them. Republicans in the Legislature gaveled out of that special session without consideration or debate. I then worked with the Wisconsin Economic Development

Corporation, legislators, local elected officials, and workers to reach a bipartisan agreement amending Assembly Bill 367 to ensure we could reach a deal without potentially jeopardizing state support for the mills. Republicans in the Legislature rejected that agreement, too. To date, these investments have been met with political games and obstruction of the worst kind. We have state resources to make these investments and they are available for expeditious legislative action. Enough partisan posturing – just get this done.

Other items this Legislature failed to meaningfully address include protecting the rights of every eligible voter and ensuring we have fair maps in this state. Across this country, we are watching as Republican politicians – including right here in Wisconsin – abuse their power, work to overturn election results, and undermine the confidence and credibility of our elections. Not only has the Legislature failed to join me in this budget by protecting the right of every eligible Wisconsinite to vote, but they have also passed and could continue to pursue legislation that would make it harder for folks to cast their ballot. So, I want to say unequivocally again today as I have said many times before: I will veto any bill that arrives to my desk that would make it easier for politicians to cheat and I will continue to protect the right of every eligible voter in this state.

Finally, and perhaps most importantly, this Legislature must end its continued obstruction of expanding BadgerCare and access to quality, affordable healthcare in this state. For more than a decade now, Republicans in both the legislative and executive branches have put politics before people and refused the opportunity to ensure tens of thousands of people across Wisconsin could have access to affordable

healthcare. Instead, they have worked to support litigation to dismantle the Affordable Care Act and protections for Wisconsinites who have pre-existing conditions. Over the last decade, the Legislature's relentless opposition to fully expanding Medicaid in Wisconsin has left billions of federal dollars on the table. This has never been more foolish than it is now as the American Rescue Plan Act provides an additional, one-time incentive for states like Wisconsin to expand Medicaid – that is $1 billion our state could invest in our continued economic recovery and support folks across our state. I don't care what your party affiliation is, folks – this is just common sense.

I proposed expanding BadgerCare in my first budget, I proposed it again in this budget as part of our Badger Bounceback Agenda, and I proposed it once again in a special session call of the Legislature so we could take that $1 billion and invest it in economic development projects and initiatives in every corner of our state. Republicans must end their continued obstruction. I will continue working with partners at the federal and state level to explore any opportunity to expand BadgerCare in this state, and, as always, my door remains open – as it has been for two years – for any Republican legislator who wants to lead on this issue.

Healthcare should not be a privilege afforded only to the healthy and wealthy. And as long as I am governor, I will never stop fighting to ensure the people of this state can access quality, affordable healthcare. Period.

Though there is undoubtedly much more to do to move our state forward, at the end of the day, I ran for governor to get things done for the people of Wisconsin, to "move the needle" in our priorities, and to find common ground with those who may not agree

with me on every issue. While this bipartisan budget – the first bipartisan budget passed in years – in many ways falls short of the budget Wisconsinites expected the Legislature to deliver, it does invest in a number of our priorities that are necessary for our state's continued economic recovery and making Wisconsin an even better place to live, work, play and raise a family.

In the coming weeks and months, I will continue working to engage the Legislature to use the state resources available to further invest in our kids and our schools, our caregivers, our farmers, our veterans, our seniors, our small business owners and many others. I hope the Legislature will join me in this important work so we can continue our state's economic recovery and bounce back from this pandemic better and stronger than we were before.

Let's get to work.

Respectfully submitted,

Tony Evers
Governor

Date: July 8, 2021

VETO MESSAGE

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A. AGRICULTURE, ENVIRONMENT AND JUSTICE

1. Dairy Industry Promotion Appropriation

Section 25

This section repeals the dairy industry promotion appropriation under s. 20.115 (4) (d) at the Department of Agriculture, Trade and Consumer Protection.

I am vetoing this section because I object to limiting the Department of Agriculture, Trade and Consumer Protection's ability to promote the dairy industry in Wisconsin. Our dairy farmers, families, and industry are an essential part of Wisconsin's history, economy, and heritage. This veto retains the current law dairy industry promotion appropriation under s. 20.115 (4) (d).

2. Dairy Industry Promotion Grants and Loans

Section 335

This section repeals the authority for the Department of Agriculture, Trade and Consumer Protection to provide grants and loans to dairy producers.

I am vetoing this section because I object to limiting the ability of the Department of Agriculture, Trade and Consumer Protection to promote the dairy industry in Wisconsin, America's Dairyland, by providing grants and loans to dairy producers. Given the importance of the dairy industry to our state, we should retain all current options to provide support to our dairy producers.

