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

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

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

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

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COUNTY ORGANIZATION AND PERSONNEL

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

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

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

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

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

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

The Governor’s budget provides funding to the Legislative Technology Services Bureau to create and manage a statewide database of changes to municipal and ward boundaries. This will allow the state to maintain an accurate database of current boundaries to be shared with the U.S. Census Bureau and to be more precise in the provision of state and federal aid.

JUDICIAL AND PUBLIC SAFETY

Circuit Court Funding: The Governor’s budget consolidates all GPR appropriations (including Circuit Court Support Payment, Guardian ad Litem, and Court Interpreter programs) into a single block-grant appropriation and removes funding for these programs from the Supreme Court’s sum sufficient appropriation.

The Governor’s budget transfers funding and position authority for court reporters from the circuit courts sum sufficient appropriation to the circuit court costs appropriation to reflect the transfer of court reporters from the circuit courts sum sufficient appropriation to the circuit court costs appropriation.
The Governor’s budget repeals the appropriations for statutory court interpreter fees, circuit court support payments, guardian ad litem costs, and violent crime court costs and programs, and repeals statutory language requiring counties to report circuit court revenues and expenditures to the Director of State Courts Office.

The Governor’s budget revises statutory language relating to funding for court interpreters to use $232,700 in PR annually in penalty surcharge receipts, rather than justice information fee receipts, to address a deficit in the justice information fee appropriations.

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

**Emergency Management:** The Governor’s budget establishes the Office of Government Continuity in the Department of Administration to coordinate and improve the required statewide continuation of government and continuity of operations plans throughout the state.

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

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

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

**Crime Prevention Funding Boards:** The Governor’s budget imposes a $20 surcharge on felony or misdemeanor convictions. All funds collected by a county must be held in a crime prevention fund, and each county must create a crime prevention funding board, comprised of seven local criminal justice officials, that will determine how the funds will be distributed as grants.

**Justice Department Grant Consolidation:** The Governor’s budget consolidates various justice grant earmarks into a single Justice Assistance Grant program.
**Public Defenders Pilot:** The Governor’s budget seeks to reduce the use of private bar defense counsel in cases where there would be a conflict of interest for the Public Defender’s Office to represent multiple clients in a trial, through the creation of a pilot Conflict Defender’s Office to manage cases in Milwaukee, Waukesha, and Racine counties, and increases staffing levels in the Office of Public Defender in order to reduce the use of private attorneys in these cases.

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

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**HEALTH AND HUMAN SERVICES**

**Drug Testing (Screen and Test):** The Governor’s budget proposes drug testing, screening, and treatment opportunities for individuals receiving unemployment insurance benefits from the Department of Workforce Development, or public assistance benefits in certain work-based programs at the Departments of Children and Families, and Health Services. The budget requests waivers from the federal government (Department of Health and Human Services and U.S. Department of Agriculture) to test able-bodied adults without dependents on Medicaid and FoodShare for illegal drugs.

- Permits employers who conduct preemployment drug screenings to report screening failures to the Department of Workforce Development.
- Requires the screening and drug testing of unemployment benefit recipients for whom suitable work is only available in certain occupations that are federally approved for benefits eligibility testing.
- Upon amendment or overturn of federal regulations, require the screening and drug testing of unemployment benefit recipients for whom suitable work is only available in an occupation that regularly conducts drug testing, as determined by the Department of Workforce Development.
- Requires an individual who fails a drug test to enter substance abuse treatment at the expense of the state, as well as a job training program. These individuals continue to be eligible for benefits during treatment and training, but subsequent drug test failures will result in loss of benefits with additional requalification requirements.

**Jobs Programs:** The Governor’s budget proposes $3 million over the biennium ($1 million in FY 16 and $2 million in FY 17) to establish job programs, similar to Transform Milwaukee Jobs, in Racine and Beloit, as well as high-need rural areas. These programs would be administered by the Department of Children and Families. Aimed at low-income people over the age of 18, these programs will serve groups that have not always had access to job training and assistance, including young adults, noncustodial parents, individuals on probation and parole, and many others.

