

STATE OF WISCONSIN

Budget in

Brief

2025 - 27



TONY EVERS, Governor

STATE OF WISCONSIN

BUDGET IN BRIEF

TONY EVERS, GOVERNOR



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DIVISION OF
EXECUTIVE BUDGET AND FINANCE
DEPARTMENT OF ADMINISTRATION

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**Development of
the 2025-27 Budget**

I. DEVELOPMENT OF THE 2025-27 BUDGET

A. OVERVIEW

Governor Tony Evers has made it a priority over the past three biennial budgets he has introduced as governor to listen to the will of the people and do the right thing for Wisconsin. The Governor has worked hard to be prudent with taxpayer dollars and save where possible while still investing in needs that have long been neglected, reducing Wisconsinites' tax burden, and staying within the state's means.

Once again, the Governor is releasing his budget with the state having a robust opening balance, reduced debt, and steady economic growth. The state's current fiscal position provides the opportunity to continue to work together to advance shared values with a common-sense approach to keep getting good work done for the people of our state, address pressing challenges facing Wisconsin, and create prosperity that will define the state for generations.

Governor Evers' budget preparations began, as they always do, by hearing directly from and listening to the people of Wisconsin. The Governor hosted listening sessions across the state to hear directly from Wisconsinites about their everyday challenges, policy changes and solutions that will improve their daily lives, and the priorities they care about that will help move Wisconsin forward. Governor Evers again proposes a budget that reflects the will of the people, regardless of who they are or where they live, and delivers on the governor's promise to always do the right thing for Wisconsin and the 5.9 million people who call our state home.

Every budget Governor Evers has ever built began first by doing what is best for our kids, and the 2025-27 Executive Budget is no different. Governor Evers kicked off the year declaring 2025 'The Year of the Kid' in Wisconsin, renewing the state's focus on improving the lives of kids and the families and communities that help raise them. The Governor again proposes historic investments in education statewide to help improve outcomes and ensure every kid has access to high-quality public education at every level, from early childhood to our higher education institutions. Governor Evers also again proposes robust K-12 education investments statewide to ensure the success of our kids and our schools are not dependent upon living in a school district that can pass an operating referendum.

The Governor also continues to propose and invest in key priorities to do what's best for kids by lowering everyday, out-of-pocket costs for working families from child care to prescription medication, making access to quality healthcare affordable and accessible, improving water quality, supporting our veterans, farmers, and local partners, building the 21st-century infrastructure and workforce Wisconsin needs to meet the demands of a 21st-century economy, and working to reduce crime, prevent violence, and ensure kids, families, and communities are safe. Governor Evers, as he has in each biennial budget, once again proposes investments in critical state priorities while still providing real and meaningful tax relief to working families across Wisconsin.

B. DOING THE RIGHT THING BY CONNECTING THE DOTS

During the 2023-25 biennium, Governor Evers was proud to sign over 270 separate pieces of legislation, many of which were passed with bipartisan support, including 2023 Wisconsin Act 12, a generational bipartisan piece of legislation that provided a historic increase in support to local communities across the state through shared revenue after years of the state asking local communities to do more with less. Governor Evers proposes to build upon this bipartisan work to continue delivering for the people of Wisconsin.

For his fourth consecutive biennial budget, Governor Evers continues to deliver on his promise of always trying to do the right thing for the people of Wisconsin. The Governor again introduces an Executive Budget that "connects the dots" between the many pressing challenges facing kids, families, and communities across Wisconsin. Governor Evers, through his 2025-27 Executive

Budget, again implores policymakers to "connect the dots" by acknowledging that the many challenges facing Wisconsinites are interrelated and recognizing that each issue facing our state affects all of the others.

For example, Governor Evers knows that making child care more affordable and accessible for working families is not only about doing what's best for our kids, improving outcomes, and building our state for the future, it is also critical for our economy and keeping workers in our workforce. The Governor knows that many people, regardless of their political affiliation, have recognized for decades that the Stewardship Program has improved the quality of life for Wisconsinites by providing the opportunity to enjoy the beauty of our state while also bolstering the state's \$11.2 billion outdoor recreation industry. He knows expanding access to affordable healthcare coverage as 40 other states have already done is not only the right thing to do for nearly 100,000 Wisconsinites but would result in \$1.9 billion GPR in savings that can be reinvested into the health, growth, and success of communities statewide, including investing in property tax relief for working families.

Once again, Governor Evers' 2025-27 Executive Budget proposal does the right thing by recognizing that connecting the dots is critical to continuing to move Wisconsin, as the state's motto demands, *Forward*.

C. REVENUE AND EXPENDITURE OUTLOOK

Under Governor Evers, the state of Wisconsin has significantly improved its fiscal position in multiple areas over the past six years in the wake of a global pandemic and significant economic and political volatility around the world.

The state is expected to end the current 2023-25 biennium with a nearly \$4.3 billion balance in its general fund, which is \$268 million higher than was estimated a few months ago, primarily due to higher than anticipated tax collections.

The state's Budget Stabilization Fund ("rainy day" fund) had a record-high balance of \$1.9 billion at the end of fiscal year 2023-24, a figure nearly six times larger than what it was at the end of fiscal year 2017-18.

Under the leadership of Governor Evers over the past six years, the state has focused on and prioritized debt management. The state's overall outstanding debt has been cut by \$2.6 billion (nearly 20 percent) from \$13.1 billion in 2018 to \$10.5 billion in 2024. Over the past six years, the state has completed numerous debt refinancing transactions that have provided present value debt service savings for all borrowing programs of \$558 million. This emphasis has extended to state transportation revenue bonds as well, which have been reduced by \$408 million since 2018. During this time, the state has also eliminated a delayed school aid payment and made an unprecedented payment to retire previously issued debt. Finally, by leveraging the interest rate environment at that time and funding provided in 2023 Wisconsin Act 19, the state retired \$415 million of General Fund Appropriation Bonds, resulting in future debt service savings for Wisconsin taxpayers of over \$455 million.

The state's approach to debt management in recent years has not only resulted in hundreds of millions of dollars of taxpayer savings, it has also attracted attention outside the state's borders as well. In August 2021, the state received upgrades from two national rating agencies, with one rating upgraded to a AAA level, which is Wisconsin's first AAA bond rating since 1982. These upgrades, which have now been maintained for the past three-plus years, reflect rating agencies' recognition of substantially increased reserves, elimination of the prior negative fund balance (on a GAAP basis), and strong fiscal oversight.

Revenue estimates released by the Legislative Fiscal Bureau (LFB) on January 29, 2025, indicate continued steady economic and revenue growth over the next two years. The bureau projects revenues will increase by \$922.7 million (4.3 percent) in the current fiscal year, by an additional \$760.1 million (3.4 percent) in fiscal year 2025-26, and by another \$327.0 million

(1.4 percent) in fiscal year 2026-27. The LFB estimates this year's individual income tax revenues will increase by 7.2 percent over last year, further increase by 6.9 percent in fiscal year 2025-26, and increase by another 6.6 percent in fiscal year 2026-27.

Sales tax revenues are expected to increase this year over last year by 2.3 percent, 4.9 percent in fiscal year 2025-26, and 2.9 percent in fiscal year 2026-27. Corporate tax revenues are projected to increase by 2.5 percent last year to this year, decrease by 12.8 percent in fiscal year 2025-26, and further decrease by 26.1 percent in fiscal year 2026-27.

The decline in corporate collections and much of the growth in individual income tax collections in fiscal years 2025-26 and 2026-27 reflects the LFB's incorporation of the current federal law expiration of the Tax Cuts and Jobs Act's individual income tax provisions in tax year 2026. Under current federal law, the expiration of the current limitation on the state and local tax deduction would cause passthrough entity filers to file under the individual income tax instead of electing to be taxed under the corporate income tax, causing a substantial shift in tax revenue between the two taxes.

The estimated growth in overall revenues by the LFB for the upcoming biennium is noteworthy as these projections include \$1.7 billion annually in general fund tax reductions Governor Evers has signed into law going forward. Of that \$1.7 billion, nearly \$1.5 billion comes from the several individual income tax cuts implemented in three consecutive biennial budget acts under the governor. These tax cuts represent a reduction in overall individual income tax collections of approximately 13 percent, compared to prior law, and more than 15 percent for middle-class taxpayers.

The cumulative total of tax reductions that have occurred since Governor Evers took office for individuals and businesses is estimated to exceed more than \$7.5 billion by the end of fiscal year 2024-25.

Governor Evers again proposes real solutions and robust investments to address pressing, statewide challenges while continuing to be fiscally responsible and prudent with taxpayer dollars. The governor believes we must find ways to invest where we can while providing meaningful tax relief and without being reckless or irresponsible, and he is again proposing a 2025-27 Executive Budget that balances these important obligations.

Summary of Governor's Major Budget Initiatives

II. SUMMARY OF GOVERNOR'S MAJOR BUDGET INITIATIVES



A. DOING WHAT'S BEST FOR KIDS

Investing in K-12 Education

- Governor Evers kicked off the year declaring 2025 the Year of the Kid in Wisconsin to focus the state's efforts on doing what's best for kids and the families who raise and support them.
- Ensure our kids, educators, and schools have the support and resources they need to be successful, improve outcomes, and prepare our kids for their future by providing an overall state investment of more than \$3.1 billion all funds in general and categorical aids for public schools.
- Assist school districts in addressing the generational damage inflicted on kids and schools through years of highly restrictive revenue controls implemented prior to the Governor taking office. Provide an increase in per pupil aid of \$58 per pupil in fiscal year 2025-26 and an additional \$50 per pupil in fiscal year 2026-27 and create a 20 percent weighting factor for economically disadvantaged students, for a total increase of \$212 million GPR over the biennium.
- Deliver meaningful relief to property taxpayers while ensuring schools have the resources to maintain service levels. The Governor's proposal will ensure that school districts receive meaningful revenue-raising authority while also holding net school property tax impact flat by ensuring the state pays its fair share.
- Even while holding projected net levies flat, the Governor's investments of \$1.2 billion GPR in general equalization aid, over \$1.9 billion GPR in categorical aid, and \$375 million GPR in school levy tax credit funds mean the state will help school districts avoid reducing budgets by achieving an estimated state support for school revenues of 71.4 percent in fiscal year 2025-26 and 72.7 percent in fiscal year 2026-27, up from the 2025-26 level of 68 percent.
- Provide the largest proposed direct investment in state general school aids in 30 years. Of the total state school aid investment, provide nearly \$1.2 billion GPR over the biennium through the state's general equalization aid formula.
- Help provide direct classroom resources and improve student outcomes by enabling school districts to bolster school programming and staff support through a sizable increase in revenue-raising authority achieved by linking the per pupil revenue limit adjustment to inflation starting in fiscal year 2025-26. The Governor's budget provides projected per pupil revenue limit increases of \$334 in fiscal year 2025-26 and an additional \$345 in fiscal year 2026-27, the largest per pupil adjustments in over 30 years since revenue limits were first imposed.
- Address the burgeoning mental health crisis facing our kids and the increasing severity of mental and behavioral health challenges by providing nearly \$300 million GPR over the biennium for school-based mental health services. This investment builds upon the Governor's efforts to invest in and support mental health statewide after declaring 2023 the "Year of Mental Health" in Wisconsin. The Governor's comprehensive school mental health funding includes:
 - \$83.9 million GPR per year of per pupil payments for a comprehensive school-based mental health services program that ensures predictability of funding through ongoing per

pupil payments to support student mental health needs both in school and during out-of-school time activities rather than requiring districts to apply for competitive grants.

- \$62.8 million GPR in fiscal year 2025-26 and \$67.2 million GPR in fiscal year 2026-27 to reimburse schools for costs supporting an expanded list of school mental health professionals, including social workers, school counselors, psychologists, and nurses.
- \$380,000 GPR in each year for training school staff in mental health, bullying prevention, restorative practices, and other evidence-based strategies.
- \$250,000 GPR in each year for critical peer-to-peer suicide prevention programs and increase the maximum grant amount under the program by six times its current level.
- Build upon the Governor's historic efforts to invest in substantial and significant increase support for special education in our schools. Prior to the Governor taking office, special education aid funding was held flat for a decade, while costs increased dramatically over that same time period. After fighting to secure the first special education aid increase in over a decade during his first term and the largest increase in funding for special education ever in state history, the Governor further proposes to:
 - Convert special education aid to a sum sufficient appropriation to ensure the state delivers on its promise of supporting kids with disabilities and provide \$542.9 million GPR in fiscal year 2025-26 and \$587.7 million GPR in fiscal year 2026-27 to increase state reimbursement of local special education costs to an historic, guaranteed 60 percent in both years of the biennium.
 - Provide \$8.8 million GPR in fiscal year 2025-26 and \$9.7 million GPR in fiscal year 2026-27 to increase high-cost special education reimbursements. High-cost special education aid pays a portion of school districts' eligible special education costs for pupils with specific and elevated educational needs (defined under current law as 90 percent of costs over \$30,000 once other funding sources are considered). These costs currently are reimbursed at only 25.9 percent, making it challenging for schools to provide the support students deserve. The Governor's budget will increase the reimbursement rate for these costs to an estimated 40 percent in each year of the biennium.
 - Provide \$1 million GPR over the biennium to enhance support for special education transition readiness grants to increase the number of applicants funded.
 - Support identifying kids who may need early childhood special education interventions by providing \$1.2 million GPR over the biennium to provide training and support to school districts, independent charter schools, and child care providers through partnership with coaches at cooperative educational service agencies.
 - Increase funding by \$600,000 over the biennium to support Special Olympics of Wisconsin and by \$200,000 over the biennium to support Arts for All.
- Ensure kids can focus on their studies, and not whether or when they will eat by making a transformative investment in school nutrition, including:
 - Creating the "Healthy Meals, Healthy Kids" program to fully fund school breakfast and lunch for all K-12 kids with no stigma and at no cost to them by providing \$147.7 million GPR in fiscal year 2026-27, helping ensure kids can focus on their studies and not whether or when they will eat next.