3. Unencumbered Rural Development Loan Funds

Section 24

This section transfers, upon the approval of the Joint Committee on Finance, the unencumbered balance of the loans for rural development appropriation under s. 20.115 (3) (h) to the general purpose revenue funds general program supplementation appropriation under s. 20.865 (4) (a).

I am vetoing this section because I object to transferring PR funds intended for rural development and placing them into a GPR appropriation for an unspecified purpose. In addition, this provision may be in violation of federal guidance.

4. Wisconsin Initiative for Agricultural Exports

Section 9102 (1)

This provision requires the Department of Agriculture, Trade and Consumer Protection to submit a joint plan with the Wisconsin Economic Development Corporation to the cochairpersons of the Joint Committee on Finance for allocating $5,000,000 over five years to increase agricultural exports by 2026 to 25 percent over their 2021 levels.

I am vetoing this provision because I object to a reporting requirement that is unnecessary and administratively burdensome. Over the past two and a half years, my administration has worked diligently to promote agricultural exports and launch this initiative, only to be met by inaction from the Legislature. In this budget, the Legislature again fails to provide the needed resources for this critical program to support our farmers, their families, and our agriculture economy. Requiring the submittal of this joint plan to the Joint Committee on Finance would simply be another step that could delay providing economic opportunities for Wisconsin's farmers and agricultural processors. It is also particularly unnecessary given that the Legislature failed to appropriate sufficient dollars in this budget to fund a five-year plan.

5. Industrial Hemp Program Staffing

Section 9102 (2)

This provision requires the Department of Agriculture, Trade and Consumer Protection to study options for resolving the deficit in the hemp program and submit a report to the cochairpersons of the Joint Committee on Finance no later than March 30, 2022.

I am vetoing this provision because I object to a study that is burdensome and unnecessary. The financial situation of the hemp appropriation is well documented, and the Department of Agriculture, Trade and Consumer Protection will need to make a decision on the future of the program several months prior to the due date of the report.

6. Beaver Dam Lake Restoration

Section 41

This provision directs the Department of Natural Resources to provide $220,200 from the environmental fund in a new biennial appropriation for grants to the Beaver Dam Lake Improvement Association for restoration of shoreline along Beaver Dam Lake at Puckagee Springs Creek. The appropriation would be repealed on June 30, 2023.

I am partially vetoing this provision because I object to utilizing environmental fund dollars for a purpose that is unrelated to the environmental fund. By striking the reference to the environmental fund, the funding for this provision defaults to the conservation fund. This will preserve funds in the environmental fund to be used for much-needed environmental initiatives.

7. Clam Falls Dam Repair

Section 43

This provision directs the Department of Natural Resources to provide $2,000,000 from the environmental fund in a new biennial appropriation for a grant to Polk County for repairs to the dam on Clam River near the town of Clam Falls. The appropriation would be repealed on June 30, 2023.

I am partially vetoing this provision because I object to utilizing environmental fund dollars for a purpose that is unrelated to the environmental fund. By striking the reference to the environmental fund, the funding for this provision defaults to the conservation fund. This will preserve funds in the environmental fund to be used for much-needed environmental initiatives.

8. Dead Pike Lake Restoration

Section 45

This provision directs the Department of Natural Resources to provide $125,000 from the environmental fund in a new biennial appropriation for a grant to the town of Manitowish Waters in Vilas County for installation of a water control structure. The appropriation would be repealed on June 30, 2023.

I am partially vetoing this provision because I object to utilizing environmental fund dollars for a purpose that is unrelated to the environmental fund. By striking the reference to the environmental fund, the funding for this provision defaults to the conservation fund. This will preserve funds in the environmental fund to be used for much-needed environmental initiatives.

9. Southeastern Wisconsin Fox River Commission

Section 47

This provision directs the Department of Natural Resources to provide $200,000 from the environmental fund in a new biennial appropriation for a grant to the Southeastern Wisconsin Fox River Commission for strategic planning and to pursue grant funding opportunities. The appropriation would be repealed on June 30, 2023.

I am partially vetoing this provision because I object to utilizing environmental fund dollars for a purpose that is unrelated to the environmental fund. By striking the reference to the environmental fund, the funding for this provision defaults to the conservation fund. This will preserve funds in the environmental fund to be used for much-needed environmental initiatives.

10. New Berlin Road Construction

Sections 21 [as it relates to s. 20.370 (4) (jv)], 51, 52, and 9432 (3)

This provision directs the Department of Natural Resources to provide $2,000,000 from the environmental fund in a new biennial appropriation for a grant to the city of New Berlin for road construction related to the Lake Michigan diversion for the city of Waukesha.

I am vetoing this provision because I object to directing the Department of Natural Resources to provide grants for road construction projects. Requiring the department to utilize the environmental fund for a road construction project is an inappropriate use of the environmental fund. The city of New Berlin can seek funding for the road project through programs at the Department of Transportation.

