



SCOTT WALKER
OFFICE OF THE GOVERNOR
STATE OF WISCONSIN

P.O. Box 7863
MADISON, WI 53707

To the Honorable Members of the Assembly:

I have approved Assembly Bill 40 as 2013 Wisconsin Act 20 and deposited it in the office of the Secretary of State.

Two years ago, Wisconsin faced a \$3.6 billion deficit after years of using one-time revenues for ongoing spending. Wisconsin corrosively spent more than it took in. The State's rainy day fund was depleted and the State could not pay all the bills. Over 134,000 Wisconsinites lost jobs during the previous four years and the unemployment rate stood at 7.8 percent. Property taxes had gone up 27 percent over the previous decade.

Together, we made some tough, but prudent, decisions to put our state back on track and lay the foundation for future growth. Now, we expect to begin the new fiscal year with a \$670 million surplus, the largest opening balance in over a decade; we will have over \$243 million in the rainy day fund, the highest rainy day fund balance ever. Most importantly, the unemployment rate dropped to 7 percent and continues to be below the national average. Wisconsin workers are finding jobs and helping to grow our economy. In the last budget, we held the line on property taxes and this budget will continue to do so.

2013 Wisconsin Act 20 continues to invest in our priorities to create prosperity for all of Wisconsin's citizens. On February 20, 2013, I introduced a budget focused on growing our economy, developing our workforce, transforming education, reforming government and investing in our infrastructure. It included a substantial middle class income tax cut, several education reforms, a robust building and infrastructure program, and entitlement reform for the federally-shared Medicaid and FoodShare programs.

The rationale for these initiatives was clear: in a globalized economy, Wisconsin needs low taxes, a strong educational system and an efficient government to compete and be prosperous. In this way, initiative and independence are rewarded. Opportunities are maximized, jobs are created, and businesses grow.

I also urged the Legislature to improve upon the introduced budget. After four months of deliberation, the Legislature returned a document that will improve our economy and continue our sound fiscal management. The Legislature put our state's surplus to work for the people of Wisconsin by increasing the middle-class tax cut, increasing funding for public schools while keeping property taxes in check, and freezing tuition for the University of Wisconsin (UW) System. I heartily endorse these accomplishments. The budget I sign today, with minimal vetoes, reinforces this direction.

I am proud to say this budget provides nearly \$1 billion in tax relief for Wisconsinites as we seek to grow our economy. The lion's share of this tax cut is through a reduction in income tax rates aimed at middle class taxpayers and is the first

reduction since the 1990s. Because of this budget, Wisconsin will be more competitive in attracting business and Wisconsin taxpayers will get to keep more of their own hard-earned money.

In addition, this budget invests \$380 million in new state funds into public education opportunities, including nearly \$300 million in funding for public schools and a \$300 increase per student over the next two years. Parents will have more choices for their children's education, no matter their zip code. It freezes tuition for the UW System campuses and introduces performance-based funding for the UW and Technical College systems. By investing in the future of our children, we open economic opportunity to all.

This budget changes the relationship between the State and its citizens by encouraging personal responsibility, especially in the use of the federal entitlements of Medicaid and FoodShare. By reforming Medicaid, all Wisconsinites will have access to affordable health insurance. Medicaid is maintained as a safety net for our state's most vulnerable, while protecting our state's taxpayers from uncertain federal funding due to the federal government's implementation of the Affordable Care Act. The State's commitment to the federal FoodShare program gives worker training to those receiving benefits to help them find jobs.

We continue to invest in Wisconsin's infrastructure through improvements to the Zoo Interchange and Hoan Bridge in Milwaukee and comprehensive upgrades to the maintenance of the state highway system. In this way, Wisconsin can get goods, manufacturing or agricultural products, to market efficiently. In addition, the State

makes an investment in its natural resources and tourism through a walleye fishery initiative. The State continues a vigorous building program with improvements throughout the state.

The following is a brief summary of how this budget, including my vetoes, will make Wisconsin more prosperous, more efficient and more independent:

Income Tax Relief

- Provides the largest tax cut in 14 years by driving income tax rates down for all filers, with the largest cuts aimed at taxpayers making between \$15,000 and \$50,000 amounting to around a 5 percent reduction for these filers. The median family of four making \$80,607 will save \$345 in this budget and \$1,725 over the next decade in income tax savings. All Wisconsin families will keep more of the money they earn.
- Simplifies Wisconsin's tax code by eliminating 17 little-used credits, reducing the number of income tax brackets from five to four and adopting federal treatment of several provisions. Tax simplification reduces the state's compliance burden on individuals and businesses, improving Wisconsin's business climate.
- Cuts total income taxes by \$650 million over the biennium; the beginning balance for the biennium is \$670 million. In this way, the tax cut is paid for by sound fiscal stewardship. The state's taxpayers reap the benefit and the state can compete for business.

Growing Our Economy

- Provides access to seed capital for growing businesses through the seed accelerator program and maintains a commitment to promoting tourism businesses in Wisconsin. Immediately adds \$36 million in additional economic development tax credits and repeals the \$47.5 million lifetime cap on the angel investment tax credit program.
- Allocates \$118.6 million over the biennium for economic development efforts administered by the Wisconsin Economic Development Corporation (WEDC) and enhances efficiency of WEDC's economic development programs by strengthening the corporation's auditing, reporting and procurement standards.
- Provides \$2.5 million to the Wisconsin Development Reserve Fund to leverage \$11.25 million for loan guarantees in support of the Wisconsin Housing and Economic Development Authority's (WHEDA) Transform Milwaukee initiative.
- Provides \$25 million GPR in fiscal year 2013-14 for an investment capital program passed in separate legislation.

Developing Our Workforce

- Provides increased opportunities for workers through Wisconsin's technical colleges through the use of performance funding to focus on job placement and programs in high demand fields.

- Continues to work to increase employment, through a variety of initiatives that build on the successful features of past programs, such as the Transform Milwaukee jobs initiative and the Trial Employment Match Program (TEMP).
- Invests \$31 million all funds into expanding and improving work training services for individuals with the lowest incomes, while requiring able-bodied adults without dependents to meet federal work or employment training requirements in order to receive FoodShare benefits.

Rural Access to Care and Workforce Development

- With an aging population and increased health care access, Wisconsin faces a physician shortage in rural and underserved areas. This budget provides grants to rural hospitals to provide residency slots to alleviate the primary physician shortage to address the primary health care shortage in Wisconsin by increasing the size and scope of rural medical programs at the Medical College of Wisconsin (MCW) and the UW-Madison Medical School.
 - MCW will build two new campuses in the Wausau and Green Bay areas.
 - UW will expand the medical school's Wisconsin Academy for Rural Medicine (WARM) and Training in Urban Medicine and Public Health (TRIUMPH) programs using \$1.5 million of program revenue.
- Funds additional students at the Marquette Dental School to provide more dental care in Wisconsin.

- Provides \$3.75 million to fund increased access to the UW Carbone Cancer Center's cutting-edge molecular imaging.
- In addition, provides grants to rural hospitals to create residency slots and help fund the continuation of those residency positions in high-need medical specialties.

Transforming Education

- Provides \$380 million in new state funds for public education and quality educational opportunities for students, including nearly \$300 million for K-12 public schools.
- Provides an additional \$250,000 over the biennium for STEM (Science, Technology, Engineering and Math) grants.
- Provides \$2.8 million over the biennium to continue and expand the PALS reading screener to ensure teachers can measure basic reading skills for all students from four-year-old kindergarten through 2nd grade.
- Provides \$13.6 million for a new Educator Effectiveness system for evaluating teachers.
- Provides \$1 million to expand Teach for America's presence in Milwaukee.
- Implements a cap on tuition at the UW System, the first two-year tuition freeze in the history of the UW system.

- The University of Wisconsin will fund \$2 million to support the start-up of a UW Flexible Option – an on-line learning and degree option that will transform higher education.

Transforming Education through School Choice

- Expands school choice options statewide to allow low-income families to choose the appropriate educational environment for their children: 500 students in the first year and 1,000 students in the second year for families below 185 percent of the federal poverty level will be allowed to participate.
- Creates a new tuition tax deduction of up to \$4,000 a year for K-8 students and \$10,000 a year for parents with high school students. This will cost \$30 million a year.

Reforming Government

- Keeps property tax increases under control. The median value home is expected to have an increase of just less than 1 percent on both the December 2013 and December 2014 tax bills.
- Continues to protect property taxpayers by maintaining levy limits on counties, municipalities and technical college districts, limiting levy increases to the rate of growth due to new construction.
- Provides \$29.7 million over the biennium in added funding for property tax credits.