- Providing \$500,000 GPR over the biennium to support Farm to School grant program-eligible state match activities that seek to improve student health and nutrition.
 - Providing \$3 million GPR in fiscal year 2025-26 and \$3.1 million GPR in fiscal year 2026- 27 for school breakfast reimbursement at 15 cents per meal under current law. Eligibility for the reimbursement is also extended to independent charter schools and state residential schools operated by the Wisconsin Department of Public Instruction.
 - Providing \$458,900 GPR over the biennium to fully reimburse school districts for the cost of providing school-day milk.
- Improve student outcomes in reading and literacy statewide through the largest investment in state history aimed at early literacy and reading improvement. The Governor proposes:
 - Investing in literacy coaches, diagnostic assessments in reading, and one-on-one intensive literacy tutoring, among other critical efforts to help improve kids' reading, by providing \$80 million GPR over the biennium, including marshalling \$50 million GPR the Joint Committee on Finance has refused to release during the 2023-25 biennium.
 - Supporting several organizations that serve kids' literacy needs by providing \$2.2 million GPR over the biennium to The Literacy Lab and \$1 million GPR over the biennium to Reach Out and Read through the Wisconsin Department of Health Services.
 - Providing more than \$1.4 million GPR over the biennium for Wisconsin Literacy to improve adult literacy through expert trainings, personalized consultations, and workforce connections
- Support the unique needs of rural schools by providing over \$10 million GPR in fiscal year 2025- 26 and over \$10.2 million GPR in fiscal year 2026-27 for sparsity aid. Increase the per pupil payment by \$100 for both tier I eligible school districts with 745 or fewer pupils and tier II eligible districts with between 746 and 1,000 pupils. To mitigate the aid cliff for districts near 746 pupils, provide stopgap payments equal to 50 percent of the prior year aid payment for one year to districts that no longer meet eligibility requirements.
- Improve financial literacy statewide and ensure Wisconsin's kids have the training and skills to make responsible decisions and plans for their future financial success. Provide \$5 million GPR over the biennium for a new "Do the Math" personal financial literacy initiative to help schools start or improve programs around financial literacy curriculum with an emphasis on innovative instruction.
- Ensure Wisconsin's kids have the training, skills, and support to be prepared for the 21st-Century. The Governor proposes requiring every high school to offer at least one computer science class and bolstering students' computer science opportunities and skills, including at lower grade levels, by providing: (a) \$59,900 GPR in fiscal year 2025-26, \$79,800 GPR in fiscal year 2026-27 and a 1.0 FTE GPR position at the Department of Public Instruction for a statewide computer science education coordinator; (b) \$20,000 GPR in fiscal year 2025-26 for a computer science education task force to be chaired by the new coordinator; and (c) \$10 million GPR over the biennium for grants to school districts to access computer science curriculum, especially around programming concepts and digital literacy and professional development.
- Address chronic absenteeism by providing \$6 million GPR over the biennium to Graduation Alliance, which seeks to identify, reengage, and support students who are at risk of not finishing high school to increase class and school attendance, improve academic grades and participation, and ultimately raise graduation rates.

- Address revenue limit inconsistency statewide by providing lower-spending school districts increases in the low revenue ceiling of \$1,000 per pupil in fiscal year 2025-26 and an additional \$400 per pupil in fiscal year 2026-27.
- Provide a greater level of "hold harmless" aid within the equalization aid formula so that school districts do not experience significant aid reductions from year to year that could result in budget cuts or property tax increases. The Governor's budget would ensure districts receive at least 90 percent of what they received in the prior year, instead of 85 percent as under current law. Had the 90 percent aid guarantee been in place in fiscal year 2024-25, at least 80 school districts would have been protected from significant aid decreases.
- Ensure that full-day 4K program students are counted as full-time enrollees for aid and revenue limit purposes as applicable beginning in fiscal year 2026-27.
- Create Health Emergencies in Learning Places (HELP) grants by providing \$10 million GPR in fiscal year 2025-26 to support school districts, independent charter schools, and private choice schools prepare for and prevent health emergencies in school buildings. The new HELP grants will support the purchase of automated external defibrillators, carbon monoxide detectors, and opioid antagonists to place in school buildings.
- Further enhance school health emergency preparedness by requiring schools to maintain a cardiac emergency response plan and follow building code requirements on the placement of carbon monoxide detectors. Further, require every school in the state to have opioid antagonists on hand in the event of a suspected opioid drug overdose.
- Improve schools' capacity to support English learners by providing more than \$26.7 million GPR in each fiscal year for a new Aid for English Language Acquisition program to serve the more than 50,000 English learners currently enrolled in schools; many of whom are not included under the current state bilingual-bicultural aid program.
- Bolster our state's education workforce and enhance the ability of school districts to recruit, train, and retain educators by providing: (a) \$5 million GPR over the biennium for grants to support "grow your own" initiatives to bolster Wisconsin's teacher pipeline, which may include providing current educators with support to gain additional higher education credits, licenses, or certifications, engaging with community organizations, and supporting student organizations with "future teacher" missions; (b) \$9 million GPR in fiscal year 2026-27 to provide stipends to student teachers; (c) \$3.8 million GPR in fiscal year 2026-27 to provide stipends to teachers who agree to train and oversee student teachers or interns; (d) \$62,500 GPR in fiscal year 2026-27 for future librarian stipends to school library students engaged in supervised placement as part of relevant preparatory program; (e) \$1.6 million GPR over the biennium to enhance support for peer review and mentoring of early career teachers; and (f) \$500,000 GPR over the biennium to support Educator Rising chapters to encourage the next generation of teachers. Additionally, require that teacher apprenticeship be an eligible pathway to licensure for aspiring teachers in Wisconsin.
- Provide, through the Wisconsin Department of Workforce Development's Fast Forward program, \$2 million GPR over the biennium to incentivize school districts to offer teacher apprentice opportunities. Districts may use funding for expenses related to hiring teacher apprentices and for advancing teacher training in preparation for potential teacher apprentices.
- Prepare students to be workforce ready by providing \$10 million GPR over the biennium to support investments in career and technical education opportunities for high school students in school districts and independent charter schools.

- Ensure students have access to feminine hygiene products at school and provide \$1 million GPR over the biennium to support making products available in school districts and independent charter schools with a higher share of economically disadvantaged students.
- Strengthen Wisconsin's early childhood system, provide greater options for families, and better support Wisconsin's economy by requiring the Wisconsin Department of Public Instruction, in consultation with the Wisconsin Department of Children and Families, to develop a standard per pupil payment amount for child care providers partnering with school districts that use a mixed four-year-old kindergarten delivery model, including the community approach. In addition, require the departments to work together to create a model contract for school districts and community four-year-old kindergarten providers to use to aid in clarifying roles and responsibilities.
- Enhance student career readiness by providing \$3 million GPR over the biennium to career and technical student organizations, such as Future Farmers of America; Family, Career and Community Leaders of America; DECA; Future Business Leaders of America; HOSA-Future Health Professionals; and SkillsUSA, with grants to be distributed based on organization membership in Wisconsin.
- Provide \$194,500 GPR in fiscal year 2025-26 and \$408,500 GPR in fiscal year 2026-27 to pay General Education Development (GED) testing costs to increase high school equivalency attainment and open doors to employment or postsecondary opportunities. Over half of GED test inquiries received by the Wisconsin Department of Public Instruction are from economically disadvantaged individuals; this subsidy will increase equity in high school diploma achievement.
- Provide \$231,600 GPR over the biennium to continue support for contract costs related to academic and career planning for pupils in grades 6 through 12.
- Provide \$500,000 GPR over the biennium for grants that support students participating in robotic leagues.
- Provide \$5 million GPR in fiscal year 2025-26 to help the Milwaukee Public Schools continue to implement recommendations and improvements from the operational and instructional audits of the district directed by the Governor. The investments will only be awarded to the district if the state is satisfied the district has made substantial and sufficient progress implementing the audit results.
- Ensure compliance with 2023 Wisconsin Act 12 requirements related to school resource officers by requiring a cost share between the city of Milwaukee and the Milwaukee Public Schools for these services. Under Act 12, the district must ensure that at least 25 officers are present in district schools. The Governor's recommendation would require the district to pay the city of Milwaukee for school resource officer costs associated with 25 percent of school days during the school year.
- Enhance reimbursements for student transportation by increasing the payment for students transported over 12 miles from \$400 to \$450 and lowering the threshold for eligibility in high-cost transportation aid to 135 percent of the statewide average transportation cost.
- Provide \$554,400 PR in Tribal gaming revenue over the biennium to support the Department of Public Instruction's American Indian Language Revitalization-State Grant which provides grants to a school board, consortium of school boards, CESA, or Head Start agency, in conjunction with a Tribal education authority and to expand grant access to independent charter schools.
- Provide \$18 million SEG annually for school library aid and \$2 million SEG annually for public library aid.

- Bolster Wisconsin's workforce with experienced professionals by authorizing state agencies and local units of government, including schools, to rehire a retired annuitant to address workforce recruitment and retention issues, if: (a) at least 30 days have passed since the employee left employment; (b) at the time of retirement, the employee does not have an agreement to return to employment; and (c) upon returning to work, the employee elects to not become a participating employee and continue receiving their annuity. This will make it easier to hire experienced educators and school staff to help keep class sizes small and improve student outcomes.
- Create a grant program administered by the Wisconsin Department of Public Instruction to reimburse expenses incurred by school districts that choose to change race-based mascots and logos, funded with \$400,000 PR-S in Tribal gaming revenue over the biennium.
- Freeze the number of slots available in the Milwaukee, Racine, and Wisconsin parental choice programs and the special needs scholarship program in fiscal year 2026-27 and thereafter based on the fiscal year 2025-26 pupil headcount. The freeze will not end the program, as slots will become available as students graduate high school or choose to return to public schools. Under current law, new students in the Racine and Wisconsin parental choice programs and the special needs scholarship program are funded through general equalization aid reductions to the resident school district, which the district may recoup through property taxes. To exercise property tax prudence, the statewide restriction that Wisconsin parental choice program student enrollment within a school district may not exceed 10 percent of the district's membership will continue.
- Implement reforms to increase the accountability of special needs scholarship program schools and improve student protections within the program as follows: (a) repeal the actual cost basis by which a school can request an unverified sum for reimbursement and reinstate a per pupil aid payment; (b) require new schools that begin participating in fiscal year 2025-26 and thereafter to participate in another parental choice program through which they are accredited; and (c) require that schools participating in the program must allow students to opt out of any religious activity upon written request.
- Ensure the safety of students and quality of the education they receive by requiring teachers at a private school participating in a parental school choice program to be licensed as of July 1, 2028. Currently, unlike teachers in public school districts, teachers who work at private schools that participate in a parental choice program are not required to be licensed by the Wisconsin Department of Public Instruction. Experienced teachers who have continuously taught in a participating private school for at least five years may apply for a waiver.
- Create consistency across multiple programs in unrestricted per pupil funding increases between private choice and public schools by matching any per pupil payment increases to positive revenue limit adjustments and increases in per pupil aid payments for public schools generally. The indexing change applies for all voucher programs, the special needs scholarship program, independent charters, open enrollment, and whole grade sharing aid.
- Provide property tax transparency by including information explaining the gross state general equalization aid deducted from a school district's general aid for private choice programs and the special needs scholarship program, and that a district may choose to increase property taxes to replace the deducted aid on an individual's property tax bill. Current law funds the six choice and charter programs with five different combinations of payment sizes, aid reductions, GPR payments, and membership counting. Providing Wisconsinites with clear information with the goal of reducing confusion with how choice programs impact state funding and property taxes.

Investing in the Wisconsin Idea and Higher Education Statewide

- Deliver on the Governor's promise of making the largest biennial investment in the University of Wisconsin System in state history designed to help address Wisconsin's generational workforce challenges and prevent further campus staff and faculty layoffs, campus closures, and program

cuts and consolidations. Provide \$856 million GPR over the biennium to the University of Wisconsin System. After years of disinvestment by the Wisconsin State Legislature, this investment recognizes that the System is critically important to attracting, training, and retaining the next generation of workers in Wisconsin, as well as advancing the Wisconsin Idea to solve social problems and improving our state, country, and the world. The Governor's proposal includes:

- o \$56,360,000 GPR in fiscal year 2025-26 and \$72,610,000 GPR in fiscal year 2026-27 to provide students the highest quality academic institutions while increasing affordability of a system education through a variety of financial aid efforts including for students with the greatest financial need, veterans (with a total of \$2.8 million GPR over the biennium), and Tribal Nation citizens.
- o The Governor's investment to increase affordability includes \$11,860,000 GPR in fiscal year 2025-26 and \$28,110,000 GPR in fiscal year 2026-27 to fund a "last dollar" scholarship, similar to UW-Madison's "Bucky's Promise." In partnership with the system, the Governor's investment would cover all UW tuition and fees not otherwise covered by financial aid at any institution systemwide. The program will be available to students from families with adjusted gross income that is less than the state median and would benefit an estimated 5,000 students.
- o \$130,146,100 GPR in fiscal year 2025-26 and \$178,197,800 in fiscal year 2026-27 to expand student access to excellent higher education institutions through a variety of innovative methods including dual enrollment, direct admissions, and transfer pathways. This investment includes more than \$2 million GPR over the biennium to help bolster high-need areas of Wisconsin's workforce, including the healthcare industry and across rural communities statewide, through the Health Care Provider Loan Assistance Program and Rural Physician Loan Assistance Program, with expanded eligibility as applicable for behavioral health practitioners, substance use disorder treatment professionals, and dental therapists.
- o More than \$83.6 million GPR over the biennium to enhance the state's talent pipeline through career readiness, high impact practices, civil dialogue training, experiential learning, student wraparound services, assessments, loan forgiveness, and continuing education. This investment includes \$1 million to foster youth programming over the biennium; \$600,000 over the biennium for UniverCity Alliance; \$2 million over the biennium to support journalism fellowships; and implementation of Navigate360, a student success management system.
- o \$56 million GPR over the biennium to ensure quality by recruiting and retaining the best educators and staff. This investment also reflects the Governor's recommendation that the system employ funds to develop or strengthen clinical training partnerships with health care employers and professionals, and provide preceptor compensation.
- o \$22 million GPR over the biennium to support student mental health services.
- o \$87,585,000 GPR in fiscal year 2025-26 and \$16,700,000 GPR in fiscal year 2026-27 to invest in innovative technologies, such as new curriculum and classroom applications, online programs, artificial intelligence research, recruitment and retention of faculty in artificial intelligence fields, curricular development and pedagogical enhancements around artificial intelligence, and research infrastructure. Programs include artificial intelligence initiatives, Dairy Innovation Hub, Freshwater Collaborative, and other innovative research. This investment also includes (a) \$500,000 over the biennium to support education and training for small businesses and entrepreneurs in rural

Wisconsin, and (b) \$6.3 million over the biennium to establish a statewide Parkinson's Disease registry through the UW-Madison Population Health Institute.