11. Waterfowl Hunting Stamp Reporting Requirement

Section 170

This section requires the Department of Natural Resources to create a report on the money received from the waterfowl hunting stamp, how the money was used, how much was spent on each project and how much is left unobligated at the end of the fiscal biennium. This report would be delivered to the Joint Committee on Finance and the appropriate standing committees of the Legislature no later than November 15 of each odd-numbered year.

I am vetoing this section because I object to a reporting requirement that is duplicative and administratively burdensome.

12. Fire Fighting Foam Appropriation Title

Sections 21 [as it relates to s. 20.370 (4) (ps)] and 54

This provision creates a new clean sweep – fire fighting foam appropriation under s. 20.370 (4) (ps) in the Department of Natural Resources.

I am partially vetoing these sections because I object to creating an appropriation at the Department of Natural Resources with a title that is substantially similar to the title of a program at the Department of Agriculture, Trade and Consumer Protection. Calling both of these programs "clean sweep" could lead to confusion.

13. Great Lakes Remediation Lapse

Section 9232 (1)

This provision lapses $2,500 to the general fund in fiscal year 2021-22 from the appropriation under s. 20.370 (4) (af).

I am vetoing this provision because I object to requiring a lapse from this appropriation when the state is in a strong financial position.

14. State Parks Maintenance Lapse

Section 9232 (2)

This provision lapses $37,800 to the general fund in fiscal year 2021-22 from the appropriation under s. 20.370 (7) (fa).

I am vetoing this provision because I object to requiring a lapse from this appropriation when the state is in a strong financial position.

15. Building Acquisition and Maintenance Lapse

Section 9232 (3)

This provision lapses $7,200 to the general fund in fiscal year 2021-22 from the appropriation under s. 20.370 (7) (ha).

I am vetoing this provision because I object to requiring a lapse from this appropriation when the state is in a strong financial position.

16. Motorized Stewardship

Section 146

This provision sets aside $500,000 per year in bonding authority from the property development and local assistance subprogram of the Warren Knowles-Gaylord Nelson Stewardship 2000 Program for all-terrain vehicle, utility terrain vehicle, and snowmobile projects.

I am vetoing this provision because I object to limiting the department's flexibility when obligating bonding authority for projects under Warren Knowles-Gaylord Nelson Stewardship 2000 Program. The Department of Natural Resources is able to fund all-terrain vehicle, utility terrain vehicle, and snowmobile projects without needing a specific earmark. Additionally, this budget provides an increase of $750,000 in each year for local all-terrain vehicle and utility terrain vehicle trail aids, $250,000 in each year for state all-terrain vehicle and utility terrain vehicle trail maintenance, and $200,000 in each year for snowmobile trail aids. This veto is consistent with the recommendation in my proposed budget.

B. EDUCATION AND WORKFORCE DEVELOPMENT

17. Grants to Lakeland STAR Academy

Sections 21 [as it relates to s. 20.255 (2) (ai)], 30, 31, 9134 (1), and 9434

These sections provide $250,000 GPR in fiscal year 2021-22 and $500,000 GPR in fiscal year 2022-23 in a newly created annual appropriation for grants to the Lakeland STAR Academy. Specifically, they require the Department of Public Instruction to provide a grant to the Lakeland UHS School District for the Lakeland STAR Academy. No payments could be made from this appropriation after June 30, 2023.

I am partially vetoing section 21 [as it relates to s. 20.255 (2) (ai)] and vetoing the remaining sections in their entirety to eliminate the grant program for Lakeland STAR Academy. I object to providing state grants to specific schools when the Legislature has provided limited new spending to Wisconsin's public school system as a whole. Every kid in Wisconsin should be able to get a great education in a public school regardless of what district they live in, and state funding decisions should not pick winners and losers among our kids.

18. Benchmark Assessments

Section 21 [as it relates to s. 20.865 (4) (a)]

This provision provides $2,000,000 GPR in the Joint Committee on Finance's GPR supplemental appropriation in fiscal year 2021-22, which the committee indicated is intended to allow for the Department of Public Instruction to request to utilize for benchmark assessments.

I am partially vetoing section 21 [as it relates to s. 20.865 (4) (a)] by lining out the amount under s. 20.865 (4) (a) and writing in a smaller amount that reduces the appropriation by $2,000,000 GPR in fiscal year 2021-22. By doing so, I am vetoing the part of the bill that is intended to fund benchmark assessments. I object to providing funds in this inefficient manner. Funding should be provided directly to the Department of Public Instruction for grants to school districts. Additionally, districts may choose to provide assessments to measure student progress without this grant funding. I am also requesting the Department of Administration secretary to not allot these funds.