**Food Safety and Recreational Licensing Activities:** The Governor’s budget consolidates all food safety, recreational facility, lodging and food protection activities into the Department of Agriculture, Trade and Consumer Protection.
• Transfers from DHS include: licensing and inspection of all restaurants, vending machines, food commissaries, licensed campgrounds, recreational camps, swimming pools, hotels and rooming houses.

Wisconsin Works: The Governor’s budget reduces the lifetime Wisconsin Works time limit from 60 months to 48 months, as well as adjusts the state’s extension policy to correspond with federal law. The budget also modifies the composition and role of community steering committees to support a focus on jobs and work participation for all committees.

• DCF will be given discretion to determine exact transition times for those already in the program and near the 48-month time limit, with the goal that the transition period be completed within six months.

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

Elderly and Disabled Transportation Aids: The Governor’s budget increases funding by $438,000 for elderly and disabled aids to local governments and nonprofit organizations. The budget also renames the program – Seniors and Individuals with Disabilities Specialized Transportation Aids.

Mental Health Crisis Programs: The Governor’s budget provides funding to assist counties with creating robust crisis services programs pairing law enforcement with mental health professionals to create a best practice model.

Mental Health Funding: The Governor’s budget streamlines mental health funding in Wisconsin by consolidating the funds into community aids to ensure flexibility and create efficiencies.

Emergency Detention: The Governor’s budget aligns the emergency detention process in Milwaukee County with other counties in the state and requires counties to provide community-based crisis assessment by a mental health professional (physician who has completed a residency in psychiatry, a psychologist, or a licensed mental health professional) prior to an emergency detention. The budget allocates $1.5 million to assist counties with this effort in FY 16.

Office of Children’s Mental Health: The Governor’s budget attaches the Office of Children’s Mental Health to the Department of Health Services.

Domestic Abuse: The Governor’s budget provides $5 million in FY 17 to the Department of Children and Families for additional grants to shelters that help victims of domestic abuse and their families.

Family Care: The Governor’s budget expands the Family Care program statewide by January 1, 2017, or upon federal government approval. The budget transitions the
program to an outcome-based model providing long-term care, primary care and acute care services, including self-directed care; creates operational efficiencies for managed care organizations; and streamlines operations in the Department of Health Services.

- Services provided to participants through managed care organizations operating statewide.
- Provides members with a choice of MCOs in order to determine which best meets their needs.
- Ensures consumer protections by regulating MCOs as insurance entities under the jurisdiction of the Office of Commissioner of Insurance.

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

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

**Dementia Care:** The Governor’s budget provides funding to support dementia care specialists in selected aging and disability resource centers across the state.

**DHS Organization:** The Governor’s budget merges the Department of Health Services’ Division of Long-Term Care with its Division of Health Care Access and Accountability to streamline the provision of Medicaid and eligibility services.

**ADRCs:** The Governor’s budget restructures funding and contracts for aging and disability resource center functions statewide to increase cost-effectiveness and enhance service delivery.

**Substance Abuse Treatment:** The Governor’s budget expands Medicaid coverage to the treatment portion of residential substance abuse treatment to ensure individuals with substance abuse disorders receive the appropriate level of care in the most appropriate setting.

**Medicaid Immunizations:** The Governor’s budget expands the settings in which immunizations may be provided for Medicaid beneficiaries to include pharmacies.

**Personal Care Services:** The Governor’s budget improves program integrity in the use of personal care services in Medicaid while ensuring members receive essential services on a timely basis.

The Governor’s budget requires an independent assessment for all prescribed fee-for-service personal care to ensure that the right amount of care is being provided to members at the right time and in the right settings, and reduce fraud and abuse in the Medicaid program.
Child Sex-Trafficking Victims: The Governor’s budget provides $2 million in FY 17 to the Department of Children and Families to increase services to child sex-trafficking victims, especially in rural areas of the state.