- \$166 million GPR over the biennium to increase wages to ensure University of Wisconsin can continue to compete for the best academic and administrative employee.
- The overall investment will also support \$1 million over the biennium for the UW-Madison's Missing-in-Action Recovery and Identification Project.
- \$64.2 million GPR over the biennium to fully fund the system's basic costs to continue.
- Improve college affordability by increasing funding for need-based financial aid in the Wisconsin Grants program as follows: (a) more than \$24.7 million GPR over the biennium for University of Wisconsin students; (b) more than \$9.1 million GPR over the biennium for Wisconsin Technical College students; (c) \$192,800 PR-S over the biennium for Tribal college students; and (d) \$11.4 million GPR over the biennium for students of private, nonprofit colleges.
- Provide more than \$12.4 million GPR over the biennium for need-based financial aid in the Wisconsin Grants program for technical colleges to address the expansion of program eligibility under 2023 Wisconsin Act 80, to account for the increase in students eligible who are enrolled less than half time.
- Bolster Wisconsin's workforce and advance career and technical training by providing \$45 million over the biennium in general aid to the Wisconsin Technical College System (\$20 million GPR in fiscal year 2025-26; \$25 million GPR in fiscal year 2026-27) to ensure technical colleges can continue providing excellent academic coursework and grow Wisconsin's skilled workforce.
- Provide \$3 million GPR over the biennium to provide grants to technical colleges to help keep costs low for students by creating open educational resources and course materials for students.
- Provide tuition waivers for students who enroll at a University of Wisconsin System or Wisconsin Technical College System institution if the student is a Wisconsin resident and is verified as an enrolled citizen of any of the 11 federally recognized Tribal Nations of Wisconsin.
- Bolster our state's teacher pipeline and education workforce by helping improve efforts to recruit, train, and retain future educators. Make higher education and educator preparatory training more affordable and accessible by requiring the University of Wisconsin System to offer tuition remission for any semester in which a student is engaged in student teaching as part of the educator preparatory program.
- Allow a student to qualify for resident tuition and fee rates at University of Wisconsin System or Wisconsin Technical College System schools if the student: (a) is a citizen of a federally recognized Tribal Nation in Wisconsin or is a citizen of a federally recognized Tribe in Minnesota, Illinois, Iowa, or Michigan; and (b) has resided in Wisconsin, Minnesota, Illinois, Iowa, or Michigan, or in any combination of these states, for at least 12 months prior to enrollment.
- Improve access to higher education institutions by creating an exemption to nonresident tuition rates for an individual who graduated from a Wisconsin high school or received a declaration of equivalency, was continuously present in Wisconsin for at least three years following the first day of attending a Wisconsin high school or immediately preceding the declaration of equivalency, and enrolls as a citizen of another country in a higher education institution with proof stating the person will file for lawful permanent resident status as soon as the person is eligible to do so.
- Provide \$115,500 GPR over the biennium and a 1.0 FTE GPR position for the tuition grant program administered by the Department of Military Affairs. In addition to administrative support,

the Governor recommends statutory changes to the program to ensure eligible guard members are able to maximize the educational support they are receiving.

Making Child Care More Affordable and Accessible for Working Families

- Do what's best for kids while supporting our economy, enabling workers to stay in Wisconsin's workforce, keeping provider doors open and bolstering staff, and lowering everyday, out-of-pocket costs for working families by making child care more affordable statewide through Child Care Counts. Expand access to quality, affordable child care for Wisconsin's working families and kids by continuing the successful Child Care Counts program, providing \$440 million GPR over the biennium, and \$40 million TANF over the biennium to make Child Care Counts a permanent state program and provide the Wisconsin Department of Children and Families with associated administrative resources.
- Provide \$162,400 GPR in fiscal year 2025-26 and more than \$5.3 million GPR fiscal year 2026-27 and 2.5 FTE GPR positions to establish an employer-sponsored child care grant program to support businesses that choose to invest in child care for their employees.
- Expand access to affordable child care statewide by ensuring child care providers can reduce waitlists and fill available child care slots with the necessary staff support by providing \$4,500,000 GPR in fiscal year 2025-26 to support modernization efforts to streamline hiring, recruitment, licensure, and business planning.
- Provide \$5,500,000 GPR in fiscal year 2025-26 to increase support for child care providers with additional assistance for new start-ups and services for existing providers.
- Provide \$11.5 million GPR in fiscal year 2026-27 to establish an out-of-school time grant program to deliver services to school-age youth with the goal of improving social, emotional, academic, or career readiness competencies and providing a safe out-of-school time environment.
- Provide more than \$1 million TANF over the biennium for the previously federally funded Early Childhood Health Consultation (ECHC) program that provides resources to child care providers to support the implementation of best practices related to health on topics ranging from caring for wounds to caring for kids with autism.
- Provide \$2,562,000 TANF in fiscal year 2025-26 for IT costs related to providing 12-month Wisconsin Shares authorizations to bring the state into compliance with a federal regulation that requires a minimum of 12 months of eligibility between initial eligibility determination and redetermination.
- Provide \$2,860,000 TANF in fiscal year 2026-27 for IT costs relating to the establishment of presumptive eligibility for Wisconsin Shares applicants, meaning that likely applicants would be presumed to qualify for up to three months while their application is being reviewed.
- Provide \$19,400 TANF in fiscal year 2025-26 and more than \$20.5 million TANF in fiscal year 2026-27 to cap Wisconsin Shares copayments at 7 percent of a family's income to align with federal child care funding requirements and create a sliding scale for copayments from zero to 7 percent of a family's income. This also includes waiving copays for the state's most needy families under 150 percent of the federal poverty level.
- Reestimate the Wisconsin Shares child care program by \$21.3 million TANF over the biennium, including raising rates to meet the 75th percentile, as statutorily required, in order to increase affordability for more Wisconsin families.

- Invest more than \$4.3 million TANF over the biennium to bolster the state's child care workforce and ensure quality care by defraying the cost of training for child care workers to ensure they have the basic knowledge, skills, and abilities needed to provide care and education to young kids.
- Provide \$277,400 TANF in fiscal year 2025-26 and \$369,800 TANF in fiscal year 2026-27 and 3.0 FTE TANF child care licensing positions to ensure timely licensure of child care providers.
- Provide \$1 million TANF over the biennium for Tribal child care training and technical assistance to fill the gap of unmet child care needs in Tribal areas.
- Provide \$506,000 TANF in fiscal year 2025-26 for additional IT funding to bolster audit capacity.
- Transfer the Head Start State Supplement program from the Wisconsin Department of Public Instruction to the Wisconsin Department of Children and Families to better align this program with child care.
- Provide \$500,000 TANF over the biennium for Wisconsin Out of School Time Alliance to provide school-age child care programs throughout the state with training, technical assistance, and professional development on topics such as mental health and trauma-informed care.

Supporting Kids & Families Beyond the Classroom

- Increase funding to the Boys and Girls Clubs by \$13.4 million TANF over the biennium for the Wisconsin After 3 program to improve the literacy skills and math proficiency for low-income students.
- Provide \$2 million TANF over the biennium to expand Jobs for America's Graduates-Wisconsin program to provide educational support and job or postsecondary readiness for TANF-eligible youth.
- Eliminate the practice of birth cost recovery and increase funding by more than \$3.8 million all funds over the biennium to child support agencies to replace lost child support revenue.
- Create a child support debt reduction program and provide more than \$3.4 million TANF in fiscal year 2025-26 and more than \$6.9 million TANF in fiscal year 2026-27 to assist low-income noncustodial parents who participate in a work program in paying child support arrears.
- Provide more than \$17.5 million all funds in fiscal year 2025-26 and more than \$27.5 million all funds in fiscal year 2026-27 to support the continuation of the Child Support Modernization IT project to implement an improved system for Wisconsin to continue meeting federal performance standards and evolve with the changing child support landscape.
- Eliminate the requirement that child welfare agencies collect child support from families with children that enter certain out-of-home care placements with the goal that the additional resources can better support the child. Provide an increase to Children and Family Aids of \$1.8 million all funds starting in fiscal year 2026-27 to make up for the reduction in child support funds. Provide one-time funds of \$35,000 GPR and \$35,000 PR-F in fiscal year 2026-27 to update the child welfare system to support the new approach.
- Provide \$3 million GPR starting in fiscal year 2026-27 to provide statewide management of children trust accounts, to prepare for the future requirement that child welfare agencies screen, apply for, and preserve benefits in trust accounts for a child in out-of-home care who received Supplemental Security Income or Social Security.

- Provide \$497,600 GPR and \$214,100 PR-F in fiscal year 2025-26 and \$994,400 GPR and \$427,900 PR-F in fiscal year 2026-27 to increase the foster care age-based rates by 5 percent and allow foster care level one providers to receive the age-based rates. Also, provide more than \$6.9 million TANF in fiscal year 2025-26 and \$14 million TANF in fiscal year 2026-27 to allow kinship caregivers to also receive these age-based rates. Further, allow foster care level 1 caregivers and kinship caregivers to qualify for sibling exceptional payments and one-time clothing allowances.
- Modify eligibility requirements for subsidized guardianships and kinship care to ensure that youth in the youth justice system qualify for these placements and children of any age can qualify for subsidized guardianships and provide more than \$5.2 million GPR over the biennium for this purpose. Also make a technical statutory modification to ensure like-kin kinship caregivers are eligible for the SHARES child care program.
- Provide over \$10.5 million GPR over the biennium to expand independent living services for youth who are aging out of the out-of-home care system.
- Provide \$141,200 GPR and \$12,200 PR-F in fiscal year 2025-26 and \$188,200 GPR and \$16,300 PR-F in fiscal year 2026-27 and 2.0 FTE positions to support quality improvements in the Division of Milwaukee Child Protective Services.
- Provide more than \$2.6 million GPR in fiscal year 2025-26 and more than \$2.7 million GPR in fiscal year 2026-27 to support a program that provides out-of-home care in a congregate care setting for children with high acuity needs.
- Provide more than \$3.7 million GPR in each fiscal year and a 1.0 FTE GPR position to increase funding for programs that serve runaway and homeless youth.
- Provide \$1.2 million GPR in fiscal year 2025-26 and more than \$3.8 million GPR and \$104,000 PR-F in fiscal year 2026-27 to expand home visiting services to additional counties and Tribes in the state.
- Provide more than \$3 million PR-F over the biennium to continue funding online, evidence-based parenting programming.
- Support family resource centers across the state by providing more than \$9.7 million GPR over the biennium.
- Provide more than \$2.5 million GPR in fiscal year 2025-26 and more than \$6.1 million GPR in fiscal year 2026-27 to increase Children and Family Aids by 5 percent beginning in calendar year 2026, and by an additional 2 percent beginning in calendar year 2027.
- Provide more than \$2.4 million GPR in fiscal year 2025-26 and more than \$6 million GPR in fiscal year 2026-27 to provide a 5 percent increase to Community Youth and Family Aids beginning in calendar year 2026, and an additional 2 percent increase beginning in calendar year 2027 to ensure counties can provide quality services for youth.
- Increase funding for Tribal family services grants and high-cost out-of-home care placements by more than \$3.8 million GPR in fiscal year 2025-26 and more than \$3.9 million GPR in fiscal year 2026-27 to better support Native American children in the child welfare system.
- Provide \$3 million in Tribal gaming revenues over the biennium on a one-time basis to support the ongoing development of a youth wellness center.

- Provide \$191,900 GPR and \$213,600 PR-F in fiscal year 2025-26, \$255,900 GPR and \$284,700 PR-F in fiscal year 2026-27, and 3.0 FTE positions for the Wisconsin Department of Children and Families Office of Legal Counsel to meet increasing workload.



B. BUILDING A 21ST-CENTURY ECONOMY & WORKFORCE

Providing Tax Relief and Ensuring Wisconsinites Keep More of Their Hard-Earned Money

- Propose nearly \$2 billion in tax relief across the Governor's efforts to lower property taxes, exempt many everyday expenses from the sales tax, and cut income taxes for middle-class Wisconsinites.
- Hold the line on property taxes and prevent increases in tax bills on the typical Wisconsin homeowner in both years of the biennium by providing nearly \$1.1 billion in aid to local governments and direct property tax credits to taxpayers over the biennium. Additionally, increase property tax relief programs under the individual income tax by \$237 million over the biennium for veterans, seniors, those with disabilities, and others struggling to afford the property taxes on their homes. In total, these initiatives will provide over \$1.3 billion in property tax relief to Wisconsinites over the biennium.
- Increase the school levy tax credit by \$125.3 million in fiscal year 2025-26 and \$249.7 million in fiscal year 2026-27 and apply those amounts to levies imposed in the 2025-26 property tax year and 2026-27 property tax year, respectively.
- Increase the personal exemption under the Wisconsin individual income tax from \$700 to \$1,200 beginning with tax year 2025. The fiscal effect is a reduction in individual income tax revenues of \$112.4 million in fiscal year 2025-26 and \$113.5 million in fiscal year 2026-27.
- Eliminate the sales tax on electricity and natural gas sold for residential use to help reduce energy costs for families. This provision will reduce sales taxes on Wisconsinites by \$49.7 million in fiscal year 2025-26 and \$105.9 million in fiscal year 2026-27.
- Rename the homestead tax credit to the property tax and rent rebate and update it to better reflect its benefits to property owners and renters. Further, increase the maximum income threshold for the credit to \$37,500 and the beginning of the phase-out threshold to \$19,000 beginning in tax year 2025. Additionally, index the parameters of the credit for inflation beginning in tax year 2026 to preserve the credit's value against inflationary pressures. This provision will provide \$71.6 million in property tax relief in fiscal year 2025-26 and \$76.2 million in fiscal year 2026-27.
- Remove the income tax on cash tips. Exempt cash tips from the individual income tax beginning with tax year 2025. The fiscal impact of this provision is an estimated reduction in income tax revenue of \$6.7 million in fiscal year 2025-26 and \$6.9 million in fiscal year 2026-27.
- With rising costs continuing to strain the budgets of working families, providing meaningful tax relief is a priority. This proposal enhances the earned income tax credit reducing taxes by increasing the percentage of the federal earned income tax credit Wisconsin provides from 4 percent to 16 percent for filers with one qualifying child and from 11 percent to 25 percent for

filers with two qualifying children beginning with tax year 2025, reducing taxes by \$58.4 million in fiscal year 2025-26 and \$58.5 million in fiscal year 2026-27.