19. High Cost Transportation Aid

Section 359

This section specifies that a school district would be eligible for high cost transportation aid if the district's membership was less than 3,500 pupils in the prior year instead of the current eligibility requirement of a pupil population density of 50 pupils per square mile or less.

I am vetoing this section in its entirety to retain current eligibility requirements for high cost transportation aid. I object to restricting school district eligibility based on district membership instead of pupil population density. Based on the most recent information

available from the Department of Public Instruction, the change in definition could result in school districts that are currently eligible for this funding to become ineligible. In a budget where the Legislature has already failed to fund our K-12 schools at a sufficient level, any eligibility change which may reduce a district's funding is unacceptable.

20. Youth Summer Jobs

Sections 67 and 338

These sections expand the eligibility for the summer youth jobs program to include programs outside of first-class cities.

I am vetoing these sections in their entirety because I object to the diversion of funding from existing programs that are critical for the future of our youth in Milwaukee, currently the only first-class city in Wisconsin. It is unfortunate that the Legislature did not provide additional funding for this program to ensure that it could be expanded statewide without negatively impacting the youth who are served by the existing program. If the Legislature is interested in partnering on a statewide expansion, I would welcome legislation that provides additional funding and authorization to expand the program statewide.

21. Occupational Drug Testing

Sections 340 and 341

These sections require the Department of Workforce Development to immediately promulgate administrative rules to establish occupational drug testing for unemployment insurance purposes.

I am vetoing these sections in their entirety because I object to the Legislature directing the department to pursue a policy despite no evidence of a widespread issue of drug usage for individuals applying for or receiving unemployment insurance benefits. The Department of Workforce Development's efforts should be focused on assisting those who are unemployed or underemployed to obtain family-sustaining jobs rather than burdensome rule-making.

22. Clearing Account Deficit

Section 9101 (2)

This provision requires the Department of Administration to identify amounts from fiscal year 2021-22 GPR appropriations to transfer to reconcile the Department of Workforce Development's clearing account deficit. This provision also requires both departments to jointly submit a request under s. 13.101 (4) by March 1, 2022, to transfer the amounts identified.

I object to and am vetoing this provision because it is an unnecessary requirement. The clearing account deficit in the Department of Workforce Development was eliminated in fiscal year 2020-21 as a result of careful budgeting by the department, which also had been planning for an administrative lapse requirement that was forgiven.

23. Unemployment Insurance Study

Section 21 [as it relates to s. 20.865 (4) (a)]

This provision provides $25,000 GPR in the Joint Committee on Finance's GPR supplemental appropriation, which the committee indicated is intended to allow the Department of Workforce Development to request in order to conduct a study about converting the state's unemployment insurance system into a sliding scale system in which benefit calculations and eligibility weeks are adjusted based upon the unemployment rate.

I am partially vetoing section 21 [as it relates to s. 20.865 (4) (a)] by lining out the amounts under s. 20.865 (4) (a) and writing in a smaller amount to reduce the appropriation by $25,000 GPR in fiscal year 2021-22. I object to the financing of a study about converting to a system that could put unemployment insurance benefits in jeopardy for those vulnerable individuals that rely on these benefits during difficult economic times. I am also requesting the Department of Administration secretary to not allot these funds.

C. GENERAL GOVERNMENT, CHILDREN AND FAMILIES

24. Building Program – Local Grants

Sections 4, 20 [as it relates to non-state local project grant program and s. 20.867 (3) (ct)], 21 [as it relates to s. 20.867 (3) (ct)], 94, 118, 127, and 9104 (1) (a)

These sections provide $10,000,000 of general fund supported borrowing for a grant program to assist facility construction of nonstate organizations.

I am vetoing sections 4, 118, 127, and 9104 (1) (a), and partially vetoing sections 20 [as it relates to non-state local project grant program and s. 20.867 (3) (ct)], 21 [as it relates to s. 20.867 (3) (ct)], and 94 because I object to the provision being unworkable and lacking specificity regarding the determination of the statewide public purpose of potential grants. Per the state's bond counsel, use of bonds for capital grants to nonstate entities must provide a clearly defined, statewide public purpose to Wisconsin taxpayers – a determination that is typically made by the Legislature. While the Wisconsin Supreme Court gives great deference to findings of statewide public purpose made by the Legislature, it is unclear whether another body would be given the same deference. By delegating the public purpose finding for these nonstate grants to the Joint Committee on Finance, it would create uncertainty in the bond issuance process, and the potential for multiple challenges to bond issuances on this basis. Furthermore, this program does not follow normal enumeration procedures for nonstate grants as established by the Building Commission.

25. Space Rental Account Transfer

Section 9201 (2)

This provision requires the Department of Administration to lapse $20,000,000 from the facility operations and maintenance; police and protection functions appropriation under s. 20.505 (5) (ka) to the general fund in fiscal year 2021-22.