- Encourages local government cooperation by removing a disincentive for contracted services between municipalities under the expenditure restraint program.
- Maintains the state's commitment to counties and municipalities by funding shared revenue at current law levels.
- Creates an electronic benefit card, which will initially be used for Wisconsin Works benefits, and then to support the child care parent pay initiative.
- Creates a program, funded at \$200,000 GPR annually, to reimburse local governments for consulting services provided by private businesses to establish efficiency initiatives, or "lean programs."
- Provides additional flexibility and staffing for the state building program at the Department of Administration to improve oversight of the building program.
- Designates single prime contracting, which streamlines relationships between the state, general contractors, and mechanical, electrical, plumbing and fire protection contractors, as the default project delivery method for large state building projects.
- Allows the Department of Administration and Building Commission to sell state-owned real property, with legislative approval, in situations where it makes sense to do so for taxpayers, as well as the State.

- Reduces executive branch agency positions by 450 FTE positions during the 2013-15 biennium, in an effort to further streamline state government.
- Increases expenditure authority at the Department of Employee Trust Funds to fund the modernization and technology integration project, which will streamline and provide additional services to participants in the Wisconsin Retirement System.
- Increases the required break in service after retirement from 30 to 75 days for new rehires. Requires new rehires, who are working more than two-thirds of full time, to stop annuity payments, rejoin the Wisconsin Retirement System and earn additional years of service.
- Promotes a wellness program to improve the health of state employees.
- Requires that the Group Insurance Board offer a health care coverage option that consists of a high-deductible health plan coupled with a health savings account to help employees become cost-conscious consumers of their own health care.
- Creates an Office of the Inspector General in the Department of Children and Families to conduct fraud prevention, program integrity and audit activities for all department-administered programs, including the Bureau of Milwaukee Child Welfare.

Investing in Infrastructure

- Invests a total of \$6.4 billion in Wisconsin's transportation infrastructure.
- Provides a total of \$517 million for continued construction of the Zoo Interchange and I-94 North-South Corridor. Of this amount, \$486 million will go to keep the Zoo Interchange reconstruction project on time.
- Invests \$226 million in the Hoan Bridge and \$15.9 million in the state's harbor system.
- Provides \$67 million above base amounts for state highway rehabilitation.
- Provides an increase of \$52 million for routine maintenance agreements with counties.
- Provides \$52 million for Freight Rail Preservation over the biennium.
- Uses a one-time transfer of \$4.3 million of program revenue for a broadband grant program, administered by the Public Service Commission, to increase broadband access and capacity and expand high-speed Internet service access.

Medicaid Entitlement Reform

- Protects the state's most vulnerable citizens by investing \$751 million of new GPR to preserve the health care safety net provided by Medicaid, BadgerCare Plus and

SeniorCare while implementing additional program reforms to ensure these programs remain sustainable and strong into the future.

- Reduces the number of uninsured individuals by over 224,000 or nearly 50 percent by providing Medicaid coverage to children and adults living in poverty, while protecting taxpayers by rejecting the unsustainable federal expansion mandated by the Affordable Care Act. The budget provides \$54 million all-funds to county income maintenance consortia to assist residents in obtaining health care coverage.
- Strengthens the Office of the Inspector General in the Department of Health Services by establishing a permanent administrative structure. To date, the work of the office saves taxpayers \$23 on average for every dollar of administrative cost.

Investing in Wisconsin's Veterans

- Extends the Veterans and Surviving Spouse Property Tax Credit to un-remarried surviving spouses, whose spouse died of a service-connected disability.
- Adds more than 100 new full-time direct-care staff at veterans' facilities.
- Increases funding to veterans organizations providing assistance to veterans and their families.
- Extends the Wisconsin GI Bill to veterans who have established residency in the state by being here for five consecutive years.

- Provides an additional \$5.3 million in state funds for the Veterans Trust Fund; improving its solvency.

Mental Health Initiatives

- Invests \$28.9 million in state funds for mental health programs to expand services to individuals living with mental illness.

Protecting Victims of Domestic Violence

- \$10.6 million in state funds will be used to partner with Children's Hospital and the Sojourner Family Peace Center on the Family Justice Center project in Milwaukee to provide services and shelter to families in crisis.
- Provides \$560,000 to the Domestic Abuse Intervention Services Center (DAIS) in Madison to help construct a new facility.
- Provides \$2 million in additional funding for counties to use in establishing and continuing restorative justice programs promoting drug abuse treatment.
- Provides stable funding of \$2 million annually for Sexual Assault Victim Services center grants.

Protecting the Innocent and Seeking Justice for Victims

- Institutes a DNA at Arrest initiative to promote a more effective, efficient and certain investigative process to find criminals, exonerate innocents and comfort victims.

- Creates a GPS tracking program to protect victims from violent accused abusers.
- Provides additional resources for the Internet Crimes Against Children Task Force.

I have made 57 vetoes to the budget. These vetoes remove unnecessary reports and requirements, clarify program intentions and timelines, and promote the more efficient administration of the executive branch. These vetoes reduce spending by \$865,000 GPR over the biennium.

I applaud the leadership of the Legislature for delivering on a substantial tax cut, entitlement reform, and investing in education and infrastructure needs. This budget makes investments in our people and maintains Wisconsin's solid fiscal integrity. In this way, Wisconsin is better prepared to preserve the freedom of its citizens, and to meet the competitive challenges of a globalized economy.

Respectfully submitted,



Scott Walker
Governor

Date: July 1, 2013

VETO MESSAGE

TABLE OF CONTENTS

A.	GROWING OUR ECONOMY	1
1.	Vapor Recovery Equipment Removal Grant.....	1
B.	DEVELOPING OUR WORKFORCE.....	2
2.	Unemployment Insurance – Holidays and Partial Benefits	2
C.	TRANSFORMING EDUCATION	3
3.	Release of Data Related to Schools Participating in Parental Choice Programs ..	3
4.	Work Based Learning Programs	3
5.	School Accountability Report Issuance	3
6.	Acceptance of Pupils Outside the Enrollment Caps	4
7.	Notification by the Department of Public Instruction of Accreditation Status	4
8.	Notification by the Department of Public Instruction of Acceptance Status of Parental Choice Program Applicants.....	5
9.	Segregated Fee Freeze	5
10.	Differential Tuition Freeze	6
11.	Performance Funding Formula.....	6
D.	REFORMING GOVERNMENT	7
12.	Conversion of Farmland Preservation Credit to Grant	7
13.	Grain Inspection Funding Transfer	8
14.	Weights and Measures Program Contracting.....	8
15.	Tank and Petroleum Testing Plan Review	8
16.	Self-Insurance for Health Care Liability Coverage.....	9
17.	Termination and Dissolution of the Health Insurance Risk Sharing Plan and Authority	9
18.	Tobacco Use Surcharge for State Employee Health Insurance.....	10
19.	OpenBook for Municipalities	10
20.	Self-Funded Portal Administrative Rules.....	11
21.	Information Technology Infrastructure Transfers	11
22.	Prison Industries Procurements	12
23.	Division of Facilities Development Fee.....	12
24.	Study of Public Library System Efficiencies.....	12
25.	Report Requirement Related to Overweight Permits for Raw Forest Products ...	13
26.	Relocation of Outdoor Advertising Signs.....	13
27.	Highway Signage—Shrine of Our Lady of Good Help	13
28.	Highway Signage—Milwaukee Central Library.....	14
29.	Speech Language Pathologist and Audiologist Fees	14
30.	Transfer Special Counsel Appropriation.....	14
31.	Wisconsin Center for Investigative Journalism	15
32.	Sale of Department of Natural Resources Land	15
33.	Report on Deletion of Positions in the Department of Natural Resources.....	15
34.	Unclassified Position Authority	16