- Expand the veterans and surviving spouses property tax credit to include renters with a credit rate of 20 percent of rent when heat is included and 25 percent when heat is not included, providing tax relief of \$10.9 million in fiscal year 2025-26 and \$12.1 million in fiscal year 2026-27.
- Expand eligibility under the veterans and surviving spouses property tax credit to allow those with disability ratings of 70 percent or greater to claim the credit beginning with tax year 2025. For those with disability ratings between 70 percent and the current law disability rating requirement of 100 percent, the credit amount available will be multiplied by the claimant's disability rating. This provision will provide tax relief of \$31.4 million in fiscal year 2025-26 and \$35.1 million in fiscal year 2026-27.

Supporting Wisconsin's Farmers, Producers, and Agricultural Industries Statewide

- Provide a 1.0 FTE GPR position, funded at \$73,400 GPR in fiscal year 2025-26 and \$97,900 GPR in fiscal year 2026-27, as part of the Wisconsin Initiative for Agricultural Exports to help build Wisconsin's agricultural brand in international markets and increase agricultural exports. The proposal also provides an additional \$2 million over the biennium in programmatic funding and removes an arbitrary expenditure cap on the program.
- Bolster Wisconsin's food supply chain resilience, foster innovation, and support the long-term viability of America's Dairyland by:
 - Creating a Dairy Agriculture Resilience Investment Now Grant (DARING) program funded at \$1.5 million GPR over the biennium to help ensure Wisconsin's dairy industry remains strong for future generations. The program would provide grants to dairy producers to improve efficiency and resiliency of their farm operations.
 - Providing an additional \$1.2 million GPR over the biennium to increase the available funding for the Dairy Processor Grant program.
 - Creating truth-in-labeling protections for milk and dairy products.
- Bolster Wisconsin's meat processing industry and workforce by:
 - Providing an additional \$1.6 million GPR over the biennium to increase available funding for the Meat Processor Grant program.
 - Investing in attracting, training, and retaining talented new workers. Make the Meat Talent Development Grant program permanent with \$810,800 GPR in fiscal year 2026-27 to support meat industry workforce development needs by providing funds for curriculum development and tuition assistance to individuals pursuing meat processing programming at Wisconsin universities, colleges, and technical schools.
 - Converting 4.0 FTE GPR project positions that were approved in the 2021-23 Biennial Budget to permanent positions for the meat inspection program at the Wisconsin Department of Agriculture, Trade and Consumer Protection. Also provide more than \$1.9 million GPR in fiscal year 2025-26 and \$1.7 million GPR in fiscal year 2026-27 for supplies and services related to meat inspections. Despite a commitment from the federal government to evenly split the cost of meat inspections with Wisconsin, these funds are required to make up for shortfalls in the federal spending.

- Provide \$30 million GPR over the biennium for grants to nonprofit food assistance agencies to combat food insecurity and purchase Wisconsin made or grown agricultural products. Additionally, provide \$366,800 GPR in fiscal year 2025-26, \$401,600 GPR in fiscal year 2026-27, and a 1.0 FTE GPR position to help continue to leverage federal food assistance funding through the Local Food Purchase Assistance (LFPA) program.
- Provide \$2 million in Tribal gaming revenues each year for a Tribal Elder Food Box program to support producers and provide sustainable, culturally-relevant food to those in Tribal Nations.
- Provide \$25 million GPR and \$25 million SEG over the biennium for the Agricultural Road Improvement Program to support rural communities and employers. The program targets improvements to vital rural transportation corridors that support farm, forestry, and producer operations.
- Support Wisconsin's farmers, farm families, and rural communities by connecting with local industries to buy local across Wisconsin via the creation of the Farm to Fork Grant Program with \$400,000 GPR over the biennium. The Farm to Fork program will connect local farmers and farms with entities that operate cafeterias such as businesses, universities, and hospitals, among other local partners, to help promote and purchase locally grown food.
- Provide a one-time infusion of \$400,000 GPR over the biennium into the Something Special *from Wisconsin*® program to bolster the marketing of Wisconsin products.
- Provide \$600,000 GPR over the biennium for the Buy Local, Buy Wisconsin grant program.
- Provide \$1 million SEG over the biennium to provide support and grants to farmers who are implementing grass-based managed grazing systems for livestock.
- Create the Value-Added Agriculture Grant program with \$800,000 GPR over the biennium. The program will help farmers expand agricultural practices that produce value-added products.
- Provide \$400,000 GPR over the biennium for mental health assistance to farmers and farm families.
- Provide \$510,500 GPR in fiscal year 2025-26, \$680,700 GPR in fiscal year 2026-27, and 7.0 FTE GPR positions to increase capacity at the Wisconsin Department of Agriculture, Trade, and Consumer Protection for animal disease response and prevention. The additional staffing will respond to all animal disease outbreaks and enhance secure food supply planning. Additionally, provide \$100,000 GPR over the biennium for ongoing supply and service costs for animal health.
- Restore the Purchase of Agricultural Conservation Easements program at the Department of Agriculture, Trade and Consumer Protection, funded at \$15 million. The program protects agricultural lands from development pressures while compensating farmers.
- Expand the Farmland Preservation Planning Grant Program to allow for activities that implement certified farmland preservation plans.
- Provide \$3.2 million SEG over the biennium to continue and make permanent the Commercial Nitrogen Optimization Program and \$1.6 million SEG over the biennium for the Cover Crop Insurance Premium Rebate Program.
- Create a new biodigester planning grant, funded at \$500,000 GPR over the biennium.
- Provide \$100,000 GPR over the biennium for biodigester operator certification grants.

- Provide \$250,000 SEG over the biennium for ongoing supplies and services costs related to agrichemical management.
- Create a 1.0 FTE SEG financial specialist position funded at \$61,800 SEG in fiscal year 2025-26 and \$82,300 SEG in fiscal year 2026-27 to support the Commercial Nitrogen Optimization, Cover Crop Insurance Premium Rebate, and Producer-Led Watershed Protection Programs.
- Provide \$146,900 GPR in fiscal year 2025-26, \$195,800 GPR in fiscal year 2026-27, and 2.0 FTE GPR positions to create two grant manager positions at the Department of Agriculture, Trade and Consumer Protection.
- Provide more than \$3.7 million over the biennium to reimburse corn farmers up to 50 percent of the total cost of purchasing seed treatment that discourages sandhill cranes from eating their seed.
- Increase the annual fee assessed to operators of Concentrated Animal Feeding Operations from \$345 to \$545. Additionally, provide \$253,700 all funds in fiscal year 2025-26, \$309,300 all funds in fiscal year 2026-27, and 4.0 FTE all funds positions.
- Provide \$75,200 PR in fiscal year 2025-26, \$100,300 PR in fiscal year 2026-27, and a 1.0 FTE PR for an investigator position at the Veterinary Examining Board.
- Provide \$181,600 GPR over the biennium for ongoing supplies and services related to food and recreational safety at the Wisconsin Department of Agriculture, Trade and Consumer Protection.
- Provide \$73,400 GPR in fiscal year 2025-26, \$97,900 GPR in fiscal year 2026-27, and a 1.0 FTE GPR agricultural economist position at the Wisconsin Department of Agriculture, Trade and Consumer Protection. The position would provide data and analysis to help grow Wisconsin's farming economy.
- Provide \$150,400 GPR in fiscal year 2025-26, \$200,500 GPR in fiscal year 2026-27 and 2.0 FTE GPR to create regional farmer support positions to better serve northwest and northeast Wisconsin.
- Provide \$33,600 GPR over the biennium for ongoing supplies and services costs related to agricultural development.

Supporting Healthcare Professionals and Bolstering the Healthcare Workforce

- Provide more than \$3 million GPR over the biennium to support the Qualified Treatment Trainee grant program, which facilitates the licensure and certification of those in the process of obtaining or already with a graduate degree in psychology, counseling, marriage and family therapy, social work, nursing, or a closely related field, to help address a shortage in the behavioral health workforce.
- Provide \$4.3 million all funds (\$2.1 million GPR) in fiscal year 2025-26 and \$4.3 million all funds (\$2.1 million GPR) in fiscal year 2026-27 to the WisCaregiver Career program, which addresses the shortage of certified nursing assistants in the state by supporting recruitment, training, and retention of individuals to care for nursing home residents across Wisconsin.
- Provide \$7.5 million GPR in fiscal year 2025-26 to support employer-based workforce development solutions with Provider Innovation Grants to increase workforce recruitment and retention.
- Provide \$5 million GPR over the biennium to fund healthcare provider training grants and make technical changes to existing grants.

- Provide \$1 million PR over the biennium for navigator outreach, prioritizing helping the direct care workforce navigate their existing health insurance benefits, available public health insurance options, and any other public programs to support their health.
- Bolster the state healthcare provider workforce by providing \$3.7 million GPR over the biennium to the Medical College of Wisconsin for family medicine training. These funds will support the recruitment and training of additional family medicine residents, and increase funding for three projects, including: (a) a family medicine rotation in Northwest Wisconsin; (b) a fellowship program to train providers in preventing and combating drug overdoses; and (c) efforts to expand behavioral health expertise of family medicine residents.
- Expand the nurse educators program at the Higher Educational Aids Board and provide \$4 million GPR over the biennium to help increase the state's nursing workforce. This program provides forgivable loans to nursing professors who stay in Wisconsin to teach the next generation of nurses. Under the expansion, loans would be available to both full-time and part-time faculty, and to educators in allied health, behavioral health, dental health, and nursing.
- Address the state's oral healthcare provider shortage by expanding eligibility for rural dentistry scholarships at the Higher Educational Aids Board to include specialty dentists and dental general practice residents.
- Create a pilot program in the Wisconsin Department of Safety and Professional Services to provide tuition reimbursement for former nurses who are not actively practicing but wish to participate in a nurse refresher course at a technical college. Provide \$300,000 PR over the biennium to offset the costs of these courses.
- Ensure timely implementation of administrative rules for health professions by providing \$75,100 PR in fiscal year 2025-26, \$96,100 PR in fiscal year 2026-27, and a 1.0 FTE PR position in the Wisconsin Department of Safety and Professional Services.
- Enhance licensure opportunities in Wisconsin through health-related multistate compacts and reciprocity agreements by providing \$186,100 PR in fiscal year 2025-26, \$236,200 PR in fiscal year 2026-27, and 3.0 FTE PR positions to the Wisconsin Department of Safety and Professional Services.
- Support healthcare providers by providing \$1.6 million GPR over the biennium to the Wisconsin Department of Safety and Professional Services to contract with a nongovernmental entity for a statewide clinician wellness program.
- Increase the state's healthcare workforce by providing the Wisconsin Department of Workforce Development with more than \$2.25 million GPR in fiscal year 2025-26 on a one-time basis to support a healthcare on-the-job learning reimbursement pilot program, with the goal of reducing financial barriers related to training apprentices in healthcare pathways. Additionally, provide \$1.5 million GPR in ongoing funding to be utilized for on-the-job reimbursement grants in all workforce industries.
- Provide \$1 million GPR over the biennium for a Wisconsin Fast Forward Health Care Industry Grant Program to support healthcare workforce development through apprenticeships, training programs, and innovative education models.

Preparing Wisconsin's Workforce to Harness Artificial Intelligence

- Provide \$8 million GPR in fiscal year 2025-26 and \$2 million GPR in fiscal year 2026-27 for grants to technical colleges to support districts with the adoption of artificial intelligence, including: (a) curriculum and resource development to meet employer demands; (b) educator recruitment, retention, and upskilling; (c) stackable credential development; and (d) infrastructure development.
- In order to train the next generation of workers in artificial intelligence and related fields, provide \$350,800 GPR in fiscal year 2025-26, \$449,400 GPR in fiscal year 2026-27, and 5.5 FTE GPR positions for registered apprenticeship navigation, career opportunities, career development, workforce retention, and outreach efforts.
- Allocate \$400,000 GPR over the biennium in Wisconsin Fast Forward to support artificial intelligence training grants that expand related education and training opportunities across schools, community tech hubs, and businesses.
- Make Wisconsin Fast Forward grants generally available for artificial intelligence training needs for employers.
- Provide \$245,700 GPR in fiscal year 2025-26, \$317,700 GPR in fiscal year 2026-27, and 3.0 FTE GPR positions to expand the Wisconsin Department of Workforce Development Bureau of Workforce Information Technology Support's capacity to collect and share workforce data, with particular emphasis on the workforce impact of artificial intelligence.
- Provide \$193,200 GPR in fiscal year 2025-26, \$249,600 GPR in fiscal year 2026-27, and 2.0 FTE GPR positions in the Division of Enterprise Technology at the Wisconsin Department of Administration to support the development of artificial intelligence tools and infrastructure that will benefit state agencies.

Addressing Wisconsin's Generational Workforce Challenges and Recruiting, Training, and Retaining Talented Workers

- Provide \$150 million GPR in fiscal year 2025-26 to establish a state-funded Workforce Innovation Grant Fund, providing ongoing support for locally driven solutions to workforce challenges across regions. Of this investment, \$15 million GPR is allocated for addressing artificial intelligence workforce issues, and \$25 million GPR is allocated for bolstering the health care workforce. This fund would continue and expand successful initiatives from the Governor's Workforce Innovation Grant program, which focuses on addressing critical issues such as child care, transportation, housing, and workforce training. This ongoing funding aims to maintain and grow the impact of workforce development projects statewide. Also provide 2.0 FTE GPR positions to manage and oversee the fund, ensuring continuous improvements and effective implementation.
- Provide \$15 million GPR in fiscal year 2025-26 and \$5 million GPR in fiscal year 2026-27 and ongoing to establish the Wisconsin Workforce Advancement Program to build upon the federally funded Worker Advancement Initiative. This program would deliver effective outreach, provide wraparound support services to address barriers to employment, and serve population groups underserved and disconnected from the labor force. Additionally, provide a 1.0 FTE GPR position and related funding within the Wisconsin Department of Workforce Development Bureau of Workforce Training to support the program.
- Provide \$710,600 GPR in fiscal year 2025-26, \$910,800 GPR in fiscal year 2026-27, and 11.0 FTE GPR positions to expand the Worker Connection Program statewide, ensuring each Workforce Development Area has a dedicated career navigator to enhance workforce support services and strengthen referral networks for community resources.