I am vetoing this provision because I object to this transfer that will severely limit the Department of Administration's ability to flexibly address state-owned space needs in upcoming biennia. This appropriation is responsible for the department's building management, maintenance, facility protection, and tenant occupancy services for over 30 state office buildings, totaling approximately 6 million square feet of space throughout the state. The one-time transfer of $20,000,000 to the general fund would inhibit the department from being able to address any change in rental revenues from decreasing state agency footprints or address increased or unanticipated costs.

26. Requirement to Submit Compensation Plan for Supplemental Pay Plans for Correctional Officers and Correctional Sergeants

Section 9101 (5) (b)

This provision requires the administrator of the Division of Personnel Management within the Department of Administration to propose an amendment to the compensation plan within 30 days, as authorized under s. 230.12 (3) (c), if, on the effective date of the bill, the compensation plan has been adopted by the Joint Committee on Employment Relations for the 2021-23 biennium and does not include the supplemental pay add-on for correctional officers and sergeants at certain correctional facilities by funding 50 percent of the cost of a $5 per hour add-on for all hours worked at any adult correctional institution that has a vacancy rate for these positions of more than 40 percent.

I object to this provision and am vetoing it because it is unnecessary as the committee will not have acted upon the compensation plan by the effective date of the bill. Further, I object to this provision because it encroaches on the authority of the Department of Administration to determine when to submit the compensation plan proposal and any subsequent interim adjustments to the Joint Committee on Employment Relations, as authorized under s. 230.12 (3).

27. Offender Reentry Demonstration Project

Section 224b

This section provides $250,000 in fiscal year 2021-22 and $0 in fiscal year 2022-23 of Temporary Assistance for Needy Families (TANF) funding under s. 49.175 for the Offender Reentry Demonstration Project.

I am vetoing this section in order to allocate $250,000 of TANF funding in each fiscal year to the Offender Reentry Demonstration Project. Although the project, which began in fiscal year 2017-18, was scheduled to end in fiscal year 2021-22 after five years of operation, due to the coronavirus pandemic and the limited access to correctional facilities during that time, the project was not able to operate at full capacity. This project provides important supports to noncustodial fathers transitioning from incarceration to our communities. I object to the Legislature discontinuing funding prior to completion of the five years of full capacity operation as originally intended.

D. HEALTH SERVICES AND INSURANCE

28. Grant for Psychiatric Beds

Section 9104 (13)

This provision directs the building commission to award a $15,000,000 GPR grant during fiscal year 2021-22 to a health system with a hospital in both Eau Claire and Chippewa counties to expand psychiatric bed capacity by 22 beds between the two hospitals. Under this provision, the hospitals would give preference in admissions to the newly expanded beds to those from Ashland, Barron, Bayfield, Buffalo, Burnett, Chippewa, Clark, Douglas, Dunn, Eau Claire, Iron, Jackson, La Crosse, Lincoln, Marathon, Monroe, Oneida, Pepin, Pierce, Polk, Price, Rusk, Sawyer, St. Croix, Taylor, Trempealeau, Vilas, Washburn, or Wood counties.

Further, the provision requires certain conditions for awarding of the grant, one of which is that the health systems enter into an arrangement with at least two-thirds of the counties specified to act as the primary receiver for emergency detention placements, regardless of payment source for those placements.

I am partially vetoing the provision requiring the grant recipient health system be the primary receiver for emergency detentions because I object to the specificity in the bill requiring the identified counties to utilize this health system when a closer placement may exist. The effect of this veto is to give flexibility to counties in making emergency detention placements, without endangering the ability of health systems to reach the two-thirds threshold set by the Legislature. This is particularly important in light of the potential for some of the same counties to utilize the beds in Marathon County funded in this budget. My hope is that this veto will allow both of these important projects authorized by the Legislature to move forward.

29. Grants for Employer Blood Drives

Section 9119 (3) (b)

This provision directs the Department of Health Services to award grants to employers who apply to the department to organize blood drives. The provision requires the department to award grants equal to $20 per blood donation and only if the employer retains documentation of each blood donation. The total amount of grants is limited to no more than $250,000 GPR in each fiscal year. This provision applies to the 2021-23 biennium only.

I am partially vetoing this provision to remove the requirement that the Department of Health Services award grants equal to $20 per blood donation and the requirement that the department only award grants if the employer retains documentation of each blood donation. I am broadly supportive of measures to promote blood drives in the state. However, I object to compensating employers for their employees' blood.

30. FoodShare Healthy Eating Incentive Pilot Program

Section 9219 (1)

This provision requires $425,000 GPR in existing funding for the Healthy Eating Incentive Pilot Program to be lapsed to the general fund. This pilot program would assist up to 2,000 FoodShare households in affording healthy food choices by providing discounts on purchases.