E.	INVESTING IN INFRASTRUCTURE	17
	35. Building Program Issued Bonds	17
	36. Bonding Refunding Authority	17
	37. State-Owned Real Property Sales	17
	38. Disaster Damage Aids Passive Review Requirement	18
	39. Environmental Impact Statement – East Arterial Highway.....	18
	40. Strategic Blight Elimination Grants.....	19
F.	IMPROVING MENTAL HEALTH PROGRAMS	20
	41. Family Care Enrollees Admitted to Mental Health Institutes	20
G.	HELPING VICTIMS OF DOMESTIC VIOLENCE	21
	42. Global Positioning System Tracking Grant Program	21
H.	REFORMING HEALTH CARE ENTITLEMENTS	22
	43. Voluntary Reduction in FoodShare Benefits.....	22
	44. Allocations to Income Maintenance Consortia.....	22
	45. FoodShare Employment and Training Reporting Requirement	22
	46. Certified Medical Coder Position	23
	47. Self-Directed Services Waiver for Post-Secondary Education.....	23
I.	PROTECTING OUR CITIZENS.....	24
	48. Crime Prevention Funding Boards and Crime Prevention Funding Board Surcharge	24
	49. Regulation of Bail Bond Agents, Bail Bond Agencies and Bail Bond Recovery Agents	24
	50. Prerelease Pilot Program for Prisoners	25
	51. Five Star Provider Meeting Requirement	25
	52. Child Support Arrears Pilot Program	26
J.	SUPPORTING OUR VETERANS	27
	53. Transfers to the Veterans Trust Fund and Mortgage Loan Repayment Fund	27
K.	PRESERVING WISCONSIN'S HERITAGE	28
	54. Bearskin State Trail Development.....	28
	55. Catch-and-Release Bass Fishing.....	28
	56. Sporting Heritage Grant	28
	57. Historical Society Positions	29

A. GROWING OUR ECONOMY

1. Vapor Recovery Equipment Removal Grant

Section 2104k

This provision creates a grant program in the Department of Natural Resources to reimburse gas stations for the costs of removing Stage II vapor recovery equipment. Eligible recipients, who are owners or operators of gas stations who decommissioned Stage II recovery equipment from their facilities on or after April 16, 2012, may receive up to \$8,000 per gas station, provided the owner or operator pay 50 percent of the eligible removal costs. In addition, the provision requires the department to promulgate rules outlining the eligible costs, to award grants in the order in which the applications have been received, and to prohibit awards after June 30, 2015.

I am partially vetoing this provision to remove the requirement that all grants must be awarded by June 30, 2015, because the deadline is insufficient to provide gas station operators time to apply for and receive the grants. Instead, I am directing the department to permit applications continuously and request additional appropriation authority as necessary in the 2015-17 biennium to support the program.

B. DEVELOPING OUR WORKFORCE

2. Unemployment Insurance – Holidays and Partial Benefits

Sections 1717v, 1717x, 9351 (5q) and 9451 (6q)

These sections create a provision that modifies eligibility for partial unemployment insurance benefits by reducing by eight hours the maximum hours an unemployment insurance claimant can work if a legal holiday occurs during that week. This provision only applies if the claimant has base period wages from a single employer and that employer notifies the Department of Workforce Development and follows the procedures for a complete business shutdown on that holiday.

I am vetoing these sections because I object to enactment of this provision at this time. More study is needed to ensure compliance with federal laws and regulations, and this policy is best addressed in separate legislation. The Legislature should work with the Department of Workforce Development and the Unemployment Insurance Advisory Council to formulate a policy that meets the intent of this provision without jeopardizing federal grant funds.

C. TRANSFORMING EDUCATION

3. Release of Data Related to Schools Participating in Parental Choice Programs

Section 1857m [as it relates to data to be released and the selective release of data]

This section requires that if the Department of Public Instruction releases data related to pupils participating in or seeking to participate in a parental choice program for certain eligible school districts, the data must be released all at the same time, uniformly and completely, except that the department may selectively release portions of information to school districts, individual schools or entities authorized to obtain data for private schools or school districts. Data to be released may include, but is not limited to, enrollment of, standardized test results for, applications submitted by, waiting lists for and other information related to these students.

I am partially vetoing this section because I object to the selective release of portions of student information, which erodes the goals of consistency and transparency related to data surrounding parental choice programs for eligible school districts. Additionally, I am partially vetoing this provision to provide certainty to the department as to what data must be released at the same time, uniformly and completely.

4. Work Based Learning Programs

Section 1828g [as it relates to applicability of state child labor laws to work based learning program participating employers]

This provision specifies that state child labor laws set forth in ss. 103.21 to 103.31 and 103.64 to 103.82, Wisconsin Statutes, and federal labor law requirements for age and immigration status apply to employers participating in work based learning programs.

This partial veto leaves intact the requirement that employers comply with state child labor laws and that school boards or school governing bodies ensure that employers comply with appropriately applicable law. I am partially vetoing this provision because the referenced statutes include regulations that I believe are incorrectly applied to employers participating in a work based learning program. For example, s. 103.71 essentially prohibits minors from working during school hours, but work based learning programs necessarily involve work during school hours.

5. School Accountability Report Issuance

Section 1746 [as it relates to the date by which school accountability reports must be issued]

This provision requires the Department of Public Instruction to publish, by September 30 of each year, school and school district accountability reports, also known as school report cards. The provision requires that the report cards include measurement of performance or improvement in (a) public achievement and growth in reading and

mathematics; (b) college and career readiness for high school students, and indications of being "on track" for elementary grades; and (c) gaps in achievement and rates of graduation categorized by race, English language proficiency, disability and income level. Using these measures, the provision requires that the report cards place each school or district into one of five performance categories. The provision further requires the publishing of school report cards for independent charter schools and schools participating in a parental choice program within one year after the department collects data from those schools through a student information system.

I am partially vetoing this provision because I object to the belated date by which issuance of the report cards is required. The report cards contain critical information for parents who may be choosing a school or school district, and this information should be available to them at least prior to the beginning of the school year.

6. Acceptance of Pupils Outside the Enrollment Caps

Sections 1844e [as it relates to accepting pupils outside of the limitations], 1848d [as it relates to providing notice to private schools related to applicants that may be accepted] and 1848h [as it relates to providing notice to private schools related to applicants that may be accepted]

These provisions permit private schools in an eligible school district under s. 118.60 (1) (am) or a first class city school district to accept pupils under the expanded parental choice program, and provide that these pupils would not count toward the limitations of 500 pupils in the 2013-14 school year and 1,000 pupils in the 2014-15 school year in the expanded program.

I am partially vetoing section 1844e because I believe the caps included in this section should represent the total number of students allowed into a parental choice program expansion. Permitting private schools in some districts to accept pupils outside of the cap is beyond the scope of the expansion and may have unintended consequences. I am requesting that the Legislature evaluate the need for further legislation to accomplish the intent of the expansion.

I am also partially vetoing sections 1848d and 1848h to eliminate language that becomes inconsistent as a result of the partial veto of 1844e; if private schools are not eligible to accept pupils outside of the caps, no notifications under sections 1848d and 1848h are necessary.

7. Notification by the Department of Public Instruction of Accreditation Status

Sections 1857e and 1876dL

These provisions require the Department of Public Instruction to notify a private school participating in a parental choice program that the department has received and approved the school's accreditation status, which is required to be demonstrated annually under section 1856w of the bill.

I am partially vetoing these provisions because they require the department to approve accreditation status that is issued by certain third-party entities. The department is not in a position to issue such an approval.

8. Notification by the Department of Public Instruction of Acceptance Status of Parental Choice Program Applicants

Sections 1848d [as it relates to notification requirements contained in s. 118.60 (3) (ag) 7.] and 1848h [as it relates to notification requirements contained in s. 118.60 (3) (ar) 7.]

These provisions specify that private schools participating in a parental choice program in the 2012-13 school year (through the Milwaukee Public Schools (MPS) or Racine Unified School District (RUSD) programs) may not be selected under the parental choice program expansion as one of 25 schools that is allocated 10 seats under the expansion if pupil applications exceed the statewide cap in either 2013-14 or 2014-15.

I am partially vetoing these provisions because they are inconsistent with the pupil participation limit of one percent for any school district other than MPS or RUSD. These provisions indicate that the Department of Public Instruction would be required to notify private schools participating in a parental choice program in the 2012-13 school year that they may accept all applications of pupils from other districts, when in fact the number of pupil applications may exceed one percent of the district's enrollment. This partial veto eliminates the requirement that the department notify private schools participating in a parental choice program in 2012-13 that all applications may be accepted.

9. Segregated Fee Freeze

Section 9148 (4n) (title) and (b)

This section requires the Board of Regents to ensure that the allocable portion of segregated fees charged to students enrolled in a University of Wisconsin System institution or college campus in academic years 2013-14 and 2014-15 not exceed the segregated fees charged to students in the 2012-13 academic year.

I am partially vetoing this section because I object to freezing the portion of segregated fee rates allocated by students to support student-led activities and services. I support vesting responsibility for the disposition of fees that support student activities with the students at each University of Wisconsin institution or college campus. As a result of this veto, the portion of segregated fees allocated by students may increase, if approved by students, in academic years 2013-14 and 2014-15 over the amount charged in the 2012-13 academic year.