- Provide \$2 million GPR in fiscal year 2025-26 to award training grants for green jobs through Wisconsin Fast Forward to encourage individuals to follow conservation and environmental career paths and achieve competencies in such workforce subjects.
- Provide a 1.0 FTE GPR position within the Wisconsin Department of Workforce Development's Bureau of Apprenticeship to enhance apprenticeship infrastructure by overseeing compliance, providing technical assistance, and supporting program expansion. Include \$360,000 GPR in one-time funding to evaluate registered apprenticeship programs; identify participation barriers; and address attitudinal, design, and cost-related challenges.
- Provide \$500,000 GPR over the biennium to provide resources and incentives that help connect youth apprentices with registered apprentice opportunities and pathways.
- Ensure the effective and efficient processing of license applications within the Wisconsin Department of Safety and Professional Services by providing more than \$1.7 million PR over the biennium and 10.0 FTE PR positions.
- Continue efficient and successful customer service operations to address the high demand for licensed occupations by providing \$811,900 PR in fiscal year 2025-26, \$938,700 PR in fiscal year 2026-27, and 14.0 FTE PR positions to the Wisconsin Department of Safety and Professional Services.
- Improve Wisconsin's ability to compete for, recruit, and retain workers by requiring that all private and local employers offer eight weeks of paid family and medical leave income replacement benefits. Additionally, ensure compliance with this directive by providing a 1.0 FTE GPR position in fiscal year 2026-27 to the Wisconsin Department of Workforce Development Equal Rights Division.
- Provide \$323,500 GPR in fiscal year 2025-26 and \$447,500 GPR in fiscal year 2026-27 for the Early College Credit Program to encourage and support high school students to earn college credit by taking one or more courses at a higher education institution.
- Provide more than \$21.8 million all funds in fiscal year 2025-26, more than \$51.4 million all funds in fiscal year 2026-27, and 5.0 FTE all funds positions to address rising costs associated with increasingly sophisticated training provided to vocational rehabilitation clients seeking to reenter the workforce.
- Assist employers with hiring justice-involved individuals by providing \$64,000 GPR in fiscal year 2025-26, \$82,800 GPR in fiscal year 2026-27, and a 1.0 FTE GPR position to staff a new hotline to provide information about available state and federal incentives and programs as required by 2023 Wisconsin Act 228.
- Create an expanded Transform Milwaukee Jobs and Transitional Jobs programs and provide \$2 million GPR over the biennium to increase access to non-TANF eligible individuals.
- Expand the Transitional Jobs and Transform Milwaukee Jobs programs by removing the criteria that require individuals to be unemployed for at least four weeks before being eligible and the requirement that restricts individuals who are eligible for unemployment insurance (UI) but not receiving UI benefits and provide an additional more than \$5.9 million TANF over the biennium.
- Create a state scholarship award program that matches the federal Segal Education Award for AmeriCorps members upon completion of their service and provide \$3.2 million GPR over the biennium.

- Provide \$843,500 GPR in fiscal year 2025-26, \$111,300 GPR in fiscal year 2026-27, and a 1.0 FTE GPR position for the Migrant Seasonal Farm Worker program, supporting development of streamlined online applications for camp and housing operators, outreach, housing inspections, and labor rights enforcement.
- Provide \$455,700 SEG in each fiscal year and 3.0 FTE SEG positions to enhance auditing and investigation efforts aimed at addressing worker misclassification and ensuring compliance with employment laws.
- Enhance transparency in the job application process by requiring employers to provide wage information in job postings.
- Create a task force to study and make recommendations regarding increasing the minimum wage to ensure all Wisconsinites earn a living wage.
- Ensure Wisconsin workers receive the wages to which they are entitled by establishing mandatory penalties on employers for noncompliance with wage payment laws.
- Enhance the ability of the Wisconsin Department of Workforce Development Equal Rights Division to ensure compliance with worker's rights laws, including the newly required paid family and medical leave benefit payments, by providing \$64,600 GPR in fiscal year 2025-26, \$82,800 GPR in fiscal year 2026-27, and a 1.0 FTE GPR position.
- Provide predictability and transparency for Wisconsin workers in scheduling and breaks by requiring employers to provide employees with a number of disclosures and notices.
- Require 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.
- Expand the concept of employment discrimination to specify that employers cannot discriminate based upon gender identity and expression.
- Strengthen the enforcement of employment discrimination law prohibitions by allowing the Wisconsin Department of Workforce Development, or an individual who is alleged or was found to have been discriminated against, including on the basis of equal pay for equal work, or subjected to unfair honesty or genetic testing, to bring an action in circuit court to recover compensatory and punitive damages caused by an act of discrimination, unfair honesty testing, or unfair genetic testing in addition to or in lieu of filing an administrative complaint.
- Strengthen workers' voices in their workplaces by repealing the prohibition on contracts between labor unions and employers that specify employers may only hire unionized workers and repeal the prohibitions on the following as a condition of obtaining or continuing employment: (a) refraining or resigning from membership or affiliation with a labor organization; (b) becoming or remaining a member of a labor organization; (c) paying dues or other amounts to a labor organization; or (d) paying a third party amounts in place of dues to a labor organization.
- Clarify that employment discrimination under the Wisconsin Fair Employment Act includes an employer asking about an applicant's conviction record before selecting them for an interview, with the intent to prevent qualified individuals from being unfairly screened out while still allowing employers to notify applicants of disqualifying convictions for certain positions.
- Expand access to professional licenses from the Wisconsin Department of Safety and Professional Services for qualified, undocumented individuals.

- Provide \$363,800 GPR over the biennium to ensure third-party administered license credential examination fees are not more expensive than those for examinations administered by the Wisconsin Department of Safety and Professional Services.
- Allow the Wisconsin Department of Safety and Professional Services to adjust credential renewal schedules to better align with industry needs.

Respecting and Supporting Public Workers

- Establish collective bargaining rights for state and local government front-line workers, including University of Wisconsin System faculty, academic staff, and graduate assistants, and their bargaining units. Front-line workers are defined as employees with a substantial portion of job duties interacting with members of the public or large populations or directly involve maintenance of public works. The Employment Relations Commission will settle definitional disputes.
- Expand collective bargaining rights for municipal and state public safety workers, transit employees, and front-line workers to allow collective bargaining over the employer-paid share of health insurance premiums.
- Eliminate the annual recertification requirement for state and local government bargaining units, as well as the provision that approval by a majority of bargaining unit members, instead of majority of the vote, is required to certify.
- Require employers to meet at least quarterly, or upon a change in policies affecting wages, hours, and working conditions of general employees, with certified representatives of collective bargaining units, if applicable, or with other representatives in order to receive employee input.
- Provide 17.5 FTE GPR positions at the Employment Relations Commission and 20.0 FTE PR-S positions at the Division of Personnel Management within the Wisconsin Department of Administration in fiscal year 2026-27 to assist employees, bargaining units, and units of government with the expansion of collective bargaining rights. Positions to support the expansion of collective bargaining rights have been created at both agencies and will be funded through federal ARPA funds through December 31, 2026.
- Require local government employers to include a just cause standard of review of termination in their grievance procedures. Additionally, require existing local government grievance procedures to address employee discipline and workplace safety issues.
- Improve Wisconsin's workforce and pipeline with experienced professionals by authorizing state agencies and local units of government, including schools, to rehire a retired annuitant to address workforce recruitment and retention issues, if: (a) at least 30 days have passed since the employee left employment; (b) at the time of retirement, the employee does not have an agreement to return to employment; and (c) upon returning to work, the employee elects to not become a participating employee and continue receiving their annuity.
- Provide funding in the compensation reserve, and any statutory language changes needed for the following items to make investments in the state government's workforce, address recruitment and retention challenges in key state positions, and ensure the state can be a competitive employer. The state's compensation plan will also have to be approved by the Joint Committee on Employment Relations.
 - Provide \$372.5 million GPR over the biennium for a general wage adjustment for most state employees of 5 percent on July 1, 2025, and an additional 4 percent on July 1, 2026.

- Provide \$10.9 million GPR over the biennium for targeted market adjustments for employees within certain classifications in state agencies to better align their wages to those paid by private and other public sector employers.
- Provide \$5.3 million GPR over the biennium to support the development of pay progressions for several targeted classifications that will allow employees to increase pay based on performance and experience.
- Provide \$9.6 million GPR over the biennium to strengthen the pay progression for probation and parole agents within the Wisconsin Department of Corrections and to provide parity adjustments to supervisory positions.
- Provide \$4.3 million GPR over the biennium to continue the \$5 per hour add-on for all hours worked by correctional officer staff at the Waupun Correctional Institution.
- Provide \$3.8 million GPR over the biennium to develop and implement a state employment apprenticeship program administered by the Wisconsin Department of Administration.
- Provide \$7.4 million GPR in fiscal year 2026-27 to support a new paid family and medical leave program for state and University of Wisconsin System employees for eight weeks annually, effective January 1, 2027.
- Decrease the waiting period for all new state employees to receive the employer share of their health insurance premiums from three months to two months.
- Fund paid sick leave for limited term employees that work for state agencies and temporary employees that work for the University of Wisconsin System.
- Modify the vacation allowance during the first five years of state employment to improve retention of employees for state agencies.
- Establish Juneteenth and Veterans Day as state government holidays.
- Provide funding in new appropriations to support the supplementation of state agency appropriations for costs associated with general wage adjustments provided to employees performing enterprise services at the Wisconsin Department of Administration and incurred by state agencies through enterprise assessments and billings.

Ensuring Tax Fairness and Providing Targeted Tax Incentives

- Ensure millionaires and billionaires in Wisconsin pay their fair share by creating a new individual income tax bracket with a marginal rate of 9.8 percent on taxable income above \$1 million for single and married-joint filers and \$500,000 for married-separate filers beginning with tax year 2025. The fiscal impact is an estimated increase in tax revenue of \$719.3 million in fiscal year 2025-26 and \$578.4 million in fiscal year 2026-27.
- Limit the amount of qualified production activities income that may be claimed by manufacturing firms under the manufacturing and agriculture credit to \$300,000 per tax year. This would leave the agricultural portion of the credit unchanged compared to current law while curbing excessive benefits to high-income earners. The fiscal impact is an estimated increase in tax revenue of \$418.5 million in fiscal year 2025-26 and \$373.8 million in fiscal year 2026-27.
- Amend state statutes to conform with major changes made to the federal Internal Revenue Code from the Tax Cuts and Jobs Act of 2017. The net fiscal impact of these changes is an increase in

tax revenue of \$237.4 million in fiscal year 2025-26 and \$250.4 million in fiscal year 2026-27. This change would simplify taxpayer compliance burdens for businesses by adopting the same treatments for expenses and income as the federal government.

- Preserve the current law 30 percent long-term capital gains exclusion for single filers with federal adjusted gross income below \$400,000 and below \$533,000 for married-joint filers while eliminating it for taxpayers above those income levels. Taxpayers with non-capital gains income below those thresholds could claim capital gains income that, when combined with other sources, would stay within those limits for purposes of the exclusion, but not those amounts above the income limits. These modifications will preserve the exclusion for low- and middle-income investors while creating greater equity in the tax treatment of different sources of income for higher-income taxpayers. These modifications do not affect the 60 percent capital gains exclusion for farm assets. The fiscal impact is an estimated increase in tax revenue of \$242.5 million in fiscal year 2025-26 and \$177.6 million in fiscal year 2026-27.
- Modify the Business Development Tax Credit's incentive related to workforce housing to specify that the qualifying workforce housing does not need to be exclusively for the employer's workers to qualify as eligible for credit earnings. Also expand the eligibility of this earnings category to include contributions to a workforce housing revolving loan fund. These changes will improve workforce housing incentives in the program and increase investment in Wisconsin's housing supply.
- Extend the 11.5 percent earnings categories for the research tax credit to include research activities in the field of nuclear energy. Under current law, most research activities earn at a rate of 5.75 percent of eligible excess research costs while internal combustion engine research and certain energy efficiency activities are earned under the 11.5 percent category. This change puts nuclear power research on a level playing field with those categories.
- Create a film production services credit that has both refundable and nonrefundable components and also a credit for film production investment in Wisconsin. The film production services credit's nonrefundable component is equal to 25 percent of the amount of wages and salaries a company pays to Wisconsin employees for services rendered related to a film, video, broadcast, advertisement or television production. The refundable portion of the credit provides a 25 percent credit for qualified production expenses related to a film, video, broadcast, advertisement or television production. For the purposes of the credit, production expenses include writing, budgeting, casting, location scouts, set construction and operation, wardrobes, makeup, clothing accessories, photography, sound recording, sound synchronization, sound mixing, lighting, editing, film processing, film transferring, special effects, visual effects, renting or leasing facilities or equipment, renting or leasing motor vehicles, food, lodging, and any other similar pre-production, production and post-production expenditure. The film production investment credit provides a transferrable credit for certain physical property investments in Wisconsin related to film productions. The credit will first be available for tax year 2026 and the certification of eligible entities will be administered by the Office of Film and Creative Industries at the Wisconsin Department of Tourism. Total credits will be capped at \$10 million annually.
- Limit the deduction taken for dividends received to ensure that the deduction cannot be used to create a loss or increase a loss. The fiscal impact of this provision is an estimated increase in tax revenue of \$3.2 million in fiscal year 2025-26 and \$3.2 million in fiscal year 2026-27.
- Increase the current law disability income subtraction to \$5,500 for a single filer and \$11,000 for a married couple in the case that both spouses are eligible, as well as increasing the income threshold to \$30,000 for a single filer and \$60,000 for married-joint filers. The fiscal impact of this provision is an estimated reduction in tax revenues of \$260,000 annually.