I am vetoing this provision because I object to eliminating funding for this important program and the veto will keep funding intact. I am supportive of the effort creating and funding this pilot program and would welcome future legislation to fully utilize these funds for healthy eating incentive programs and couple it with funding my proposal to supply EBT processing equipment to farmers markets. As many Wisconsinites are still struggling due to the pandemic, we should work together to invest these funds in an innovative program to help put healthy food on the table and assist farmers at the same time rather than requiring a lapse.

31. Behavioral Health Bed Tracker

Section 238

This section requires the Department of Health Services to provide to the entity awarded the grant funding for the expanded behavioral health bed tracker a list of operators with peer run respite and crisis stabilization beds as well as a list of emergency mental health services programs that are certified by the department and that perform crisis assessments.

I am vetoing this section because I object to imposing these burdensome requirements on the Department of Health Services. The provision requires the department to collect information on some entities that are neither licensed nor certified by the state. Additionally, a crisis stabilization bed is not a unique licensing category, and the department does not have access to information regarding which facilities throughout the state have agreements with counties to utilize space for crisis stabilization. Further, the bill did not provide the department any additional resources that would allow it to initiate new work to collect the required information. In order for this program to be successful, collaboration and information sharing amongst providers, stakeholders, and the department will be essential.

32. Statewide Public Safety Interoperable Communication System Request for Proposals

Sections 9131 (1) (a) and 9131 (1) (c)

These provisions require the Department of Military Affairs to issue a request for proposals for a replacement statewide public safety interoperable communication system within 30 days of the effective date of the biennial budget act. The provisions also require the department to execute a contract for the replacement of the statewide public safety interoperable communication system no later than July 1, 2022.

I am partially vetoing these provisions to eliminate the requirement that the Department of Military Affairs issue a request for proposals for a statewide public safety interoperable

communication system within 30 days of the effective date of the biennial budget bill. I am also partially vetoing these provisions to eliminate the July 1, 2022, deadline by which a contract for a statewide public safety interoperable communication system must be executed. These provisions encroach on the authority of the Department of Administration to administer state agency purchasing as authorized in state law. I object to these provisions because they put arbitrary deadlines on a complex procurement process and add unnecessary strain on the Department of Administration and Department of Military Affairs. The arbitrary timelines could also put the state at a disadvantage in negotiating the terms of a contract with the selected vendor.

33. Statewide Public Safety Interoperable Communication System Request to the Joint Committee on Finance

Section 9131 (1) (b)

This provision requires the Department of Military Affairs to submit a request to the Joint Committee on Finance for funding to execute a contract for a replacement statewide public safety interoperable communication system. The request shall be submitted after a proposal has been chosen but before a contract with a vendor has been executed. As part of the request to the committee, the department is required to include: (a) the rationale for selecting the proposed vendor; (b) the vendor's solutions to resolve capacity, coverage, and interference issues; (c) the vendor's current networks in Wisconsin and in the United States; (d) the vendor's ability to comply with criteria established by the executive steering committee that evaluated the request for information; (e) the extent to which the vendor's system could serve current WISCOM users without compatible equipment, WISCOM users with an existing 800 MHz P25 system, WISCOM users with an existing VHF P25 system, and non-WISCOM users, and the number of agencies in each such group; (f) the vendor's ability to accommodate new users to enhance local radio coverage; (g) potential methods to use existing systems to reduce the vendor's system's costs or improve reliability; and (h) redundant systems and the capabilities of those systems.

I am vetoing this provision to remove the directive to submit a request to the Joint Committee on Finance as specified in the provision because I object to the encroachment on the authority of the executive branch to administer state agency purchasing as authorized in state law. Further, the requirement is unnecessarily duplicative of current law as the department will already have to submit a request in order to obtain the funding for this project.

34. Truax Field Electrical Micro Grid System

Section 9131 (2)

This provision requires the Department of Military Affairs to conduct a study to determine whether construction of an electrical micro grid system at Truax Field, inclusive of the Joint Force Headquarters, the State Emergency Operations Center, and the Joint Operations Center, is feasible. The provision allows the department to spend up to $64,000 GPR on this study and requires the department to submit a report on the study's findings to the Joint Committee on Finance within 60 days of completion of the study.

I am partially vetoing this provision to remove the requirement that the department submit a report to the Joint Committee on Finance. I object to a requirement that is unnecessary and administratively burdensome.

35. Department of Military Affairs Lapses to the General Fund

Section 9231

This section requires the Department of Military Affairs to lapse $8,205 from the regional emergency response grants appropriation under s. 20.465 (3) (df); $116,978 from the mobile field force grants appropriation under s. 20.465 (3) (dm); and $4,911 from the emergency response supplement appropriation under s. 20.465 (3) (dr) in fiscal year 2021-22.

