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League 2025-2027 Governor's Biennial Budget Summary
Key Municipal Provisions

Administration and Grants

- **Local Capital Projects** - The Governor recommends providing more than $125 million GPR for grants to nonstate entities for local capital projects that serve a public, statewide purpose. Further, provide $40.1 million SEG specifically for grants for local government capital projects.

- **Local Grant Assistance** - The Governor recommends providing $361,000 GPR in FY 2025-26 and $461,400 GPR in FY 2026-27 and 5.0 FTEs to establish a grant resource team at the Department of Administration to assist local governments in locating and applying for federal and state grants.

- **Cybersecurity Grants** - The Governor recommends providing $2.4 million GPR and 4.0 FTEs to provide state matching funds for a cybersecurity grant program and to equip and provide for the travel and training needs of the Wisconsin Cyber Response Team.

- **Library Aid** - The Governor recommends providing $2 million SEG annually for public library aid.

- **Open Records Threshold** - The Governor recommends increasing the threshold at which a governmental entity may charge an open records location fee from $50 to $100.

- **Municipal Boundary Agreements** - The Governor recommends requiring that all municipal boundary agreements are recorded with the county registers of deeds. Further, the Governor recommends making technical adjustments to the municipal filing statutory language to create consistency in filing requirements.

- **Energy Storage Facilities** - The Governor recommends including utility-owned energy storage facilities in the calculation of utility aid payments to local units of government.

- **Assessments of Certain Infrastructure** - The Governor recommends shifting the assessment jurisdiction of pipelines currently assessed by municipalities to the state and providing corresponding aid payments to local governments to offset lost property tax revenue. Further, the Governor recommends exempting all radio, cellular, and telecommunications towers from property tax assessments, expanding on legislation from last session.

Childcare

- **Employer-Sponsored Childcare** – The Governor recommends creating a program to incentivize businesses to invest in childcare for their employees by providing $5.5 million GPR and 2.5 FTEs over the biennium to provide funding to eligible employers participating in the program.

- **Childcare Startup Funding** - The Governor recommends providing $5.5 million GPR to provide financial assistance to new startup childcare providers and for services to existing providers.

- **After School Care** - The Governor recommends establishing an out-of-school time grant program to deliver social and academic services to youth, funded at $11.5 million GPR.

- **Child Care Counts** - The Governor recommends providing $480 million in total funding over the biennium to the Child Care Counts Program to provide payments to providers.

Economic Development

- **Main Street Bounceback Program** - The Governor recommends providing $50 million GPR to restart the Main Street Bounceback Grant Program at the Wisconsin Economic Development Corporation. Eligible expenses under the program include leases, mortgages, and business operation expenses related to opening a new location.

- **Thrive Rural Wisconsin** - The Governor recommends providing $5 million GPR to fund the Thrive Rural Wisconsin project that facilitates economic development and bolsters investment in rural areas of the state.

- **Rural Creative Economy Grant Program** - The Governor recommends providing $1 million GPR to establish the Rural Wisconsin Creative Economy Grant Program to fund artistic and cultural creative enterprises in rural areas of the state.

- **Film and Creative Industries** - The Governor recommends providing $199,300 GPR in FY 2025-26, $254,000 GPR in FY 2026-27, and 3.0 FTEs to create the Office of Film and Creative Industries, providing centralized support in the film and creative sectors in Wisconsin.

- **Wisconsin Arts Board** - The Governor recommends increasing the Wisconsin Arts Board's per capita funding by $0.50, from $0.18 to $0.68, providing $5.9 million in new revenue over the biennium. Further, the Governor recommends providing $113,700 GPR to maximize the drawdown of federal funds, supporting nonprofit arts organizations in Wisconsin.

- **Broadband Expansion** - The Governor recommends providing $400 million GPR for the Broadband Expansion Grant Program at the Public Service Commission.

Elections

- **Badger Books** - The Governor recommends providing $900,000 GPR in FY 2025-26 and $500,000 GPR in FY 2026-27 to provide funding to local units of government to purchase electronic poll books, commonly known as Badger Books.

- **Special Election Costs** - The Governor recommends enabling the reimbursement of counties and municipalities for certain costs incurred in the administration of special primaries and elections.

- **Monday Count** - The Governor recommends allowing a county or municipal clerk to canvass absentee ballots the day before an election after consulting with the Wisconsin Elections Commission to ensure the canvassing is conducted fairly and effectively.