- Limit the subtraction from adjusted gross income for tuition paid by a parent to send their child to a private primary or secondary school to those single and head of household filers with incomes below \$100,000 and married-joint filers with incomes below \$150,000. The fiscal impact of this provision is an estimated tax revenue increase of \$6.5 million annually beginning in fiscal year 2025-26.
- Restore the deductibility from Wisconsin adjusted gross income of labor organization dues beginning with tax year 2027.
- Increase the maximum amount of adoption expenses an individual may subtract from Wisconsin adjusted gross income from \$5,000 to \$15,000 beginning with tax year 2025. The fiscal impact is an estimated reduction in individual income tax revenues of \$90,000 annually beginning in fiscal year 2025-26.
- Create a nonrefundable individual income tax credit equal to 10 percent of the amount an individual pays for flood insurance premiums in a tax year, beginning with tax year 2025, with a maximum credit of \$60. The fiscal impact of this provision is an estimated reduction in individual income tax revenues of \$400,000 in each year.
- Create an income and franchise tax credit for small businesses that install universal changing stations for personal hygiene use by an individual with a disability. The credit will be equal to 50 percent of the amount the small business pays to install the universal changing station, up to a maximum credit of \$5,125. The credit will be available to businesses that have gross receipts of no more than \$1 million or employ no more than 30 full-time employees. The fiscal impact of this credit is an estimated reduction of income tax revenue of \$5.3 million in fiscal year 2025-26 and \$10.6 million in fiscal year 2026-27.
- Tax little cigars as cigarettes to close a cigarette tax loophole.
- Impose on all e-cigarette and vapor products the existing tobacco tax rate of 71 percent of the manufacturer's list price to ensure these products receive equal tax treatment as other similar tobacco products, and consequently, reduce the appeal of these products as entries to smoking and nicotine addiction.

Supporting Small Businesses and Economic Development

- Increase the Wisconsin Economic Development Corporation's total baseline block grant funding target from approximately \$41.5 million to \$46 million annually beginning in fiscal year 2025-26 to account for increased cost pressures facing the Wisconsin Economic Development Corporation, greater available funding from the economic development surcharge, and to provide greater certainty to the corporation's funding going forward.
- Provide \$50 million GPR in fiscal year 2025-26 to restart funding for the Main Street Bounceback grant program to help businesses to open or expand into vacant commercial spaces. Eligible expenses under the program include leases, mortgages, and business operational expenses related to opening a new location. This critical investment will help continue to revitalize local business corridors and transform communities across the state.
- Provide \$50 million GPR in fiscal year 2025-26 to increase support to the Green Innovation Fund, which will spur lending and investment activities in the renewable energy and resilience sector. This will allow businesses to invest in their energy needs and cut costs in their overall operations.
- Provide \$5 million GPR in fiscal year 2025-26 to the Opportunity Attraction Fund to bolster the state's resources for attracting events and other unique opportunities that bring national exposure and events to the state.

- Provide \$5 million GPR in fiscal year 2025-26 to fund the Thrive Rural Wisconsin project to facilitate economic development and bolster investment in rural areas of Wisconsin.
- Provide \$5 million GPR in fiscal year 2025-26 to establish a grant program for matching grants to small- and mid-sized manufacturing companies located in Wisconsin for investments in advanced manufacturing technologies. Also, require the program to award total grants to an individual firm of no more than \$200,000 and provide that grants may match no more than one-third of the amount of investment by a manufacturer. Further, specify that recipient firms must commit to not reducing employment below the level when the grant is executed for at least one decade and that the Wisconsin Economic Development Corporation must seek repayment of funds by firms that fall below those employment levels.
- Provide \$15 million GPR in fiscal year 2025-26 for the purpose of providing state matching funds related to federal funding applications in conjunction with WiSys's Forward Agriculture program to promote sustainable agriculture.
- Provide \$10 million GPR in fiscal year 2025-26 to support funding a business accelerator program to be administered in conjunction with the University of Wisconsin System and aimed at developing research, including research from the University of Wisconsin System, into new startup businesses.
- Provide \$5 million GPR in fiscal year 2025-26 to fund a Tribal enterprise accelerator program that would establish a statewide technical assistance and grant program for Tribal Nations to diversify their revenue strategies outside of the gaming and entertainment industries through community development investment grants and capacity building grants.
- Increase the wage thresholds for the enterprise zone jobs tax credit and the business development tax credit to increase the \$30,000 minimum for tier two counties under the enterprise zone jobs tax credit to \$45,390 and to increase the 150 percent of the federal minimum wage threshold for tier one counties under the enterprise zone jobs tax credit and for all business development tax credit awards to \$34,220 beginning with awards made in 2026 to account for inflation since these programs' wage thresholds were first established. Also, increase the maximum wage threshold from \$100,000 to \$151,300 for awards first made in 2026. Further, provide indexing adjustments for those thresholds in future years beginning with 2027. These changes will ensure that employers provide real wage increases to earn incentive payments.
- Increase Tribal gaming funding for Native American economic development technical assistance administered by the Wisconsin Department of Administration by \$79,500 PR-S annually.
- Provide more than \$3.8 million PR-S in fiscal year 2025-26 and more than \$2.5 million PR-S in fiscal year 2026-27 using Tribal gaming revenues to provide funding to the Wisconsin Indigenous Housing and Economic Development Corporation to support a loan fund, business hubs, and other home ownership and economic development programs.
- Make technical modifications to the Main Street Program statutes to bring the statutory language into compliance with current federal statutes and practice.

Investing in Tourism and Cultural Opportunities

- Support the development and progress of the new Wisconsin History Center Museum by providing \$2.23 million GPR over the biennium to the Wisconsin Historical Society and 3.0 FTE GPR positions consisting of a Wisconsin History Center Director, a Facility Manager, and a Manager of Exhibitions. Funding and positions will support exhibit installation, training, equipment, and marketing for the opening of the new museum.

- Provide \$796,400 GPR over the biennium to the Historical Society to implement security improvements for its facilities, historic sites, and collections, and upgrade infrastructure, security systems, and services at key attractions.
- Support the mission of the Black Historical Society and Museum to document and preserve Wisconsin's African American heritage by providing \$2 million GPR over the biennium.
- Further expand the state's growing outdoor recreation market by providing \$254,000 GPR in each year of the biennium and 3.0 FTE GPR positions to continue the Department of Tourism's Office of Outdoor Recreation as a permanent hub for outdoor partners, brands, and industry.
- Promote Wisconsin as a premier business, cultural, and recreational destination by providing a significant and necessary investment of \$33.8 million GPR over the biennium and 2.0 FTE GPR positions to the Wisconsin Department of Tourism for marketing activities.
- Increase the Arts Board's per capita funding by \$0.50, from \$0.18 to \$0.68, providing \$5.9 million GPR over the biennium. In addition, provide \$113,700 GPR over the biennium to maximize the drawdown of federal funds. These investments support nonprofit arts organizations and strengthen the creative economy of the state.
- Foster artistic and cultural creative enterprises in rural Wisconsin by providing \$1 million GPR of one-time funding in fiscal year 2025-26 to establish the Rural Wisconsin Creative Economy Grant Program.
- Provide \$199,300 GPR in fiscal year 2025-26, \$254,000 GPR in fiscal year 2026-27, and 3.0 FTE GPR positions to create the Office of Film and Creative Industries, which will provide centralized support and drive economic growth in Wisconsin's film and creative sectors.
- Provide \$306,000 GPR over the biennium to the Educational Communications Board to provide a stable funding source to support the emergency weather warning system which keeps Wisconsinites safe when extreme weather happens.
- Provide operational flexibility to the Wisconsin Department of Workforce Development by making technical but valuable changes in appropriation structure as follows: (a) combine and make sum sufficient appropriations related to worker's compensation operations, (b) create a new appropriation to account for special assessments related to insurer reimbursements, and (c) include in auxiliary services the revenues generated from migrant labor camp regulatory fees.



C. SUPPORTING HEALTHIER WISCONSINITES

Expanding Access to Quality, Affordable Healthcare

- Expand Medicaid under the federal Affordable Care Act by covering all low-income Wisconsin residents who earn incomes between 0 percent and 138 percent of the federal poverty level. Medicaid Expansion will result in 95,800 low-income individuals becoming eligible for Medicaid, while saving \$1.9 billion GPR and drawing down an additional \$2.5 billion FED over the biennium.
- To support access to high quality healthcare services for Medicaid members and support the fiscal sustainability of hospitals, the Governor recommends increasing Medicaid hospital access payments to provide significantly increased Medicaid reimbursement to hospitals. This will be

funded through an increase to the hospital assessment and will result in an additional \$3,254.1 million all funds payments to hospitals over the biennium.

- Provide more than \$55 million over the biennium and continue the Governor's commitment to Wisconsin kids and families by again proposing a series of "Healthy Moms, Healthy Babies" investments, including:
 - Providing \$387,200 GPR over the biennium to increase funding for the Women's Health Block Grant.
 - Establishing doulas as a covered Medicaid service.
 - Supporting communication and linkages between existing programs designed to support maternal and child health by investing \$6.7 million for: (a) funding maternal and child health coordination service grants to local health departments; (b) supporting improvements to the Well Badger Resource Center website; and (c) funding a promotional campaign related to maternal and child health.
 - Providing more than \$9.2 million all funds in fiscal year 2025-26 and more than \$15.1 million all funds in fiscal year 2026-27 to expand Medicaid postpartum coverage from 60 days to 12 months.
 - Investing more than \$18.6 million all funds over the biennium to increase reimbursement rates for obstetric services.
 - Establishing a procedure for adding federal newborn screening recommendations to the state newborn screening panel.
 - Providing \$1.6 million GPR over the biennium to support grants to improve maternal child health.
 - Establishing funding of \$1 million GPR over the biennium for grant funding for diaper banks to provide diapers to families in need.
 - Providing \$1 million all funds over the biennium to hospitals that serve Medicaid recipients to incentivize postpartum home visiting.
- Help combat the opioid epidemic by providing adequate resources to ensure investigations for the Prescription Drug Monitoring Program are completed in a timely manner and prevent harm from unwarranted opioid prescribing by providing \$190,900 PR in fiscal year 2025-26, \$250,400 PR in fiscal year 2026-27, and 2.0 FTE PR positions.
- Increase oversight of initial pharmacy licensees by performing inspections of pharmacies, drug device manufacturers, home medical oxygen providers, and wholesale distributors of prescription drugs by providing \$126,200 PR in fiscal year 2025-26, \$164,400 PR in fiscal year 2026-27, and a 1.0 FTE PR position to the Wisconsin Department of Safety and Professional Services.
- Provide \$10 million GPR over the biennium to support Federally Qualified Health Centers.
- Provide \$15 million all funds over the biennium to increase the Medicaid pediatric inpatient supplement.
- Provide \$15 million GPR over the biennium to support hospital services in western Wisconsin.

- Provide more than \$39.7 million all funds over the biennium to expand Medicaid benefits to include the following: (a) services provided by community health workers; (b) doula services; (c) expanded coverage of certified peer specialists; and (d) coverage of continuous glucose monitoring devices and insulin pumps through the pharmacy benefit.
- Provide more than \$4 million GPR in fiscal year 2026-27 for a pilot program to provide electrocardiogram screening for youth participating in athletics in Milwaukee and Waukesha counties.
- Improve Wisconsinites' access to dental services by providing:
 - \$860,000 GPR over the biennium to increase funding for grants that support dental services provided by the Marquette University School of Dentistry.
 - \$5 million GPR in fiscal year 2025-26 to support the Marquette University School of Dentistry in establishing an oral and maxillofacial surgery residency program.
 - \$3.6 million GPR over the biennium to increase grants to low-income dental clinics.
 - Provide more than \$2.5 million all funds over the biennium to increase access to Medicaid dental services by: (a) developing a federal Medicaid waiver to offer a statewide dental contract, (b) creating a grant to support community dental health coordinators in a rural region of the state, (c) creating a grant to community health centers to support mobile dental clinics, (d) expanding Medicaid coverage to include nonsurgical treatment of temporomandibular joint disorder, and (e) repealing the dental pilot project reporting requirement.
- Provide the following increases to Medicaid reimbursement rates: (a) more than \$6.7 million all funds over the biennium to increase reimbursement rates for enteral nutrition products; (b) more than \$9.3 million all funds over the biennium to increase reimbursement rates for medication-assisted treatment; (c) more than \$23.9 million all funds in fiscal year 2026-27 to amend the reimbursement methodology for rural health clinics to only offer a single risk-based prospective payment system rate; and (d) more than \$12.3 million all funds over the biennium to increase reimbursement rates for autism treatment services.
- Authorize the Medicaid program to seek innovative federal waivers to: (a) cover certain Medicaid services for incarcerated individuals up to 90 days before their release from state prisons or county jails; (b) cover services related to adverse social conditions that contribute to poor health and are the result of underlying social determinants of health (covered services may include housing supports, nutrition supports, and case management); and (c) create a children's behavioral health specialty managed care program.
- Repeals legislative oversight of the federal waiver submittal process and state plan amendment process to preserve the constitutional authority of the executive branch, ensure the efficient management of the Medicaid program and provide timely benefits to Medicaid recipients.
- Ensure Wisconsinites have access to healthy foods and proper nutrition by providing:
 - More than \$21.7 million GPR over the biennium to meet the needs of Wisconsin's older adults who have a need for home-delivered meals.
 - \$1.2 million GPR in fiscal year 2026-27 to integrate the WIC enrollment process into the Medicaid eligibility system to improve administrative processes and increase the utilization of adjunctive eligibility among program participants, resulting in better health outcomes for pregnant women.

- \$734,000 GPR over the biennium to provide electronic benefit transfer processing equipment to farmer's markets and direct-marketing farmers to expand healthy food options for those enrolled in the FoodShare program.
- \$425,000 GPR and \$63,600 FED in each year to support the Healthy Food Incentive Program to assist FoodShare households by providing discounts on fresh fruits and vegetables at participating retailers.
- \$500,000 GPR over the biennium for the Senior Farmers Market Nutrition Program to increase program benefit amounts and support additional enrollment in the program, which provides older adults with fresh, locally grown produce while supporting Wisconsin farmers, markets, and farmstands.
- Eliminating burdensome requirements impacting access to the FoodShare program by repealing:
 - The requirement for able-bodied adults without dependents to clear a drug screening to participate in the FoodShare Employment and Training program.
 - The onerous work requirement for able-bodied adults enrolled in the FoodShare program.
 - The pay-for-performance incentives for vendors of the FoodShare Employment and Training program.
- Provide \$179,000 all funds over the biennium to support interpreter services for the Wisconsin Department of Health Services staff.
- Fully fund critical safety net programs, including Medicaid, the Wisconsin Chronic Disease Program, the Wisconsin Funeral and Cemetery Aids Program, the Supplemental Security Income and Caretaker Supplement benefits, and the SeniorCare pharmacy benefit.
- Invest in the following public health initiatives: (a) \$400,000 GPR over the biennium for an existing respite care grant; (b) \$1 million GPR over the biennium for the Mike Johnson Life Care and Early Intervention Services Grant; (c) 2.0 FTE GPR positions to support the Wisconsin Immunization Registry; (d) 4.0 FTE GPR positions to support sexually transmitted infection prevention and response activities; (e) \$376,000 GPR over the biennium to support increased food pantry utilization and associated eligible recipient agency costs; (f) \$200,000 GPR over the biennium to support the statewide poison control program; and (g) \$500,000 GPR over the biennium to support a trauma resilience grant.
- Provide \$3.5 million GPR over the biennium to increase state funding for human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome (AIDS) initiatives.
- Improve services for Wisconsinites with disabilities by providing:
 - \$203,600 GPR over the biennium to increase grants to independent living centers.
 - \$2.9 million all funds (\$1.3 million GPR) in fiscal year 2025-26 and \$5.8 million all funds (\$2.5 million GPR) in fiscal year 2026-27 to reestimate funding to support the continuation of the Aging and Disability Resource Centers modernization, the continuation of the No Wrong Door - Supporting Kids Together Wisconsin initiative, and continuation of the resident and assisted living facility assessment tool.