10. Differential Tuition Freeze

Section 9148 (4n) (a) 2.

This section prevents the Board of Regents from increasing resident undergraduate tuition in academic years 2013-14 and 2014-15 over the amount charged in academic year 2012-13, with the exception of differential tuition approved by the Board of Regents before June 1, 2011.

I am partially vetoing this section because I object to allowing differential tuition to increase over the amount charged in academic year 2012-13. I support the goal of keeping higher education affordable for Wisconsin resident undergraduate students. As a result of this partial veto, differential tuitions must remain at or below the amounts charged in academic year 2012-13.

11. Performance Funding Formula

Section 646 [as it relates to each fiscal year after fiscal year 2016-17]

This section specifies that the percentage of state aid distributed by the Technical College System Board under the performance funding formula created under s. 38.28 (2) (be) would be 10 percent of total state aid in fiscal year 2014-15, 20 percent of total state aid in fiscal year 2015-16 and 30 percent of total state aid in fiscal year 2016-17 and every year thereafter.

I am partially vetoing this section because I object to an arbitrary cap on the percentage of state aid distributed through the performance funding formula. I support a gradual transition from the equalization formula to a formula based on each technical college district's performance on key state priorities by increasing the percentage of state aid distributed through the performance funding formula by 10 percent each year and decreasing the percentage of state aid distributed through the general aid formula by the same amount. As a result of this veto, the portion of state funding distributed through the performance funding formula would revert to zero in fiscal year 2017-18. I intend to address the continued transition to a performance funding formula for fiscal year 2017-18 and beyond in my next biennial budget proposal.

D. REFORMING GOVERNMENT

12. Conversion of Farmland Preservation Credit to Grant

Sections 200 [as it relates to s. 20.115 (4) (cm)], 202u, 1277g, 1434t, 1437e, 1440cm, 1587p, 1587pb, 1587pc, 1587pd, 1587q, 1587r, 1587s, 1587t, 1587u, 1587v, 1587w and 9137 (2L)

These provisions convert the per acre farmland preservation credit program (generally the form of the credit available for agreements entered into after July 1, 2009) from a tax credit to a grant program administered by the Department of Agriculture, Trade and Consumer Protection beginning with tax years starting on or after January 1, 2014, and authorize the Department of Administration to transfer position authority from the Department of Revenue to the Department of Agriculture, Trade and Consumer Protection for the purpose of administering the program.

I am vetoing sections 202u, 1277g, 1434t, 1437e, 1440cm, 1587p, 1587pb, 1587pc, 1587pd, 1587q, 1587r, 1587s, 1587t, 1587u, 1587v and 1587w because I object to the possible confusion and duplicative effort the conversion of the credit will have for claimants. Because the grant program would be separated from the tax form on which farmland preservation claimants have typically claimed farmland preservation credits, these provisions will require separate, and likely duplicative, documentation by claimants. Additionally, the conversion of the credit into a grant program will increase costs borne by state agencies by adding to their administrative responsibilities related to the program. I support efforts to simplify the tax code, but those efforts cannot be made at the expense of greater burdens on beneficiaries of state programs or at the expense of programmatic efficiency. However, I believe that this issue should be reviewed in the future to determine whether a conversion of the program would be in the best interests of claimants and taxpayers at large (including modifications to the "old" version of the credit for earlier farmland preservation agreements that would remain on the tax forms under the bill).

In addition, I am partially vetoing section 200 [as it relates to s. 20.115 (4) (cm)] to remove the appropriation created under the Department of Agriculture, Trade and Consumer Protection for the purpose of paying farmland preservation grants. The effect of this partial veto, in conjunction with other veto actions, is to retain the farmland preservation credit program as a tax credit. As a result of these actions, the estimated \$20,900,000 GPR that would have been expended through the appropriation under s. 20.115 (4) (cm) in fiscal year 2014-15 will instead be expended under the sum sufficient appropriation under s. 20.835 (2) (do). Consequently, I am requesting the Department of Administration secretary to reestimate expenditures under s. 20.835 (2) (do) upward by this amount for fiscal year 2014-15 and to not allot the funds under the vetoed appropriation under s. 20.115 (4) (cm) for fiscal year 2014-15. This shift will have no impact on farmland preservation credit claimants.

Finally, I am vetoing section 9137 (2L) to remove the authority of the Department of Administration to transfer position authority from the Department of Revenue to the Department of Agriculture, Trade and Consumer Protection for the purpose of administering the grant program. Because the program will remain a tax credit program, this authority is unnecessary.

13. Grain Inspection Funding Transfer

Section 9102 (1e)

This provision requires the Department of Agriculture, Trade and Consumer Protection to develop a plan to transfer, by December 31, 2013, an amount sufficient to eliminate the accumulated deficit in the department's grain inspection and certification program as of June 30, 2013. The department is required to submit the plan to the Joint Committee on Finance under a 14-day passive review no later than November 15, 2013.

I am partially vetoing this provision to remove the date by which the department must develop the plan as well as the provision that the Joint Committee on Finance review the plan under 14-day passive review because I object to the inflexibility and timing included in the language. Setting such strict deadlines will not allow the department to evaluate the impact of new inspection fees and the expansion of inspections and their impact on collections, which may result in unnecessary transfers from other account balances. Instead, I am directing the department to submit the plan to the Committee for information only and to make the transfer as soon as practicable based on the projected revenues in the program in fiscal year 2013-14.

14. Weights and Measures Program Contracting

Section 1593v

This provision allows for a municipality that is required to establish a weights and measures program to contract with a private weights and measures service provider to enforce the program requirements. A municipality may recover the contract costs by assessing fees on program participants.

While I am supportive of private enterprise and am interested in further examination of this idea, I am vetoing this provision because it lacks sufficient detail about how it would be implemented and what the standards and requirements would be for private entities that would provide this service. Provision of these services must be effective and fair to all parties involved.

15. Tank and Petroleum Testing Plan Review

Section 9138 (3) (b)

This provision relates to the transfer from the Department of Safety and Professional Services to the Department of Agriculture, Trade and Consumer Protection all incumbent employees determined to relate to the storage, use and handling of flammable or combustible liquids or federally regulated hazardous substances. The provision also requires that two of the positions transferred must be employees whose duties include reviewing plans and petitions for variances relating to the storage, handling and use of flammable or combustible liquids or federally regulated hazardous substances.

I am partially vetoing this provision to eliminate the requirement that two of the transferred employees would be responsible for the tank plan review and petition for variance function. I object to this provision because it does not provide the Department of Agriculture, Trade and Consumer Protection the flexibility to staff the program as it determines to be most efficient and effective.

16. Self-Insurance for Health Care Liability Coverage

Sections 2267f and 2267g

These sections provide a definition of affiliated health care providers for the purpose of permitting controlling legal entities to provide self-insured health care liability coverage to health care providers employed by or affiliated with the controlling legal entity under a single plan.

I am vetoing these sections to remove the definition of affiliated health care providers because this language is overly broad and does not achieve the intent of the motion to limit the use of the definition to health care providers for the purposes of Chapter 655. I am directing the Commissioner of Insurance to provide a definition of affiliated health care providers by administrative rule to better achieve the intent of the motion and eliminate the ambiguity regarding the affiliated health care providers who are affected by this provision.

17. Termination and Dissolution of the Health Insurance Risk Sharing Plan and Authority

Section 9122 (1L) (b) 7. a. and 8. a.

This section requires the Board of Directors of the Health Insurance Risk Sharing Plan Authority to develop a proposal for the dispensation of the plan's cash assets after all financial obligations of the plan and authority are satisfied, and requires the Office of the Commissioner of Insurance to follow the proposal in dispensing of the assets. To the extent feasible and practical, the proposal shall return remaining assets to the sources from which they were derived or, if not feasible and practical, use the remaining assets in support of activities providing an indirect benefit to the insurers, providers and covered persons. Following the transfer of administrative responsibility for the dissolution of the plan, the Commissioner of Insurance shall take any action necessary to wind up the affairs of the plan and shall provide the final financial statements of the plan to the Legislative Audit Bureau.

I am partially vetoing this section because I object to the inflexibility of the requirement that the Office of the Commissioner of Insurance follow the proposal developed by the board for the dispensation of assets. Although I agree with the Legislature's intent to return remaining assets to the sources from which they were derived, the Commissioner of Insurance requires the flexibility to ensure that the plan for the dispensation of the assets is implemented in a manner that it is reasonable and compliant with the office's statutory and fiduciary duties; all applicable legal, administrative and regulatory requirements; and executive branch policy.