- **Campaign Finance Reporting** - The Governor recommends providing $196,000 GPR in FY 2025-26 and $151,000 GPR in FY 2026-27 to finish the development of the new campaign finance reporting system at the Wisconsin Ethics Commission – a system which candidates for local elected offices will need to begin utilizing later this year under a new law.

- **Election Training** - The Governor recommends amending statutory language to allow the clerk training appropriation to fund the training of municipal and county clerks on all election administration procedures and topics.

Environment and Utilities

- **Environmental Improvement Fund** - The Governor recommends providing $725.9 million in revenue obligation bonding authority for the Safe Drinking Water Loan Program and Clean Water Fund Program, addressing urgent needs of Wisconsin's water and wastewater utilities.

- **Lead Service Line Replacements** - The Governor recommends providing $200 million GPR to assist municipal governments and water utilities in the replacement of lead service lines.

- **LSL Replacement Program** - The Governor recommends modifying current law to allow 100% grant funding to lead service lines replaced through the LSL Replacement Program at the Public Service Commission, increasing the utility funded portion from the present 50% grant, 50% loan.

- **PFAS Contamination** - The Governor recommends investing over $145 million, which includes the $125 million provided in the previous budget to the PFAS Trust Fund, to address PFAS in the state of Wisconsin, including:
  - Creating a PFAS Community Grant Program to assist municipal drinking water systems with testing and capital expenses related to PFAS;
  - Researching effective destruction and disposal methods of PFAS and implementing proven strategies to dispose and eliminate PFAS;
  - Providing additional emergency resources to help provide safe bottled water to households and communities impacted by water contamination;

- Exempting certain landowners, primarily farmers, from enforcement actions if they unknowingly spread biosolids on their land that contained PFAS;
- Increasing biosolid sampling, testing, and remediation for PFAS in biosolids, and allocating new funding to help innocent landowners remediate PFAS contamination; and
- Adopting major policies from the CLEAR Act, including exempting rulemaking from cost-constraint review measures in the REINS Act and enacting new testing requirements.

- **Stewardship Reauthorization** - The Governor recommends reauthorizing the Knowles-Nelson Stewardship Program at $100 million per year for ten years and changing certain program priorities to invest in local recreation opportunities and support habitat restoration projects. Local Parks and Recreation would receive $36.05 million annually in grant funds under the Governor's plan for property development, while Local Recreation Boat Facilities would receive $9 million.

- **Municipal Dam Grants** - The Governor recommends providing $15 million in bonding authority for grant programs allowing municipalities to receive funding to repair, restore, and reconstruct dams and allowing any party, public or private, to receive funding for the removal of dams.

- **Great Lakes Cleanup** - The Governor recommends authorizing $9 million in bonding authority for the removal of contaminated sediment from sites in the Great Lakes or their tributaries.

- **Municipal Water Project Grants** - The Governor recommends providing $11 million for the Urban Nonpoint Source Cost-Sharing Program and the Municipal Flood Control Grant Program.

- **Winter Road Safety Improvement** - The Governor recommends creating a Winter Road Safety Improvement Grant Program at the Department of Natural Resources (DNR) with $5 million GPR to assist municipalities in making improvements to road equipment and storage facilities to more effectively treat and plow wintery roads.

- **Revitalize Wisconsin Program** - The Governor recommends providing $3.3 million SEG in FY 2025-26, $4.3 million SEG in FY 2026-27, and 1.0 FTE to establish the Revitalize Wisconsin Program which would address discharges of hazardous substances and environmental pollution.

- **Erosion Control Loans** - The Governor recommends creating an Erosion Control Loan Program to assist municipalities and homeowners along the Great Lakes or Mississippi River shorelines to preserve property and improve the structural integrity of the property if it's being threatened by erosion. The loan program would be initially capitalized with $7 million SEG.

- **Water Quality Trading** - The Governor recommends providing 1.0 FTE, funded with $67,300 SEG in FY 2025-26 and $88,100 SEG in FY 2026-27, to assist in the development and implementation of restoration and improvement plans in the water quality trading clearinghouse.

- **Permit Considerations** - The Governor recommends requiring that applications for a permit to the DNR for a project in an area with a high density of individuals at or below 200% of the federal poverty limit must engage with these communities in the permitting process, and the DNR may consider the cumulative impacts to the community in the permit decision.