- \$100,000 GPR over the biennium to increase funding to the Alzheimer's disease grant.
 - \$1 million GPR over the biennium to provide additional community aid funding for the Wisconsin Alzheimer's Family and Caregiver Support Program.
 - \$124,500 PR in fiscal year 2025-26, \$166,000 PR in fiscal year 2026-27, and a 1.0 FTE PR position to set up and administer the state's newly established Achieving a Better Life (ABLE) Savings program, helping individuals with disabilities save money through tax-favored savings accounts that can be used to help pay for qualified expenses.
 - \$200,000 GPR over the biennium for the Office for the Deaf and Hard of Hearing Service Fund.
 - \$500,000 GPR over the biennium to support the Wisconsin Assistive Technology program.
 - All eligible children with services under the Children's Long-Term Support waiver program, providing long-term services to children with intellectual, physical and/or developmental disabilities, and severe emotional disturbances. This creates parity between long-term care eligibility for children and adults.
- Modify Medicaid school-based services to allow participating school districts to retain 100 percent of the federal funding received for those services, as opposed to the 60 percent share they currently receive. This will result in a large investment for school districts through an additional \$50 million of federal funding in fiscal year 2026-27.
 - Provide \$1.5 million GPR over the biennium to provide additional support for Federally Qualified Health Centers and \$400,000 GPR over the biennium to support Community Health Center Look-Alikes.
 - Provide an additional \$500,000 GPR over the biennium for free and charitable clinics.
 - Provide \$1.7 million GPR in fiscal year 2025-26 and \$5.2 million GPR in fiscal year 2026-27 to increase funding for the Basic County Allocation portion of the Community Aids program that provides funding to counties for human services costs among various services administered by the counties or organizations with which they contract, including community social services, mental health services, substance abuse services, developmental disabilities services, Alzheimer's support programs, and community support programs.
 - Provide \$1.3 million GPR in fiscal year 2026-27 to convert 10.0 FTE positions from federal funds to GPR in the Office of Grants Management to ensure ongoing funding for positions that oversee state-funded grant programs.
 - Provide \$98,200 PR and \$65,500 FED in fiscal year 2025-26, \$129,100 PR and \$86,100 FED in fiscal year 2026-27, and 2.0 FTE positions to support the regulatory oversight of healthcare facility construction and renovation plan reviews and project inspections.
 - Regulate healthcare entity transactions, and require that the Wisconsin Department of Health Services would conduct reviews of large-value transactions and approve, conditionally approve, or deny transactions based on factors including the transaction's effect on healthcare costs, service availability, market competition, and health outcomes, among others. Require healthcare entities to submit an annual report on the entity's ownership or investment interest, controlling interest, and significant equity investors to shed light on the interests' involved healthcare ownership. Protect medical providers by banning noncompete and nondisclosure agreements, prohibiting the corporate practice of medicine, and ensuring the involvement of medical

professionals in the administration of healthcare entities by requiring a majority of voting shareholders, medical practice organization directors, and all officers, except the secretary and treasurer, be licensed to practice medicine in the state.

- Provide \$15 million GPR in fiscal year 2025-26 to create a pilot program aimed at identifying innovative approaches to complex patient care transitions from acute care providers to long-term care settings.
- Provide \$7.5 million GPR over the biennium to support adult protective services units. Also provide a 1.0 FTE GPR position to facilitate Tribal Nation adult protective services coordination.
- Provide 8.0 FTE PR positions, 3.0 FTE FED positions, and associated funding to the Wisconsin Department of Health Services Bureau of Assisted Living to manage the bureau's increased workload and to address backlog.
- Decrease the statutory bed cap to the current number of licensed beds plus an additional 250, prioritizing 125 of these additional beds to providers who serve complex patients.
- Provide \$14.5 million all funds (\$5 million GPR) in fiscal year 2025-26 and \$29.3 million all funds (\$10 million GPR) in fiscal year 2026-27 to increase rates for medical services provided through personal care programs.
- Provide \$654,200 all funds over the biennium and 5.0 FTE positions to the Board on Aging and Long-Term Care to continue to provide quality service to the increasing caseload of persons age 60 and older who are consumers of Wisconsin long-term care programs.
- Increase the Supplemental Security Income basic state supplement by \$16.22 per month to a total of \$100 per month and the exceptional expense supplement by \$18.58 per month to a total of \$114.57 per month to assist those with little to no income and assets and those who require additional living assistance.

Expanding Access to Mental & Behavioral Health Services Statewide

- Provide \$4 million GPR over the biennium to expand the Child Psychiatry Consultation Program into a broader Mental Health Consultation Program.
- Provide more than \$19.6 million GPR in fiscal year 2025-26 and \$21.4 million GPR in fiscal year 2026-27 to begin using state funding to pay the nonfederal share of the Medicaid Community Support Program, ensuring resources are available for individuals with significant mental health needs. Currently the nonfederal share of the Community Support Program is paid by counties, and the state taking on this share will free up local resources to meet community needs.
- Provide \$20 million GPR in fiscal year 2025-26 to establish crisis urgent care and observation centers to serve as regional crisis receiving and stabilization facilities; offer seamless transitions between levels of services offered at the centers; arrange for the transfer to more appropriate treatment options, if needed; coordinate the connection to ongoing care; promote the effective sharing of information between providers to improve service delivery and patient outcomes; and alleviate a significant portion of time that law enforcement and other first responders dedicate to emergency detention cases by offering a dedicated first responder drop-off location, accepting custody of emergency detention cases, and not requiring medical clearances be completed before drop-off. Support a 1.0 FTE GPR position to develop and evaluate the centers on an ongoing basis.

- Provide \$7.6 million GPR over the biennium to support regional crisis stabilization facilities in the state that assist adults who are in crisis or those requiring short-term crisis stabilization by providing traumatic, community-based care in the least restrictive setting.
- Provide \$1.2 million over the biennium to support pediatric health psychology residency and fellowship training programs.
- Provide \$462,200 GPR in fiscal year 2025-26 and \$631,800 GPR in fiscal year 2026-27 to support the statewide peer-run warmline that assists individuals with nonemergency behavioral health needs.
- Provide \$1.8 million GPR in fiscal year 2026-27 to establish a 25-bed psychiatric residential treatment facility to provide psychiatric care and treatment to children and youths under the age of 21 with complex behavioral health conditions. Expand Medicaid benefits to include a psychiatric residential treatment facility benefit.
- Provide \$4.2 million GPR in fiscal year 2025-26 and \$8 million GPR in fiscal year 2026-27 to support in-state 988 Suicide and Crisis Lifeline call centers to meet the needs of those contacting the Lifeline and to address the increase in Lifeline call volume.
- Provide \$2 million GPR over the biennium for grants to county and municipal governments to establish collaborative programs between behavioral health providers and local law enforcement to increase the involvement of behavioral health professionals in emergency response calls that involve individuals in crisis and fully divert emergency response calls to behavioral health professionals when appropriate.
- Provide \$2.7 million GPR over the biennium as state support for two peer-run respite centers established with federal funds as well as the peer-run respite center for veterans to ensure the centers have a reliable, ongoing funding source.
- Provide \$620,000 GPR over the biennium to support existing peer recovery centers.
- Provide \$145,000 PR and \$85,200 FED in fiscal year 2025-26, \$193,400 PR and \$113,600 FED in fiscal year 2026-27, and 3.0 FTE positions to support the certification, licensure, and oversight of behavioral health and alcohol and other drug abuse treatment programs.
- Expand Medicaid benefits to include a benefit for adult residential integrated behavioral health stabilization, residential withdrawal management, and residential intoxication monitoring services. Provide \$1 million GPR over the biennium for grants to community-based withdrawal management centers.
- Provide \$33.9 million GPR over the biennium to support the civil patient treatment program in the state's mental health institutes.
- Provide \$6.5 million GPR over the biennium and 29.0 FTE GPR positions to expand the capacity of the forensic treatment services program operating at the Sand Ridge Secure Treatment Center.
- Provide \$1.2 million GPR and 6.0 FTE GPR positions for the Mendota Mental Health Institute to support the geropsychiatric treatment unit.
- Provide \$7.9 million all funds to support limited term employee costs in state institutions.
- Provide \$23.2 million GPR over the biennium to support the operations of the Mendota Juvenile Treatment Center.

Lowering Out-of-Pocket Costs for Medication, Improving Oversight of Drug Companies, and Protecting Consumers from Medication Price Gouging

- Establish the Office of Prescription Drug Affordability to oversee prescription drug regulations and further analyze and develop policies aimed at reducing prescription drug costs for Wisconsinites statewide. Provide 16.0 FTE PR positions, \$2 million PR in fiscal year 2025-26, and \$1.9 million PR in fiscal year 2026-27 to create the Office of Prescription Drug Affordability and support this critical work.
- Lower everyday, out-of-pocket costs for Wisconsinites, including working families, seniors, and expecting parents by:
 - Making essential healthcare products more affordable and accessible by exempting over-the-counter medications from sales tax. This will reduce sales taxes on consumers by \$29.8 million in fiscal year 2025-26 and \$40.8 million in fiscal year 2026-27.
 - Making basic family needs including diapers, incontinence products, menstrual products, and breast pumps exempt from sales tax. This will reduce sales taxes on families by \$14.9 million in fiscal year 2025-26 and \$20.4 million in fiscal year 2026-27.
- Ensure insulin is affordable for Wisconsinites by establishing a \$35 maximum copay cap for a month's supply of insulin.
- Establish an Insulin Safety Net Program to ensure those with an urgent need for insulin, as well as those with lower incomes and limited-to-no insurance coverage, have access to affordable insulin.
- Establish a value-based diabetes medication pilot program to develop a value-based formulary, focus on medications that work, and reduce spending waste.
- Require prescription drug cost reductions received from prescription drug manufacturer coupons and other discounts to count towards a plan holder's deductible or out-of-pocket maximum. Only discounts for brand name drugs that have no generic equivalent and brand name drugs that have undergone prior authorization by a prescriber or the insurer are eligible in order to avoid incentivizing the purchasing of more expensive brand name drugs over their generic equivalents.
- Require health insurance plans offered in the state to cover over-the-counter oral contraception to increase the accessibility and affordability of an essential component of women's health. Health insurance plans would be prohibited from requiring an individual to have a prescription for the oral contraceptive in order to be provided coverage.
- Improve oversight of drug companies by creating a Prescription Drug Affordability Review Board to oversee the pharmaceutical industry and drug market, analyze other state and national drug policies and practices, establish spending limits for public sector entities, and set price ceilings on price-gouging prescription drugs.
- License and regulate entities involved in the prescription drug supply chain, including pharmacy benefit management brokers and consultants, pharmacy services administration organizations, and pharmaceutical sales representatives.
- Require pharmacy benefit managers and other third-party payers to reimburse certain 340B drug discount program participants, specifically federally qualified health centers, critical access hospitals and Ryan White HIV/AIDS programs, at the same rate that non-340B program participants are reimbursed to end discriminatory reimbursement practices.

- Require pharmacy benefit managers to owe a fiduciary duty to insurers and other payers with whom they contract.
- Fully fund the Wisconsin Healthcare Stability Plan to stabilize the individual healthcare market and lower premiums for Wisconsinites.
- Increase total funding for the Wisconsin Healthcare Stability Plan to \$250 million in each fiscal year to reinsure high-cost individuals for all health insurers who offer individual plans. Allow the spending cap for the plan to be adjusted by the Governor.

Lowering Out-of-Pocket Costs for High-Quality Healthcare Coverage, Holding Insurance Companies Accountable, and Improving Insurance Transparency

- Prevent Wisconsinites from receiving surprise medical bills. Regulate the practice of balance billing, also referred to as surprise billing, in situations where patients have little or no control or knowledge over who provides their care, such as when emergency services are delivered by ground ambulance emergency services or an out-of-network provider, when ancillary services are delivered at an in-network facility by an out-of-network provider, or when mental health services are delivered during a crisis. Require healthcare providers to deliver a good-faith cost estimate of services to the patient before those services are delivered.
- Help ensure Wisconsinites can depend upon their insurance to cover critical services by requiring health insurance plans offered in the state to cover services provided by substance use disorder counselors, qualified treatment trainees, and dental therapists if those services are covered under the plan by any other providers.
- Help hold insurance companies accountable for paying for Wisconsinites' covered health care services, including implementing measures requiring insurance companies to pay fines, forfeitures, and other mechanisms in an effort to reduce Wisconsinites' claims from being denied without valid reason. Provide \$229,500 PR in fiscal year 2025-26, \$305,900 PR in fiscal year 2026-27, and 2.0 FTE PR positions to establish a framework for auditing high rates of health insurance claim denials among insurers offering plans in the state over which the office has regulatory authority. To improve the coverage of health insurance plans, the office would audit insurers with claims denial rates above a certain percentage, as determined by the office, and require corrective action plans based on the audit findings. The office would enforce corrective action plans through fines, forfeitures, or other mechanisms to ensure compliance within a certain date of receiving the corrective action plan.
- Ensure Wisconsinites in crisis can receive urgent care they need by prohibiting health insurers from requiring prior authorization to receive inpatient mental health services for children and adults.
- Require insurance company transparency, improve patient care, and give Wisconsinites peace of mind by requiring health insurers to provide consumers with a list of treatments and services covered by health plans offered by the health insurer that require prior authorization.
- Expedite insurance coverage approval so Wisconsinites can get the medical care they need when they need it. Establish a framework for expediting decisions regarding insurance coverage so that Wisconsinites know what care will be covered and can quickly move forward with healthcare decisions. As part of this initiative, the office would set standards for when health care is exempt from prior authorization by a health insurer. Providers who consistently have high prior authorization approval rates would be exempt from requiring prior authorization for services provided or recommended by them.