18. Tobacco Use Surcharge for State Employee Health Insurance

Sections 715, 731 and 9112 (2)

These sections require the Group Insurance Board to implement a tobacco use surcharge program for state employees and annuitants.

I am vetoing this entire provision because new federal guidance regarding wellness programs and tobacco use surcharges would make the program too onerous to administer and will likely only increase costs without achieving the goal of encouraging tobacco users to quit.

The tobacco use surcharge program was proposed before recent federal guidance was issued that limits how these types of programs can be designed and implemented. For example, in addition to waiving the surcharge for medical reasons, a reasonable alternative to paying the surcharge, such as participation in a tobacco cessation program, must be offered. Individuals do not necessarily have to stop using tobacco.

Given these and other federal restrictions, the state is unable to design the program in a way that will achieve the desired outcome of fewer people using tobacco products and still be cost-effective to administer.

19. OpenBook for Municipalities

Sections 65b, 65d, 65f and 65h

These sections require counties and any cities, villages and towns with populations larger than 5,000 to disclose expenditures relating to operations, contracts and grants on the Department of Administration's searchable Internet Web site, otherwise known as OpenBook Wisconsin, by September 1, 2016. Additional information related to municipal grants or contracts is also required. OpenBook Wisconsin is the department's system that will make state government operations expenditures available for inspection by the public on the Internet, in a searchable format.

I am vetoing this provision in its entirety because the proposal will create a significant unfunded mandate on local governments and consequently, their taxpayers. I support the goal of transparency in government, however, ensuring that the over 200 municipalities have the technical ability to interface this data with the current OpenBook Wisconsin system will be a huge undertaking and is likely to require significant investments to ensure that the reporting is accurate, complete and consistent across municipalities. Therefore, I encourage the Legislature to develop separate legislation that requires local governments to be more open and transparent about expenditures, but also offsets a portion of the increased costs with funding available from a grant program.

20. Self-Funded Portal Administrative Rules

Sections 189r and 190

These sections authorize the Department of Administration to enter into and enforce agreements with individuals to provide information technology services, as well as charge individuals for those services. These sections also require the department to promulgate administrative rules for any fees that would be assessed to individuals for information technology services related to the portal.

I am partially vetoing these sections because it is administratively burdensome to promulgate rules for each potential fee, especially as these fees will be voluntary, not mandatory. I will, however, direct the department to identify any new fees established for individuals when posting notices that new electronic government services are available.

21. Information Technology Infrastructure Transfers

Sections 188m, 200 [as it relates to s. 20.505 (1) (kk)], 424, 426m and 427

These sections permit the transfer of positions, equipment or systems associated with information technology infrastructure from any executive branch agency to the Department of Administration, if a joint request is submitted to and approved by the Joint Committee on Finance under 14-day passive review. The provision also specifies data that must be included in any request and establishes an appropriation to receive assessments received from agencies for the provision of these infrastructure services.

I am vetoing sections 188m and 426m and partially vetoing sections 200 [as it relates to s. 20.505 (1) (kk)], 424 and 427 because they are unnecessary and will impede the ability of the executive branch to manage state government operations in the most efficient and effective way possible. Consolidation of information technology infrastructure at the Department of Administration will save money and positions in individual agencies and improve services such as disaster recovery, 24/7 support and network security without a negative impact on privacy. The Division of Enterprise Technology already provides services to over 21,000 users and will use this expertise, as well as the ability to leverage economies of scale on hardware and software purchases and enterprisewide licensing. I will direct the department, in consultation with the information technology executive steering committee, to proceed with the information technology infrastructure services consolidation through memoranda of understanding with additional executive branch agencies. The department can include a request to formalize those agreements in the 2015-17 biennial budget.

22. Prison Industries Procurements

Sections 114b, 114bd and 9301 (1e)

These sections specify that for furniture enumerated in the Department of Corrections' Badger State Industries list, the price must be comparable to, rather than equal to or lower than, the price that may be obtained through a competitive bid or sealed proposal.

I am vetoing this provision because I believe that this change has the potential to provide an unfair advantage to Badger State Industries compared to the private sector. My veto will retain current law and retain the appropriate balance between supporting prison industries and the private sector.

23. Division of Facilities Development Fee

Section 155m

This section directs the Division of Facilities Development within the Department of Administration to charge a fee to state agencies for the building program that is based on the division's budgeted expenditures rather than 4 percent of each building project budget as it has been done for decades.

I am vetoing this section because the modification to the fee methodology will make it administratively much more difficult for the division to effectively oversee the state's building program. The division needs the flexibility to bill the fee after the design and bidding phases of the project have been completed and the project is set to enter the construction phase. Particularly for larger, more complex building projects, completion of the design and bid phases may not coincide with the biennium in which the project is approved, which makes it difficult to pinpoint an exact bidding and contract date and assign a project to a specific fiscal year. In addition, under the current methodology, agencies have a clear understanding of the size of the fee, as opposed to an allocation that may change as projects are resized or rescheduled.

24. Study of Public Library System Efficiencies

Section 9101 (3L)

This section requires the Department of Administration, in consultation with the Department of Public Instruction, to conduct a study to identify potential savings in public library systems through consolidation, technology, efficiencies, LEAN practices and service sharing. Under the section, the Department of Administration is required to submit a report on the study to the Joint Committee on Finance by July 1, 2014.

I am vetoing this section because it is unnecessary. The Department of Public Instruction is the appropriate agency to conduct such a study and has the ability to do so, without a legislative directive, if it believes a study is warranted.

25. Report Requirement Related to Overweight Permits for Raw Forest Products

Section 2175i

Section 2175i requires the Department of Transportation to submit a report regarding the impact of overweight permits issued for the transport of raw forest products under s. 348.27 (9), including information on the number of permits issued, accidents involving permitted vehicles and the economic impacts of these permitted vehicles.

I am vetoing this section to remove this reporting requirement because it is burdensome to the department and is duplicative of multiple studies that have been conducted on potential changes to the size and weight limits of commercial vehicles in the state.

26. Relocation of Outdoor Advertising Signs

Sections 1556m, 1556n, 1556p, 1556q, 1556r, 1556s, 1556t, 9345 (7c) and 9445 (7c)

These provisions replace the term "realignment" with the term "relocation" in the case of nonconforming outdoor advertising signs that are moved in the course of a highway construction project; allow the sign to be moved to another location within the jurisdiction of the city, village or town in which the sign is located; and specify that relocation of a sign does not change the sign's status with respect to local ordinances. Additionally, the provisions require any relocated sign to be the same size and maintain the same height with respect to the highway grade as the original sign. Finally, the provisions specify that a relocated sign must meet all departmental requirements for sign permits.

I am vetoing these provisions because they would result in increased highway project costs related to the relocation of nonconforming outdoor advertising signs and create the potential for significant project delays that result from litigation related to the relocation of these signs.

27. Highway Signage—Shrine of Our Lady of Good Help

Section 9145 (9w)

Section 9145 (9w) requires the Department of Transportation to erect and maintain two directional signs for the Shrine of Our Lady of Good Help on the northbound and southbound lanes of STH 57 in Brown County. This section further requires the installation of these signs notwithstanding statutory or administrative rule prohibitions regarding sign placement.

I am vetoing this section because these signs are expressly exempted from sign placement standards. In addition, I object to this provision because its requirements circumvent the established application and administrative process for determining the placement and approval of highway signage, including criteria regarding the entity responsible for the cost of erecting and maintaining the signs.

28. Highway Signage—Milwaukee Central Library

Section 1581t

Section 1581t requires the Department of Transportation to erect and maintain signs entitled "Historic Milwaukee Public Library" on both Interstate 43 and Interstate 794 in Milwaukee County. This signage is intended to alert motorists of the location of the Milwaukee Central Library. The section also prohibits the department from charging any fee related to erecting or maintaining these signs.

I am vetoing this section because it circumvents the established application and administrative process for determining the placement and approval of highway signage, including criteria regarding the entity responsible for the cost of erecting and maintaining these signs.

29. Speech Language Pathologist and Audiologist Fees

Sections 2179g, 2179r, 2183d, 2187am, 2187b and 2230m

These sections set speech language pathologist and audiologist credential renewal fees at \$75 biennially.

I am vetoing these sections because I object to the practice of singling out certain credential fees in statute. These sections prevent the Department of Safety and Professional Services from setting renewal fees according to the department's administrative and enforcement costs attributable to the regulation of these occupations, as is current practice. Moreover, credentialing fees will be examined as part of the study of the department and the Department of Agriculture, Trade and Consumer Protection identified in section 9101 (3s) of the bill and any adjustments to fees should be evaluated as part of that study.