- **Stormwater Ponds** - The Governor recommends requiring new safety standards to be implemented for stormwater retention ponds located in populous areas, including shallow ledges, high vegetation barriers, or alternative measures prescribed by the Department of Natural Resources.

- **Pre-Disaster Flood Resilience Grants** - The Governor recommends providing $2 million GPR for grants to identify flood vulnerabilities, identify options to improve flood resiliency, and restore natural hydrology to reduce flood risk and damage from flooding events.

- **Water Utility Dockets** - The Governor recommends providing $247,100 PR in FY 2025-26, $329,400 PR in FY 2026-27, and 3.0 FTEs to the Public Service Commission of Wisconsin to manage water utility construction dockets, trainings, and other regulatory activities.

- **Focus on Energy** – The Governor recommends doubling the utility assessment for the Focus on Energy Program from 1.2% to 2.4% of operating revenues, generating an additional $100 million in annual funding for this energy efficiency and renewable energy grant program.

Health, Homelessness, and Wellness

- **Crisis Urgent Care Centers** - The Governor recommends providing $20 million GPR to establish crisis urgent care and observation centers to serve as regional crisis receiving and stabilization facilities. These facilities would be established to create the ability to transfer persons to more appropriate treatment options and coordinate ongoing care while alleviating some of the time that law enforcement and other first responders spend with emergency detention cases by offering drop-off locations and accepting custody of emergency detention cases. Further, provide $7.6 million GPR to support regional crisis stabilization facilities offering these services.

- **Homeless Prevention Programming** - The Governor recommends several initiatives to address homelessness, all previously recommended by the Interagency Council on Homelessness, including a total $24.1 million for the Homelessness Prevention Program, State Shelter Subsidy grants, the Housing Assistance Program, Homeless Case Management Services Grants, and more.

- **Runaway Youth** - The Governor recommends providing $3.7 million GPR in each year and creating 1.0 FTE to increase funding for programs that serve runaway and homeless youth.

- **Veteran Outreach** - The Governor recommends providing $5 million SEG for community-based and emergency mental health providers to support and promote programs providing critical mental health services to veterans. Further, the Governor recommends $1.1 million SEG and 7.0 FTEs to expand the Veterans Outreach and Recovery Program which assists with mental health conditions and substances use disorders in the veteran population.

- **Western Wisconsin Hospitals** - The Governor recommends providing $15 million GPR to support hospital services in Western Wisconsin.

Housing and Tax Incremental Financing

- **Housing TID Extension** - The Governor recommends extending the allowable tax incremental district's lifespan extension from one year to three years for the purpose of investing in affordable housing, if the district's joint review board approves the extension.

- **Mixed-Use TIDs** - The Governor recommends allowing municipalities to use mixed-use TIDs to have up to 60% newly platted residential developments, up from the current threshold of 35%, if the additional 25% is comprised of workforce housing. Further, the current law impact fee exemption or reduction provisions are applied to workforce housing.
  - Additionally, the Governor recommends allowing joint review boards of a TID to convert other types of TIDs into a mixed-use TID if the board unanimously approves the change.

- **Zoning Incentive Pilot Program** - The Governor recommends providing $20 million GPR through grants to municipalities to adopt policy initiatives that eliminate zoning barriers for affordable housing developments. The grant funds would be provided to municipalities that adopt one or more of the following policy changes: 1) Reduce minimum lot sizes and widths; 2) Reduce setback requirements; 3) Increase allowed lot coverages to match historic patterns; 4) Adopt a traditional neighborhood development ordinance; or 5) Allow accessory dwelling units.

- **Workforce Housing Revolving Loan Funds** - The Governor recommends modifying current law related to last session's new housing programs to authorize a loan of up to 25% of total project costs for the Infrastructure Access Loan Program, to expand the eligible per unit costs for the Restore Main Street Program, and, for the Vacancy-to-Vitality Program, expand project costs caps and lower the unit threshold to six for eligibility. Additionally, the Governor recommends removing requirements for all three programs on local units of government that require an updated housing element of a comprehensive plan within the past five years and require initiatives to lower the cost of housing since 2023, instead moving that date to 2015.