Fostering Futures: The Governor’s budget provides $72,800 in FY 16 and $457,000 in FY 17 and 1.0 FTE position for a state coordinator to create the Fostering Futures: Connections Count initiative, which will support community connectors, who are trusted neighbors or community leaders, to interact with vulnerable families with children up to age five and connect the families with formal and informal community support services.
- $360,300 in FY 17

Youth Aids: The Governor’s budget transfers the administrative responsibilities for youth aids, and related aids programs (community intervention program and Indian juvenile placements) for juvenile offenders, from the Department of Corrections to the Department of Children and Families, beginning on January 1, 2016, and update performance measures and goals in the program (similar to the Children and Family Aids program) with the goal of improved outcomes for juvenile offenders.
- Responsibility for allocating youth aids and supervising the administration of community-based juvenile delinquency-related services (other than juvenile correctional services, the serious juvenile offender program, aftercare supervision) transferred.
- $45,572,100 last 6 months of 2015
- $91,150,200 CY 2016
- $45,578,100 first 6 months of 2017

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

Juvenile Community Supervision Programs: The Governor’s budget redesigns the state’s juvenile community supervision programs into a single community supervision program, to provide services based on a juvenile’s individual risk and needs.

The Governor’s budget recommends reorganizing the aftercare and corrective sanctions juvenile supervision programs into the community supervision program, effective July 1, 2017.
- Eliminates aftercare supervision provided by DOC and the corrective sanctions program.
- Requires DOC to purchase or provide community supervision services for juveniles who have been placed under the supervision of DOC.
- Permits DOC to purchase or provide for a juvenile who has been placed under community supervision: 1) surveillance based on the juvenile’s level of risk and community safety considerations; 2) youth report center programming for times when the juvenile is not under immediate adult supervision; 3) contacts with the juvenile and the juvenile’s family of a type, frequency, and duration that are
commensurate with the juvenile’s level of risk and treatment needs; 4) case management services; 5) any other treatment or services that are needed to meet the needs of the juvenile.

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

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

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

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

**Uniform Appeals Process:** The Governor’s budget provides additional funding for the ongoing implementation of a uniform appeals process for child protective services cases, which began January 1, 2015.

**BadgerCare Plus:** The Governor’s budget eliminates the three-month waiting period for enrollment in BadgerCare Plus for certain children and pregnant women.

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

**Medicaid Dental Care:** The Governor’s budget creates a pilot that increases dental reimbursement under Medicaid to ensure individuals have access to and receive dental care.

- The pilot program will take place in Brown, Polk and Racine counties.
- $11,480,000 in FY 17

**Medicaid for Childless Adults:** The Governor’s budget:

- Seeks a waiver from the federal Department of Health and Human Services for authority to impose monthly premiums and premiums for risky behaviors for childless adults enrolled in Medicaid.
• Childless adults will be required to have a health risk assessment and to be screened for drug use to receive benefits.
• Enrollment will be limited to no longer than 48 months.

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

Safety and Out-of-Home Placement Services: The Governor’s budget provides $3,647,200 in FY 16 and $5,392,700 in FY 17 to fund services for families where the department determines that, if appropriate services are provided, the child may remain at home and for families with children in out-of-home care.

Children and Families Allocation: The Governor’s budget maximizes federal funding for the children and families allocation to counties for child and family welfare services.
• $1,140,700 in FY 16 and FY 17

Income Maintenance Consortia Reestimate: The Governor’s budget recommends fully funding the Income Maintenance consortia based on updated caseload assumptions and program requirements.
• $10,836,600 in FY 16
• $9,079,300 in FY 17

Children’s Community Options Program: The Governor’s budget recommends supporting children with long-term care needs and their families by creating a Children’s Community Options Program within the existing Community Options Program and reallocating appropriate funding for this initiative. The Governor also recommends reallocating funding to provide community-based mental health, and alcohol and other drug abuse services.

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

Pretrial Intoxicated Driver Intervention Grant Program: The Governor’s budget transfers the Pretrial Intoxicated Driver Intervention Grant Program from the Department of Transportation to the Department of Health Services.