30. Transfer Special Counsel Appropriation

Section 379m

This section transfers the GPR special counsel appropriation from the Department of Justice to the Department of Administration. This section also converts the GPR special counsel appropriation from a sum sufficient appropriation to a biennial appropriation.

I am partially vetoing this section because I object to the conversion of the sum sufficient appropriation to a biennial appropriation. I am concerned that the conversion of the appropriation from a sum sufficient to a biennial appropriation will provide insufficient flexibility to fund program costs.

31. Wisconsin Center for Investigative Journalism

Section 585m

This section prohibits the Board of Regents from allowing the Wisconsin Center for Investigative Journalism to occupy facilities owned or leased by the board. It also prohibits University of Wisconsin System and University of Wisconsin-Madison employees from performing work related to the center as part of their duties.

I am vetoing this section because it targets a single organization. The use of taxpayer-supported facilities by private or quasi-public organizations, as well as use of staff time in support of these organizations, is an issue of concern. Therefore, I am directing the Board of Regents to develop a systemwide policy related to the use of University of Wisconsin facilities and staff time by outside organizations.

32. Sale of Department of Natural Resources Land

Section 509z

This provision requires the Department of Natural Resources, no later than June 30, 2017, to offer for sale at least 10,000 acres of department property located outside the Stewardship property boundaries established as of May 1, 2013, and to sell at least 250 acres of productive agricultural land annually through fiscal year 2019-20 and specify that the land must remain in use as productive farmland in perpetuity.

Proceeds from the sale of the land must be used to repay any outstanding public debt (including debt issued under the Stewardship Program) and pay the federal government any of the proceeds as required by federal law. Any sale of land received through gifts and grants must adhere to any restrictions governing the use of the proceeds.

I am partially vetoing this provision to eliminate the specific reference to the sale of productive agricultural land. I object to the requirement to sell a specified amount of productive agricultural land annually as it may put a burden on the department to sell land at a below-market price. Instead, I am directing the department to offer for sale productive agricultural land as part of the provision to offer for sale the acres outside of the Stewardship property boundaries.

33. Report on Deletion of Positions in the Department of Natural Resources

Section 9101 (3u)

This provision requires the Department of Administration to provide a report by January 1, 2014, to the Joint Committee on Finance for the Committee's review and approval under a 14-day passive review identifying 32.1 FTE positions in the Department of Natural Resources to be deleted, which includes 7.8 FTE GPR positions, 9.1 FTE FED positions, 4.0 FTE PR positions and 11.2 FTE SEG positions.

I am partially vetoing the provision to remove the deadline and the Committee's 14-day passive review process because it is inconsistent with a similar provision in the bill and creates unnecessary workload. Under the bill, the Department of Administration is also required to report to the Joint Committee on Finance on the identification of 450 FTE positions to be eliminated from state agencies no later than January 1, 2015. I am directing the Department of Administration to include the separately-identified Department of Natural Resources positions in the report on the 450 FTE positions.

34. Unclassified Position Authority

Sections 2002, 2006m, 2182m and 9138 (8c)

These sections reduce the number of unclassified division administrators authorized for the Department of Safety and Professional Services and repeal the department's authority for unclassified bureau directors.

I am vetoing these sections because I object to reducing the current number of unclassified positions in the department at this time. Staffing levels will be examined as part of the study of the department and the Department of Agriculture, Trade and Consumer Protection identified in section 9101 (3s) of the bill, and changes to unclassified position authority should be delayed until that study is completed. While the veto will permit the department to have up to eight unclassified division administrators and up to five unclassified bureau directors, I am directing the department to maintain current staffing levels and to remain within its current position authorization level.

E. INVESTING IN INFRASTRUCTURE

35. Building Program Issued Bonds

Section 9104 (11i)

This section specifies that \$250,000,000 in general obligation bonding shall not be issued for enumerations in the 2007-09 and 2013-15 state building programs.

I am partially vetoing this section because I object to the language in the bill. However, I support the goal of reducing general obligation bond issuance in the 2013-15 biennium for the state building program. Therefore, I direct the Department of Administration secretary to reduce \$250,000,000 in general obligation bonds issued in the 2013-15 biennium for the newly enumerated projects in this act. With this partial veto, I remain committed to reducing the issuance of \$250,000,000 in general obligation bonds while providing flexibility for implementation.

36. Bonding Refunding Authority

Section 489 [as it relates to restrictions on refunding transactions]

This section includes a restriction specifying that refunding bond transactions may only occur where the annual principal payment on the refunding bonds does not exceed the annual principal payments on the current bonds.

I am partially vetoing this section to remove this restriction because it prevents refunding transactions from occurring in market environments where principal payments may be higher while still providing debt service savings. Current market conditions provide premium purchase pricings for bonds, which provide debt service savings from reduced principal payments. In future markets, refunding transactions may have annual debt service savings resulting from reduced interest payments; in this environment, the annual principal payment costs of the refunding bonds may be equal to or greater than the annual principal payment costs of the refunded bonds. With this veto, I am ensuring that refunding transactions and debt service savings can be realized in different market conditions.

37. State-Owned Real Property Sales

Sections 14 and 132

These sections modify the authority of the Department of Administration and the Building Commission regarding the sale or lease of state-owned real property, so as to allow the sale of additional state properties if it is in the best interest of the State to do so and to make statutory language regarding sale procedures and the treatment of net proceeds consistent across both sections.

Because I believe that state assets should only be sold when it is in the best interest of the State to do so, I am maintaining both the Building Commission's and the Joint

Committee on Finance's oversight of state-owned real property sales or leases. I am partially vetoing provisions relating to the use of remaining net sale or lease proceeds, after all other conditions have been met, because I object to limiting the flexibility of the Building Commission and Department of Administration in determining which public debt to retire. The effect of this veto is to allow the Building Commission or the Department of Administration secretary the authority to use the net remaining proceeds toward retirement of debt, wherever it is in the best interest of the State to do so.

38. Disaster Damage Aids Passive Review Requirement

Section 1587 [as it relates to the Joint Committee on Finance in s. 86.34 (6) (a) and (b)]

Section 1587 [as it relates to the Joint Committee on Finance in s. 86.34 (6) (a) and (b)] requires the Department of Transportation to submit expenditures of greater than \$1,000,000 from the department's disaster damage aids, state funds appropriation under s. 20.395 (1) (fs), resulting from a single disaster, to the Joint Committee on Finance for 14-day passive review and approval.

I am partially vetoing this section to remove the Joint Committee on Finance's 14-day passive review requirement for expenditures of more than \$1,000,000 related to a single disaster. I am vetoing this provision because disaster damage aids should not be subject to passive review, as disaster response is needed rapidly. Subjecting these expenditures to passive review may unnecessarily delay the release of funding to repair disaster-related damages.

39. Environmental Impact Statement – East Arterial Highway

Section 1534g

Section 1534g requires the Department of Transportation to conduct an environmental impact statement in the 2013-15 fiscal biennium for a proposed major east arterial highway that begins at the intersection of STH 54 and STH 73 in the village of Port Edwards and extends to the intersection of STH 54 and CTH W in the city of Wisconsin Rapids with funding from the department's major highway development program. This section requires the department to conduct the environmental impact statement notwithstanding the current law requirement that the Transportation Projects Commission recommend the preparation of an environmental impact statement or environmental assessment for a proposed major highway development project before the department undertakes such an action.

I am vetoing this section because the effort and funding that would be expended to complete the environmental impact statement are premature. The conditions which will be evaluated by the environmental impact statement required by this provision may change sufficiently, prior to the enumeration of the project, that a new environmental impact statement may be needed before the project proceeds. This may lead to redundant department expenditures.

40. Strategic Blight Elimination Grants

Sections 200 [as it relates to s. 20.490 (1) (k)], 204b, 413m, 2055b, 9214 and 9226 (1L)

These provisions provide for the transfer of funds from the Department of Financial Institutions and Department of Justice for grants issued by the Wisconsin Housing and Economic Development Authority (WHEDA) for the elimination of blighted, abandoned properties.

I am vetoing these provisions in their entirety because I object to the Legislature directing how the Attorney General uses discretionary settlement funds and how the Department of Financial Institutions should use funds from its gifts and grants appropriation. Both departments have already contributed towards WHEDA's statewide blight mitigation program that was begun in 2012 and based on the success of the program, have discussed continuation of the program beyond July 2013. I encourage the departments to continue to participate in the next round of grants to the greatest extent possible given competing priorities for these funds.