- **State Housing Tax Credit** - The Governor recommends amending the State Housing Tax Credit Program by increasing the amount authorized for the Wisconsin Housing and Economic Development Authority from $42 million to $100 million and by allowing the state credit to continue to allocate credits even if the federal bond volume cap limit is reached.

- **Business Development Tax Credit** - The Governor recommends modifying the Business Development Tax Credit's incentive related to workforce housing to specify that the housing does not need to exclusively serve the employer's workers to qualify. Further, funding provided to a workforce housing revolving loan fund may qualify for a credit.

- **Skilled Housing Workforce Grants** - The Governor recommends $1 million GPR for the creation of a grant program to local units of government and others that focus on the development of a skilled workforce through the building or rehabilitation of affordable housing.

- **Regulation of Rental Properties** - The Governor recommends restoring the ability of local units of government to regulate the rental industry.

Local Government Finance

- **Municipal Services Payments** - The Governor recommends increasing the Payment for Municipal Services program by $17 million SEG in Fiscal Year (FY) 2025-2026, with automatic increases tied to sales tax growth beginning in FY 2026-27, boosting payments to 72% of costs. Payments for Municipal Services are provided to local governments with tax-exempt state property to account for the cost of local governments providing services to the state facility.

- **Expenditure Restraint** - The Governor recommends amending the Expenditure Restraint Program to remove federal funding and sales tax increases in shared revenue payments from the expenditure restraint calculation. The Governor's changes would also exempt revenue generated from a municipal vehicle registration fee, better known as a wheel tax, approved by referendum.

- **Property Tax Incentive Payment** - The Governor recommends creating a new county and municipal property tax freeze incentive program to provide aid payments to counties and municipalities that certify they did not increase their levy in the previous year. Local governments that do not increase their levy will receive aid payments based on the revenue a 3% levy would have generated. The first eligible levies for this incentive will be for the 2026 tax year, with a provided cost of nearly $1.1 billion in aid payments.

- **Local Option Sales Tax** - The Governor recommends allowing municipalities with populations over 30,000, except the City of Milwaukee, to impose a sales tax of up to 0.5%, if approved by local referendum, with the option to set a sales tax rate at 0.1% increments up to 0.5%. In addition, counties, except Milwaukee County, may impose additional sales taxes up to 1.0% total and may also set sales tax rates in 0.1% increments.

Municipal Labor

- **Rehired Annuitants** - The Governor recommends authorizing local units of government to rehire Wisconsin Retirement System annuitants if at least 30 days have passed since the employee left employment, the employee did not have an agreement to return to employment after retirement, and the employee elects to not become a participating employee in WRS upon rehiring.

- **Prevailing Wage** - The Governor recommends requiring employers conducting projects of public works, both state and local, to pay workers the hourly wage and benefits paid to most workers in the project's area, commonly known as prevailing wage.

- **Collective Bargaining Rights** - The Governor recommends expanding collective bargaining rights for public safety workers, transit employees, and front-line workers to allow collective bargaining rights over the employer-paid share of health insurance premiums. Further, the annual recertification requirement for local bargaining units is eliminated. Finally, the requirement that the approval of a majority of the bargaining unit members to certify is instead replaced with a majority of the voting bargaining unit members.

- **Employee Termination** - The Governor recommends requiring local government employers to include a just cause standard of review of termination in their grievance procedures. Further, grievance procedures must address employee discipline and workplace safety issues.

- **Partner Benefits** - The Governor recommends reinstating domestic partnership benefits for state and local government employee insurance programs administered by Employee Trust Funds.

Public Safety

- **EMS Funding** - The Governor recommends investing more than $50 million GPR over the biennium on emergency medical services, including creating a grant program to improve or expand local EMS, expanding post-traumatic stress disorder treatment under worker's compensation, modifying the allocation methodology of the Funding Assistance Program, and providing funding to expand the Cardiac Arrest Registry to Enhance Survival module.

- **Levy Exemptions for First Responders** - The Governor recommends broadening the types of EMS or fire service sharing arrangements that may qualify for levy limit adjustments.

- **Communications** - The Governor recommends providing more than $79.7 million GPR for the design and implementation of a new statewide interoperable communications system, which is a shared land mobile radio public safety communications system. Further, the Governor recommends providing $4 million GPR for grants to local units of government for equipment upgrades to support their transition to the new interoperable public safety radio network.