I am vetoing this section because I object to requiring a lapse from these appropriations when the state is in a strong financial position.

E. TAX, LOCAL GOVERNMENT AND ECONOMIC DEVELOPMENT

36. Withholding Table Update

Section 9137

This section requires the Department of Revenue to update individual income tax withholding tables to reflect the tax rates, income brackets, and sliding scale standard deduction that are in effect for taxable year 2022. The adjustments made under this subsection would take effect on January 1, 2022. The withholding table update would therefore reflect the rate reduction included in the 2021-23 biennial budget, rate reductions that took effect in tax years 2019 and 2020, and indexing adjustments to the sliding scale standard deduction and the income thresholds for individual income tax brackets.

I am vetoing this section because I object to requiring the Department of Revenue to make these withholding table adjustments at a cost of approximately $700 million while other critical priorities have not been sufficiently funded by the Legislature. This veto does not increase anyone's tax liability compared to what the Legislature passed. The reduction in the rate of the third individual income tax bracket from 6.27 percent to 5.30 percent starting in tax year 2021 will still occur, and taxpayers will receive approximately $2 billion in individual income tax relief from that reduction in this biennium. The secretary of the Department Revenue has the ability under current law to make these adjustments as appropriate and will assess whether and when these updates should be made within the full context of revenue collection trends and other state priorities.

The estimated fiscal effect of this veto is an increase in general fund tax revenues of $683,700,000 in fiscal year 2021-22 and $21,300,000 in fiscal year 2022-23.

37. Transfer to the Budget Stabilization Fund

Sections 19 [as it relates to the transfer to the budget stabilization fund] and 9201 (1)

These provisions transfer from the general fund to the budget stabilization fund $550,000,000 in fiscal year 2022-23.

I am partially vetoing section 19 [as it relates to the transfer to the budget stabilization fund] and vetoing section 9201 (1) because I object to making these funds unavailable for supporting the needs of Wisconsinites that the Legislature failed to address. The balance of the budget stabilization fund is reserved for periods of below-normal economic activity when actual state revenues are lower than estimated revenues. This transfer removes $550,000,000 from dollars that can be immediately applied to investments in our kids, small businesses, and our state's continued economic recovery. Instead, this funding should remain in the general fund where it can be directly appropriated to address gaps and shortfalls in the Legislature's budget actions. I request the Legislature work with me to instead invest these funds to address the immediate needs of Wisconsinites.

38. Annual Transfer from the General Fund to the Transportation Fund

Section 16

This provision increases the annual transfer from the general fund to the transportation fund from 0.25 percent of general fund taxes to 0.50 percent of general fund taxes in fiscal year 2022-23 and in each fiscal year thereafter.

I am partially vetoing this provision to eliminate the increase in the transfer after fiscal year 2022-23 because I object to increasing the general fund's subsidy to the transportation fund on an ongoing basis. As a result of my veto, the transfer will revert to the current law amount of 0.25 percent of general fund taxes for fiscal year 2023-24 and beyond. I have made it a priority to ensure that we have a sustainable, dedicated source of transportation funding to ensure we can repair our roads and fund public transit while also investing in our schools and communities. While enhanced transfers to the transportation fund for the 2021-23 biennium are reasonable given the impact of the coronavirus pandemic on motor fuel tax collections, these increases should be temporary rather than permanent.

39. Interchange with Local Highways on I-41 in Brown County

Section 281

This section directs the Department of Transportation to add an interchange to the I-41 expansion project where I-41 intersects with Southbridge Road/French Road in Brown County.

I am vetoing this section because I object to the Legislature specifying specific design elements that should be determined based on congestion and safety needs assessments by professional highway engineers. Further, this particular item is unnecessary and untimely as it adds a highway element requirement that the Department of Transportation has already included in the scope of the project.

40. Lieutenant Governor Security

Section 9144 (8)

This section puts a limit on the amount that the Department of Transportation is allowed to spend on the security and safety of the Lieutenant Governor.

I am vetoing this section because I object to limiting cost expenditures in this manner because, as I said last budget, it undercuts the judgment of law enforcement. Security measures continue to be the purview of law enforcement, not the Legislature. Limiting expenditures on security would put the lives of officers, the Lieutenant Governor, staff, and the general public at risk.

41. Office of Innovative Program Delivery and Director

Sections 10, 290, 293, and 326

These provisions create an Office of Innovative Program Delivery, require the Department of Transportation to appoint a director of the office, and assign duties to the director of the office.