F. IMPROVING MENTAL HEALTH PROGRAMS

41. Family Care Enrollees Admitted to Mental Health Institutes

Sections 200 [as it relates to s. 20.865 (4) (a)], 347j, 347k, 831f, 831p, 9118 (5e) and 9418 (10e)

This provision appropriates \$500,000 GPR in one-time funding during the 2013-15 biennium in the Joint Committee on Finance supplemental appropriation under s. 20.865 (4) (a) to fund a portion of the costs that counties will incur for county residents who were enrolled in the Family Care program who receive inpatient services from a state mental health institute prior to July 1, 2015. The provision requires the Department of Health Services to report to the Joint Committee on Finance by September 1, 2013, on issues related to county cost liability for residents formerly enrolled in Family Care who are admitted to the state mental health institutes; request the release of the funds following the submission of the report; reimburse counties for qualifying costs using a specified schedule; and notify responsible counties of new admissions within 48 hours. Further, the provision requires managed care organizations to maintain records of enrollee emergency contacts, require managed care organizations and counties to create emergency plans for Family Care enrollees deemed at risk of admission to a mental health institute, and specify the members of a placement team that must be created for each Family Care member admitted into a state mental health institute.

I am vetoing sections 347j, 347k, 831f, 831p, 9118 (5e) and 9418 (10e) and writing down section 200 [as it relates to s. 20.865 (4) (a)] because I object to the establishment of a short-term stop-gap program to address the ongoing, complex issues that hamper the placement of individuals with long-term care and mental health treatment needs in the most appropriate setting. Instead, I am directing the Department of Health Services to analyze the factors that contribute to impediments in providing appropriate, patient-centered and coordinated treatment for individuals with co-occurring mental health, behavioral health and long-term care needs, including an insufficient number of placement options, and to recommend options for addressing these factors, including the role of the department's mental health institutes and centers for the developmentally disabled. Further, I am directing the department to review and recommend organizational changes to improve the development and implementation of policies to better address the needs of individuals with mental and behavioral health needs in the state's long-term care delivery systems. By lining out the appropriation under s. 20.865 (4) (a) and writing in a smaller amount that deletes \$500,000 in fiscal year 2013-14, I am vetoing the portion of the bill that funds this provision. Finally, I am requesting the Department of Administration secretary not to allot these funds.

G. HELPING VICTIMS OF DOMESTIC VIOLENCE

42. Global Positioning System Tracking Grant Program

Section 1942m [as it relates to matching funds]

This provision creates a pilot program for the Department of Justice to provide grants to counties to establish a global positioning system (GPS) tracking program for persons who are subject to domestic abuse or harassment temporary restraining orders or injunctions. Counties are required to provide a 50 percent match for any grant funds received under the program, and two or more counties may jointly establish and administer a program, and apply for and receive a grant under the GPS tracking pilot grant program.

I am partially vetoing this provision because I object to the 50 percent match requirement in order for a county or counties to receive grant funds. This creates an additional financial burden on smaller counties and is counterproductive for the purposes of a pilot program.

H. REFORMING HEALTH CARE ENTITLEMENTS

43. Voluntary Reduction in FoodShare Benefits

Section 1211v

This section requires the Department of Health Services to allow recipients to elect to receive FoodShare benefits in an amount that is less than the amount for which the individual or the individual's household is eligible.

Although I support the intent of the provision to allow recipients to elect to receive a lower benefit amount, thereby reducing program costs, I am vetoing this section because it is prohibitively difficult to implement and administer, likely resulting in higher administrative expenditures than the amount saved from the reduction in benefit payments. Further, the additional administrative cost is unnecessary since FoodShare recipients may currently elect to spend less than the amount of benefits issued in each month, with unexpended benefits expiring after 12 months.

44. Allocations to Income Maintenance Consortia

Section 1211b

This section requires the Department of Health Services to reimburse a multicounty consortium for income maintenance services provided under contract using a method determined by the department that includes the number of cases for which the consortium is responsible and the complexity of those cases.

I am partially vetoing this section because the criteria for allocation of the funding are overly vague and not defined in statute. Further, I object to the inflexibility of the language as it prevents the department and multicounty consortia from modifying the allocation criteria in the future to meet changing program needs. The partial veto will allow the department to work cooperatively with the multicounty income maintenance consortia to determine a funding allocation methodology that best reflects income maintenance workloads.

45. FoodShare Employment and Training Reporting Requirement

Section 1215m

This section requires the Department of Health Services to report annually, beginning January 1, 2015, to the Joint Committee on Finance and Legislature on FoodShare employment and training outcomes, including the number of able-bodied adults subject to the benefit time limit, the number of able-bodied adults subject to the benefit time limit who disenrolled from the program, and the impact of the work requirement enforcement on the payment error rate and income maintenance workloads.

Although I agree with the intent of the section to regularly report on the results of the employment and training program, I am vetoing this section because the program will

not be fully implemented before the initial reporting date and a partial analysis would be premature. I am instructing the department to provide the requested information as soon as practicable following a reasonable period of statewide implementation.

46. Certified Medical Coder Position

Section 1043p

This section requires the Department of Health Services to employ at least one full-time certified medical coder to improve Medicaid payment accuracy.

I am vetoing this section because I object to limiting the flexibility of the department to hire or contract for services in the most financially sound manner and to determine the best use of state resources, including state personnel, in ensuring the integrity of the Medicaid program.

47. Self-Directed Services Waiver for Post-Secondary Education

Section 834h

This section requires the Department of Health Services to request a federal home and community-based services waiver to provide Medicaid coverage for services provided to individuals with developmental disabilities receiving post-secondary education on the grounds of a health care institution. If the waiver is approved, the department shall limit the coverage to 100 individuals per month and shall determine the funding for each participant based on the benefit levels for the Include, Respect, I Self-direct (IRIS) waiver program.

I am partially vetoing this section because certain provisions of the language are too narrow and may conflict with federal definitions and waiver requirements. The partial veto is intended to improve the chances of receiving federal approval for the new waiver by removing the requirements that the institution be defined as a health care institution and that funding for each participant in the new waiver be based on the IRIS waiver program.

I. PROTECTING OUR CITIZENS

48. Crime Prevention Funding Boards and Crime Prevention Funding Board Surcharge

Sections 514s, 1238m, 1239m, 1243m, 2291m, 2293m, 2352m, 2358m and 9129

This provision creates a \$20 crime prevention funding board surcharge which would be applied to any misdemeanor or felony conviction. The surcharge is to be assessed only after an offender pays the global positioning system (GPS) tracking surcharge in full. The crime prevention funding board surcharge revenue must be retained by the county treasurer in a crime prevention fund and be distributed as grants at the direction of a crime prevention funding board, which is created in every county, which consists of the following individuals, or their designees: the district attorney; the sheriff; either the county executive, administrator or county board chairperson; the chief elected official of the city, village or town with the largest population in the county; a person chosen by majority vote of the sheriff and police chiefs in the county; and the presiding judge of the circuit court. The board may solicit applications and award grants to certain specified entities. At least half of the funds must go to one or more private, nonprofit organizations that has as its primary purpose preventing crime, providing a funding source for crime prevention programs, encouraging the public to report crime or assisting law enforcement agencies in the apprehension of criminal offenders. The board may direct that the rest of the funds be distributed to a law enforcement agency that has a crime prevention fund. The board and grant recipients must submit reports regarding the use of the funds to the clerk of court for the county, the county board and the legislative bodies of each municipality located in the county.

I am vetoing these sections because I object to the creation of an additional surcharge and an additional board, which may have no demonstrated effectiveness. There are already numerous surcharges on felony and misdemeanor convictions, and adding an additional surcharge will detract surcharge revenue from many other proven and worthwhile crime victim services and law enforcement programs.

49. Regulation of Bail Bond Agents, Bail Bond Agencies and Bail Bond Recovery Agents

Sections 200 [as it relates to s. 20.165 (1) (gk)], 204s [as it relates to s. 440.282], 204w, 2179t, 2179w, 2183e, 2183m, 2183s, 2187c, 2187g, 2187h, 2187i, 2187j, 2187k, 2187L, 2187m, 2187n, 2187o, 2265ce, 2285m, 2342c, 2342g, 2342n, 2342r, 2342w, 9138 (1i) and 9438 (1i)

These provisions require the Department of Safety and Professional Services to regulate and license bail bond agents, bail bond agencies and bail bond recovery agents; and to collect annual licensing fees of \$1,000 per agent or agency, under requirements promulgated by administrative rule. Bail bond agents, bail bond agencies and bail bond recovery agents are compensated 10 percent of the bond set, but may only be compensated for an action brought in Dane, Kenosha, Milwaukee, Racine or Waukesha counties for the first five years.