- **Beat Patrol Grants** - The Governor recommends providing $190,800 PR in FY 2025-26 to offset overtime costs for beat patrol efforts of law enforcement departments.

- **Behavioral Health Co-Response** - The Governor recommends providing $2 million GPR for grants to local government to establish collaborative programs between behavioral health providers and local law enforcement agencies to increase the number of behavioral health professionals engaging in emergency response calls to persons in a crisis situation.

- **Behavioral Health Interactions** - The Governor recommends providing $800,000 GPR for the Law Enforcement Officer Virtual Behavioral Health Crisis Care Pilot Program which offers virtual behavioral health crisis care services for use by law enforcement agencies in the field to connect officers who encounter persons in crisis to behavioral healthcare services.

- **Youth Firefighter Training** - The Governor recommends continuing the Youth Firefighter Training Grant Program by providing $75,000 PR in each year of the biennium.

- **Urban Search and Rescue Task Force** - The Governor recommends providing $1.5 million GPR for training and equipment for an urban search and rescue task force. According to the Governor, this funding will allow Wisconsin Task Force 1 to reach its goal of becoming a Type 2 Urban Search and Rescue Task Force capable of 24-hour operations.

- **Adult Jurisdiction** - The Governor recommends providing $10 million to reimburse courts, including municipal courts, for costs related to raising the age of adult court jurisdiction from 17 years of age to 18 years of age.

- **Ignition Interlock Devices** - The Governor recommends requiring ignition interlock devices, or IIDs, for all offenses involving the use of alcohol and operating a motor vehicle while intoxicated.

- **Disaster Recovery** - The Governor recommends providing $2.1 million GPR and 2.0 FTEs to expand the Wisconsin Disaster Assistance Program to include water control facilities, public buildings, public utilities, and parks and recreation facilities.

Transportation

- **Transportation Fund** - The Governor recommends two different new revenue sources to help fund the issuance of bonds and stabilize the Transportation Fund in this biennium. First, the Governor would increase the title fee by $120, raising more than $282 million over the biennium. Second, the Governor would transfer a portion of the state's sales tax on the sale of auto parts, tires, and repair services to the Transportation Fund, raising $129 million over the biennium.

- **General Transportation Aids** - The Governor recommends increasing General Transportation Aids, or GTAs, by 3% in both years of the biennium for counties and municipalities.

- **Local Road Improvement Program** - The Governor recommends providing $100 million GPR for the Local Road Improvement Program - Supplement, or LRIP-S. The program would also be amended to give the direct support for structurally unsound or deficient local bridges and culverts. The proposed budget also provides a 3% increase in each year of the biennium to the general Local Road Improvement Program.

- **Traffic Calming Grants** - The Governor recommends providing $60 million GPR in a grant program to fund traffic calming initiatives that improve road safety and reduce reckless driving.

- **State Highway Rehabilitation** - The Governor recommends increasing the State Highway Rehabilitation Program borrowing by $65 million. Further, the Governor provides $20 million SEG in increases for routine highway maintenance agreements in his proposed budget.

- **Mass Transit** - The Governor recommends providing a 4% increase in mass transit aids in each year of the biennium. Further, the Governor recommends providing $20 million to create a Transit Capital Assistance Program to help transit agencies replace aging vehicles. Finally, the Governor recommends providing $5,031,400 GPR to hold transit agencies harmless from the reclassification of tiers due to the most recent census.

- **Harbor Assistance** - The Governor recommended providing $33 million over the biennium for the Harbor Assistance Program, including targeted funding for the Menominee Harbor.

- **Passenger Rail** - The Governor recommends providing $15 million SEG to support the operation of passenger rail service in Wisconsin and to study passenger rail expansion routes in the state.

- **ARIP Funding** - The Governor recommends providing $50 million over the biennium for the Agricultural Road Improvement Program to support rural transportation corridor projects.

- **Eminent Domain** - The Governor recommends restoring the ability of cities, villages, and towns to use eminent domain to build pedestrian and bike paths.

- **Complete Streets** - The Governor recommends restoring the inclusion of roadway designs that account for non-motorist infrastructure, known as "Complete Street" designs.

Miscellaneous

- **UniverCity Alliance** - The Governor recommends providing $600,000 for the University of Wisconsin-Madison's UniverCity Alliance. UniverCity matches Wisconsin local governments with university experts and researchers to develop recommendations for new initiatives.