TAXATION AND FINANCE

Shared Revenue: The Governor’s budget maintains current funding levels for shared revenue.
**Levy Limits:** The Governor’s budget leaves current levy limits unchanged so that counties may only increase their tax levies by the change in property values due to net new construction. All current law exemptions to the levy limit program are maintained.

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

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

**Property Assessment:** The Governor’s budget transitions from the current system of municipal property value assessment to a county-based system. This would begin in 2016 and be completed by the 2017 property assessment year. Under the proposal, counties may form multicounty assessment regions at their discretion. Counties would be allowed to pass a percentage of the assessment costs on to municipalities.

**Local Government Property Insurance Fund:** The Governor’s budget eliminates the Local Government Property Insurance Fund. The fund will be closed to new policies with the passage of the state budget and existing policies will not be renewed after January 2016.

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

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

**TRANSPORTATION AND PUBLIC WORKS**

**Funding:** The Governor’s budget includes a total of $6.3 billion for transportation.

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

**General Transportation Aids:** The Governor’s budget includes current state funding commitments to counties, by maintaining statutory funding levels for General Transportation Aids based on funding in fiscal year 2014-15.
**Routine Maintenance Agreements:** The Governor’s budget maintains current funding for routine maintenance agreements between the state and the counties.

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

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

**Transit Funding:** The Governor’s budget funds Mass Transit Operating Aids at current levels.

**Majors Projects:** The Governor’s budget proposal provides an increase of $108.4 million over the 2013-15 funding levels for a total funding level of $836.1 million. The increase will assist in keeping several major highway projects on schedule, including the widening of I-39/90 between Madison and the Illinois border. The budget proposal provides $623.2 million in total funding for construction of the Zoo Interchange project, on schedule for completion in 2018. The proposal also delays construction of the I-94 north-south corridor (Illinois State Line to Mitchell Airport, Milwaukee) and adds $20 million for rehabilitation of the Hoan Bridge. The budget further provides $20 million for the construction of the Stillwater Bridge.

**State Highway Rehabilitation Funding:** The Governor’s budget proposal holds total funding for the State Highway Rehabilitation Program at $1.6 billion in the biennium. The funding for this program is consistent with the 2013-15 budget at $1.6 billion in the previous two-year budget cycle.

**Dam Projects:** The Governor’s budget provides $4 million for Dam Repair, reconstruction and removal projects.

**Elderly and Disabled Specialized Transportation Aids for Counties:** The Governor’s budget renames the program “Seniors and Individuals with Disabilities Specialized Transportation Aids.” Funding is increased for the program by $438,000, a 1% increase in funding in each year of the biennium.

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

**Parks and Forestry Support (Car-Killed Deer):** The Governor’s budget removes payments to local governments for the removal of car-killed deer. The proposal removes $350,700 in each year of the biennium.
**TEA (Transportation Economic Assistance) Grants:** The Governor’s budget provides $2 million in grants annually to assist local businesses in creating jobs or keeping existing jobs in an area.

**Bicycle and Pedestrian Facilities:** The Governor’s budget proposal repeals state requirements that exceed federal law related to whether bicycle and pedestrian facilities be included in the construction of new highway projects. The Governor’s office projects a cost savings of $7.4 million.

**Transportation Alternatives Program:** The Governor’s budget proposal repeals state funding for the program resulting in a savings of $1 million annually.

**Community Sensitive Design:** The Governor’s budget proposal prohibits WisDOT from funding Community Sensitive Design on highway projects resulting in $7 million in savings.

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

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

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

**State-Owned Lift Bridges:** The Governor’s budget provides an additional $330,000 to counties for operating and maintaining the bridges for the state. The increase will keep the program fully funded.

**AGRICULTURE, ENVIRONMENT AND LAND USE**

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

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

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

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

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

**Parks and Forestry Support (Car-Killed Deer):** The Governor’s budget removes payments to local governments for the removal of car-killed deer. The proposal removes $350,700 in each year of the biennium.

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

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

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

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

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

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

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

**Stewardship Program:** The Governor’s budget establishes a moratorium on Stewardship Program land purchases until the level of debt service is reduced to $1 per $8 of total cost for land purchases acquired since program inception.