I am partially vetoing sections 200 and 204s, and I am vetoing sections 204w, 2179t, 2179w, 2183e, 2183m, 2183s, 2187c, 2187g, 2187h, 2187i, 2187j, 2187k, 2187L, 2187m, 2187n, 2187o, 2265ce, 2285m, 2342c, 2342g, 2342n, 2342r, 2342w, 9138 (1i) and 9438 (1i) because I object to the potential negative impact on the payment of restitution to victims and fines. Just as the creation of an additional surcharge will detract from existing crime victim services and law enforcement programs, the allocation of 10 percent of the bond to these entities will reduce funds for these important programs. This policy is best addressed through separate legislation to provide opportunity for additional study of the current system of pretrial release and to allow for public input.

50. Prerelease Pilot Program for Prisoners

Sections 200 [as it relates to ss. 20.410 (1) (ki) and 20.455 (2) (du)], 340d, 340r, 381d, 381g, 9108 and 9408

This provision creates a GPR annual appropriation for the Department of Justice for funding a one-time grant to the Department of Corrections for a prerelease pilot program to end on July 1, 2015, with funding of \$172,800 in fiscal year 2013-14, and \$192,000 in fiscal year 2014-15, and requires the Department of Corrections to enter into a contract for the services of Freedom Life Skills, Inc., to teach life skills and character development to inmates who will be released to parole or to extended supervision.

I am vetoing this provision because I object to the creation of a redundant program. The Department of Corrections already has a prerelease program for prisoners. Furthermore, I am concerned about the lack of transparency in the awarding of the contract, since the funding would be provided to a specific organization without a competitive bidding process.

51. Five Star Provider Meeting Requirement

Section 9106 (1q)

This section requires the Department of Children and Families to convene a meeting of all five star YoungStar providers who provide child care to over 50 Shares children by September 30, 2013. The department must hear the concerns of these providers and summarize the concerns and make recommendations to address the concerns in a report to the Joint Committee on Finance.

I am vetoing this section because it is overly prescriptive and unnecessary. The department already has the authority to meet with providers, and is in ongoing communications with providers that have concerns. With this veto, the department will not be required to hold another meeting with these providers by a specific date, and will be free to interact with providers and address any concerns in the manner it determines is most effective.

52. Child Support Arrears Pilot Program

Section 2277

This section establishes a pilot project under which noncustodial parents would qualify for a modified interest rate on child support arrears, with the goal of increasing child support payments. In order for the pilot project to continue beyond June 30, 2015, the Department of Children and Families would be required to obtain the approval of the Joint Committee on Finance under a 14-day passive review process. The department would be required to provide specific information on the amount of reduction in arrears owed and increase in number and dollar amount of payments towards arrears.

I am partially vetoing this section to remove the requirement that the department obtain the approval of the Joint Committee on Finance and the end date of the pilot. I believe that neither provision is necessary, because the department is capable of determining whether the pilot is successful, and can determine whether to continue the program without the burden of unnecessary review.

J. SUPPORTING OUR VETERANS

53. Transfers to the Veterans Trust Fund and Mortgage Loan Repayment Fund

Sections 801f and 9249 (2e)

Section 801f permits the Department of Veterans Affairs to transfer all of the unencumbered balances of the appropriations related to operations of the state veterans homes to the Veterans Trust Fund or Mortgage Loan Repayment Fund on June 30th of each year, if the department requests and receives the approval of the Joint Committee on Finance under a 14-day passive review process.

I am partially vetoing this section to remove the provision limiting transfers to June 30th of each year and the requirements related to Joint Committee on Finance approval because I object to the inflexibility of the language. Setting such rigid requirements for the transfer unduly restricts the department's ability to ensure the solvency of the Veterans Trust Fund and Mortgage Loan Repayment Fund by transferring surplus revenues generated from the efficient operation of the state veterans homes.

In addition, I am vetoing section 9249 (2e), that requires the transfer of \$10,000,000 from the program revenue appropriation related to the operations of the state veterans homes to the Veterans Trust Fund in fiscal year 2013-14, because this provision is no longer necessary. The Department of Veterans Affairs will determine the appropriate amount of the transfer necessary to maintain the solvency of the Veterans Trust Fund.

K. PRESERVING WISCONSIN'S HERITAGE

54. Bearskin State Trail Development

Section 509zm

This section requires the Department of Natural Resources to provide up to \$54,200 in federal funds and up to \$145,800 in Stewardship Program funds to surface a 6.9-mile trail corridor that will extend the Bearskin State Trail to the Hiawatha Trail in Lincoln County.

I am vetoing this section because I object to the inclusion of specific spending projects under the Stewardship Program in the bill. Instead, I am directing the department to complete the project in the 2013-15 biennium using existing resources.

55. Catch-and-Release Bass Fishing

Section 552m

This section requires the Department of Natural Resources to establish a catch-and-release only season for bass fishing for the areas of the state where there is not a continuous open season for bass fishing. The section also specifies that the season begins on the first Saturday in March and ends on the Sunday preceding the first Saturday in May.

I am vetoing this section because I object to the establishment of a catch-and-release bass fishing season without allowing the Wisconsin Conservation Congress to review any considerations for the establishment of such a fishing season. In addition, I am concerned that the provision would set a precedent to permit the establishment of certain fishing seasons without the input of the Conservation Congress. Instead, I am directing the department to work with the Conservation Congress to review opportunities for establishing a catch-and-release bass fishing season and to review the dates for which a catch-and-release season would be appropriate.

56. Sporting Heritage Grant

Section 572f

This provision directs the Department of Natural Resources to provide \$500,000 during the 2013-15 biennium, which includes \$200,000 GPR in fiscal year 2013-14 and \$300,000 in federal and other state matching funds in fiscal year 2014-15, for a grant to a nonprofit organization established in Wisconsin for outdoor education, and recruitment and retention of outdoor sports enthusiasts. Beginning with the 2015-17 biennium, the department is required to provide \$450,000 to the extent allowed under federal law each biennium. Under the provision, the organization must meet specific criteria for providing firearms safety training and shooting events, and mentoring prospective hunters. The grant must be used to preserve and protect the state's hunting, fishing, trapping and shooting traditions.

To be awarded the grant, the organization must apply through the department. The provision requires the creation of a committee, which consists of the chairs of the Assembly and Senate standing committees responsible for natural resources, as well as three members appointed by the chair of the Sporting Heritage Council. Grants must be awarded within 60 days of the effective date of the bill and within 30 days following the effective date of the biennial budget bill in subsequent biennia.

I am partially vetoing this provision to remove the reference to the use of federal funds because I am concerned whether the use of the federal funds under 16 USC 669-669i (Wildlife Restoration Act) and 777-777k (Sport Fish Restoration Act), and the associated federal grant is appropriate for this purpose. Instead, I am directing the department to identify \$300,000 in other funds in fiscal year 2014-15 and \$450,000 in each biennium thereafter that would be suitable for the grant.

57. Historical Society Positions

Section 200 [as it relates to appropriations under s. 20.245 (1) (a) and (r)]

This section, as it relates to the appropriations under s. 20.245 (1) (a) and (r), provides \$9,842,600 GPR in fiscal year 2013-14 and \$9,844,300 GPR in fiscal year 2014-15, and \$3,116,600 SEG in both years, respectively. This section of the bill reflects the appropriations from which 7.00 FTE positions were eliminated from the Historical Society.

I am lining out the amounts under s. 20.245 (1) (a) and (r) and writing in smaller amounts that reduce each of the appropriations by \$100 in each year of the biennium because I object to the 7.00 FTE position reduction in the Historical Society. This reduction unnecessarily burdens the society with a reduction in staff without a reduction in responsibilities or program. With this veto, I am retaining 6.33 FTE positions in the appropriation under s. 20.245 (1) (a) and 0.67 FTE position in the appropriation under s. 20.245 (1) (r). This action is necessary because no specific language has been included in the bill reflecting the reduction in FTE positions for the Historical Society.

With this veto, I am retaining these 6.33 FTE positions in the appropriation under s. 20.245 (1) (a) and the 0.67 FTE position in the appropriation under s. 20.245 (1) (r) in each year of the biennium to preserve Wisconsin's heritage protected by the Historical Society. I direct the Department of Administration secretary to not allot these funds. I also direct the Department of Administration secretary to not reduce the authorized positions by 7.00 FTE positions in the Personnel Management Information System.