I am vetoing these provisions because I object to the requirement to create an office and director with redundant responsibilities to existing offices, bureaus, and divisions within the Department of Transportation. The department's current organizational structure already oversees billions of dollars of road construction projects in both conventional and innovative ways.

42. Office of Innovative Program Delivery Position Source

Section 9144 (7)

This section directs the Department of Transportation to populate the Office of Innovative Program Delivery from the current position authority of the department.

I am vetoing this section because I object to forcing the Department of Transportation to reassign positions to functions that are redundant with the responsibilities of existing positions that are already conducting road construction oversight within the department.

43. Design-Build Project Contracts, Reporting, and Project Delivery

Section 297

This section, in part, establishes requirements on the magnitude of the design-build projects the Department of Transportation is to undertake; specifies a deadline of December 31, 2025, for completion of the projects; and enumerates mandated criteria for the department's written analysis of each design-build project under consideration.

I am partially vetoing this section because I object to the overly restrictive parameters that are established for the size of the projects and the deadline for the projects to be completed. I am further partially vetoing this section because I object to the excessively detailed criteria for the Department of Transportation's written analysis of projects. If not removed by my partial veto, these specifications will cause the program to be unworkable. With my partial vetoes, unnecessarily restrictive statutory governance over the design-build program will be eliminated.

44. Design-Build Technical Review Committee Experience Requirements

Section 298 [as it relates to employees of the department]

This provision requires that a Department of Transportation employee that sits on the design-build technical review committee must have five years of experience in the transportation construction industry.

I am partially vetoing this provision because I object to such a restrictive requirement as it does not allow for the Department of Transportation to select qualified professionals with extensive design-build contracting experience and sufficient transportation construction industry experience.

45. Requirements of the Technical Review Committee in Review of Prior Awarded Design-Build Bidders

Section 301

This section outlines additional criteria that the Technical Review Committee is to review regarding the prior work completed by a design-build bidder.

I am vetoing this section because I object to requirements specifying what the Department of Transportation can and cannot do in evaluating the prior work of a bidder.

46. Requirements of Project Delivery for Design-Builders

Section 303

This section requires that to be considered a qualified bidder for a design-build contract the design-builder has served as the prime contractor on at least five projects administrated by the Department of Transportation in the last five calendar years.

I am vetoing this section because I object to such a requirement that would limit the available pool of otherwise qualified bidders for available projects.

47. Design-Build Noticing Requirements for Request for Qualifications

Section 306

This provision requires the Department of Transportation to the advertise the design-build request for qualifications by publication in a class 1 notice in the official state newspaper, and on the department's Internet site.

I am vetoing this provision because I object to additional statutory requirements being placed on the Department of Transportation's bidding process as the department is best situated to determine the place and manner of notices of request for qualifications.

48. Design-Build Technical Review Committee Process for Proposals

Section 308

This section requires the design-build Technical Review Committee to have a standalone process to review and accept alternative technical concepts and value engineering change proposals.

I am vetoing this section because I object to the creation of processes that are redundant as the entire purpose of design-build bids and the technical review process is to develop and adjudicate alternative technical concepts and weigh the value of engineering changes.

49. Design-Build Procurement Manual Committee and Reports

Section 319 [as it relates to the preparation of a report establishing program structure and the creation of a design-build manual]

These provisions require the Department of Transportation to prepare a report that establishes a program structure for delivering design-build projects and specifies that the department may not designate a design-build project prior to the completion of this report. These provisions further require that a committee prepare a design-build procurement manual. The committee must include department employees, a person representing a relevant state association nominated by the Governor with the advice and consent of the Senate, and a person representing a relevant national trade association nominated by the Governor with the advice and consent of the Senate.

I am vetoing these provisions because I object to the delays that these provisions will create. Since the initial design-build framework was established in state law by 2019 Wisconsin Act 9, the department has gained substantial expertise in design-build project methodology. The Legislature's approval of bonding in the 2021-23 budget specifically for design-build projects was an acknowledgement of the Department of Transportation's progress. My veto of these provisions will allow the department to proceed in project selection without needless delay and will allow the department to draw on both internal and external expertise as it sees fit to develop a design-build manual.

50. Report on Unallocated Business Development Tax Credit Authority

Section 365

This section creates a statutory requirement that the Wisconsin Economic Development Corporation submit to the Joint Committee on Finance by January 31 of each year a report identifying the amount of Business Development Tax Credit authority that remains unallocated as of December 31 of the prior year.

I am vetoing this section because I object to creating an extraneous, unnecessary reporting requirement for information that is already available upon request from the Wisconsin Economic Development Corporation. Tax credit awards are also regularly updated under current reporting requirements by the corporation. Further, the Legislative Audit Bureau audits the corporation each biennium, including its administration of the Business Development Credit. As a result, this information is readily available.