- Ensure Wisconsinites get a fair shake from insurance companies and receive better claims outcomes with a new Public Intervenor Office to help support Wisconsinites pursuing appeals and other legal actions to get their services covered. Provide \$2.8 million PR over the biennium and 10.0 FTE PR positions to create a Public Intervenor Office within the Office of the Commissioner of Insurance. The Public Intervenor Office would provide information and assistance to health insurance consumers to ensure they receive the best possible claim outcomes and support consumers whose health insurance claims are denied with appeals and other actions to pursue coverage for healthcare services.
- Provide \$1 million PR over the biennium to study and develop a public option health insurance plan to be offered alongside other plans on the individual health insurance marketplace to increase competition and reduce plan costs.
- Provide \$975,000 GPR in fiscal year 2025-26, \$1.3 million GPR and \$3.0 million PR in fiscal year 2026-27, and 10.0 FTE GPR positions to establish a state-based health insurance marketplace by plan year 2028. This investment will improve health insurance marketing and outreach efforts, administer the marketplace in a more efficient and affordable manner, and gain more state autonomy over aspects of the health insurance marketplace such as open enrollment duration and the quality of plans offered.
- Help reduce out-of-pocket costs for Wisconsinites and keep more money in Wisconsinites' pockets through new initiatives that would leverage the state's purchasing power, including a Prescription Drug Importation Program to import low-cost generic prescription drugs and by directing the Office of the Commissioner of Insurance to study the creation of a state prescription drug purchasing entity to pool state and local purchasing power
- Establish parity provisions to ensure patients utilizing telehealth services are not charged or have their services limited any more than if they receive an equivalent in-person service to increase the availability and affordability of telehealth services.
- To ensure that all Wisconsin residents are guaranteed consideration for the same health insurance issuance and coverage protections, require health insurance providers to guarantee the issuance of health insurance to individuals that apply for coverage regardless of preexisting conditions, sexual orientation, gender identity, health status, or medical history, among others; prohibit health insurance providers from charging greater premiums or out-of-pocket costs based on those factors; prohibit health insurance providers from establishing annual or lifetime limits on health insurance plan benefits; require all health insurance plans to provide coverage for the ten essential health benefits categories covered under the federal Affordable Care Act; and require all health insurance plans provide coverage for certain preventive services at no cost to the plan holder.
- To reduce the number of uninsured individuals in the state, provide \$554,800 GPR in fiscal year 2026-27 to implement an easy enrollment program where individuals would be able to check a box on their individual income tax return indicating they would like the state to evaluate their eligibility for Medicaid or subsidized healthcare coverage on the exchange.
- To protect Wisconsinites, regulate the initial and aggregate plan duration for short-term, limited-duration health insurance plans, also known as junk insurance plans, from 12 months to 3 months and from 18 months to 6 months, respectively.
- Require fully insured health insurance policies and self-insured governmental health plans that cover medical or hospital expenses to cover diagnosis of and treatment for infertility and standard fertility preservation services.

- Improve access to healthcare services statewide by ensuring that services covered by insurance are available within a minimum time and distance of the plan holder to help make sure Wisconsinites can access and receive services closer to home by requiring the Office of the Commissioner of Insurance to establish network adequacy standards for insurer networks for all health insurance plans offered in the state. The office may also establish further standards that are found to improve access to services, such as maximum wait times for scheduling appointments.
- Annually adjust the spending limit of the Wisconsin Healthcare Stability Plan reinsurance program, starting January 2026 to affect payments covering plan year 2027, to reflect changes in the consumer price index for medical care spending, as determined by the U.S. Department of Labor.
- Provide \$106,000 PR in fiscal year 2025-26 and \$141,400 PR in fiscal year 2026-27 to support a 1.0 FTE PR program administrator position for the Wisconsin Healthcare Stability Plan reinsurance program to oversee operational responsibilities such as data analysis, contract management, and strategy development to ensure the availability of affordable coverage for consumers.
- Prohibit healthcare providers, billing administrators, and debt collectors working with healthcare providers from reporting to consumer reporting agencies when medical debt is in collections status unless the patient has been notified in writing regarding the unpaid amount and due date and six months have passed since the due date listed on the statement without the patient disputing the charge.
- Improve healthcare access for expecting parents by including pregnancy as a qualifying life event for health insurance special enrollment periods. Qualifying life events allow individuals to acquire health insurance outside of the standard open enrollment periods.
- Provide \$87,500 PR in fiscal year 2025-26 and \$116,600 PR in fiscal year 2026-27 for a 1.0 FTE PR insurance fraud examiner position to assist with investigations into fraudulent insurance acts.
- Fully fund the Board on Aging and Long-Term Care's Medigap Helpline that provides seniors with information on health insurance options.



D. BUILDING SAFE AND STRONG COMMUNITIES

Building a 21st-Century Infrastructure to Support a 21st-Century Economy

- Invest \$400 million GPR over the biennium for the Broadband Expansion Grant program. This historic investment will build upon the Governor's previous directed investments and other state and federally funded broadband expansion efforts ensuring the state will continue to invest in broadband infrastructure in remote and difficult-to-serve areas that may not be served by federal funding.
- Modify current law to protect Wisconsin consumers by requiring broadband service providers to meet certain service requirements, including prohibiting a broadband service provider from denying service to residential customers based on race or income and requiring providers to award credits to customers' internet bills based on service outages. Provide a 1.0 FTE PR position and associated funding to the Wisconsin Department of Agriculture, Trade and Consumer Protection to enforce these provisions.

- Continue the Governor's commitment to stabilizing Wisconsin's Transportation Fund and fixing Wisconsin's roads by proposing a robust budget that balances bonding with increase revenues, including raising revenue to the Transportation Fund through title fees and transferring an amount of sales tax from the General Fund related to the repair of automobiles in recognition that private use cars and trucks last longer than these types of vehicles did in past decades.
- Increase funding by 3 percent in the general transportation aids program in calendar year 2026 and calendar year 2027 for counties and municipalities. This budget provides the highest level of funding in state history for the program.
- Increase funding for county forest road aids by 3 percent in each year in the biennium.
- Ensure greater ongoing stability for the state's investment in transportation infrastructure by raising over \$400 million in ongoing revenue deposited in the Transportation Fund. The additional revenue ensures that the state will maintain responsible levels of borrowing for highway infrastructure improvements.
- Restore the ability of cities, villages, and towns to use eminent domain to build pedestrian and bike paths.
- Restore the inclusion of roadway design considerations in state law that support nonmotorist infrastructure known as "complete streets".
- Provide more than \$5 million SEG in fiscal year 2025-26 and more than \$10 million SEG in fiscal year 2026-27 to support the operation of passenger rail service in Wisconsin as well as continue ongoing studies of passenger rail expansion routes across the state.
- Improve safety on Wisconsin's roads for all drivers by ensuring more drivers are able to obtain a driver's license.
- Raise state support of mass transit aids by 4 percent in each year, providing nondrivers better access to jobs, education, friends and family, healthcare, and entertainment. The budget also increases funding for programs supporting elderly and disabled transportation, paratransit, and employer-sponsored commuting options.
- Create a new program with \$60 million GPR over the biennium in funding for traffic calming grants to improve road safety and reduce reckless driving.
- Create new synergies by attaching the Office of the Commissioner of Railroads to the Wisconsin Department of Transportation and increasing staffing and funding to the Office to expand railroad crossing safety efforts as well as increase funding for the Office's supplies and services.
- Fund driver education grants for disadvantaged young people in the state to ensure equitable access to driver's education for all Wisconsinites.
- Provide \$33 million over the biennium in funding for dredging, seawall reconstruction and other projects associated with the Harbor Assistance Program, including support for specific projects in Sheboygan and the Menominee Harbor.
- Provide \$5 million over the biennium in bonding for the Freight Rail Preservation program.
- Enumerate the expansion, reconstruction and modernization of the I-39/90/94 corridor from the Beltline in Madison through the Wisconsin Dells.

- The budget provides \$2,629,383,700 in funding over the biennium for the state highway rehabilitation program. This is the largest amount of funding for the program in its history.
- The budget provides \$790,925,900 in total funding over the biennium for the major highway development program to fund half of the I-41 expansion project between Appleton and DePere, fund half of the total USH-51 project in southern Dane County, finishes the I-43 expansion north of Milwaukee and starts work on the I-39-90-94 expansion.
- The Governor further recommends providing \$300,665,900 in total funding over the biennium for the southeast megaprojects program to continue work on the I94 East/West project.
- Provide \$245,000 GPR in fiscal year 2025-26, \$179,300 GPR in fiscal year 2026-27, and 2.0 FTE GPR positions to the Department of Agriculture, Trade and Consumer Protection to provide consumer protection oversight of electric vehicle charging stations. Additionally, provide \$100,000 PR over the biennium for ongoing supplies and services costs related to weights and measures enforcement
- Provide \$20,000,000 GPR to the newly created transit capital assistance program to help transit agencies replace aging vehicles.
- Provide \$5,031,400 GPR in funding to hold harmless transit agencies from the reclassification of tiers due to the most recent census.
- Provide \$62,000 SEG annually for internships in the aviation industry for disadvantaged youths.
- Provide \$3,875,800 SEG in fiscal year 2025-26 and \$320,100 SEG in fiscal year 2026-27 and 6.0 FTE SEG positions for State Patrol body cameras and to respond to public record requests.
- Provide \$8,711,900 SEG in fiscal year 2025-26 and \$9,610,300 SEG in fiscal year 2026-27 in expressway policing aids to support the Milwaukee County Sheriff's Office in its efforts to promote lawful driving in Milwaukee County.
- Provide \$2,437,200 GPR in fiscal year 2025-26 to State Patrol for electronic control devices.
- Provide \$3,980,300 GPR in fiscal year 2025-26 to State Patrol for in-squad camera footage cloud storage for in-squad camera footage.
- Provides \$1,253,500 SEG in fiscal year 2025-26 and \$1,253,500 SEG in fiscal year 2026-27 to State Patrol for improvements to the statewide communication network.
- Provide \$2,105,600 SEG in fiscal year 2025-26 and \$2,105,600 SEG in fiscal year 2026-27 for State Patrol overtime.
- Provide \$20,000,000 SEG to fund increases for routine highway maintenance agreements.
- Provide \$35,000,000 SEG to fund the purchase of salt, improve roadway markings and implement a wrong-way driver mitigation program.
- Provide \$19.5 million SEG in fiscal year 2025-26 to build additional sound barriers between 27th street and 76th street in Milwaukee along I-894.

- Provide \$14,800,000 SEG to replace aging technology systems within the Division of Motor Vehicles.
- Provide \$14,786,700 SEG to replace old license plates and creates both a butter (yellow background) specialty plate and a blackout specialty plate.
- Provide \$1,538,500 SEG to restart the removal of car-killed deer on highways.
- Provide \$659,400 SEG for vehicle emission testing in southeast Wisconsin.
- Allocate \$95,600 SEG in earned interest from the state infrastructure fund to the state infrastructure bank program.
- Provide \$1,500,000 SEG for improvements to roadway administrative facilities.
- Modify the local road improvement program and agricultural roads improvement programs to include replacement of aging bridges and culverts documented from a study on local bridges and culverts funded in the 2023-25 biennium.

Reducing crime and preventing violence statewide, supporting crime victims and survivors, and intervening in cycles of violence

- Ensure reducing crime and preventing violence is a statewide priority through a comprehensive, statewide approach with sustainable, ongoing state support. Provide the newly created Wisconsin Office of Violence Prevention \$3.5 million GPR in fiscal year 2025-26 and \$8.5 million GPR in fiscal year 2026-27 for grants to reduce crime, prevent violence, including gun violence and violence towards Indigenous women, and keep kids, families, schools, and communities safe. As part of this initiative, create a suicide prevention program that will award grants specific to the prevention of suicide by firearm use. Also provide 7.0 FTE GPR positions and related funding to support the administrative duties of the office.
- Make gun safes, barrel locks, and trigger locks sales tax exempt to encourage safe, secure, and responsible storage of firearms when they are not in use.
- Enhance public safety and prevent violence by making common sense reforms to firearms laws. These include:
 - Require, with certain exceptions, that any firearm transfers be done through federally licensed firearm dealers, including background checks conducted on recipients.
 - Restore the 48-hour waiting period for handgun purchases.
 - Establish standards for the proper storage of firearms and require that firearms retailers provide a storage container or trigger lock upon purchase of a firearm.
 - Create a reporting requirement for lost or stolen firearms.
 - Prohibit undetectable "ghost guns" and prohibit bump stocks.
 - Create the Self-Assigned Firearm Exclusion (SAFE) Program by which a person may temporarily and voluntarily restrict their own ability to purchase a firearm.

- o Create an extreme risk protection injunction process similar to the existing domestic violence injunction, also known as a "Red Flag" Law, for law enforcement and concerned loved ones to use where a court, after a hearing, may order an individual to refrain from possessing a firearm for up to one year if it finds by clear and convincing evidence that they are substantially likely to injure themselves or another by possessing a firearm. The Wisconsin Department of Justice would, in addition to checking for prohibitions under current law, check whether an applicant for a license to carry a concealed weapon is prohibited from possessing a firearm under an extreme risk protection injunction.

Expanding Access to Affordable Housing and Addressing Housing Insecurity and Instability

- Modify current law related to open housing prohibitions on discrimination to include receipt of rental or housing assistance.
- Modify statutory language related to landlord-tenant responsibilities and eviction processes and procedures that were enacted over the past decade to provide a better balance of rights and protections for landlords and tenants. Under the modifications, municipalities will no longer be restricted from enacting certain ordinances related to inspection fees, prohibiting evictions in winter months, and safety disclosures.
- Increase funding for homeless prevention programs to funding levels previously recommended by the Interagency Council on Homelessness: (a) \$2 million GPR over the biennium for the Homelessness Prevention Program, (b) \$1.4 million GPR over the biennium for the State Shelter Subsidy Grant, (c) \$15.2 million GPR over the biennium for the Housing Assistance Program, (d) \$1 million TANF over the biennium for the Homeless Case Management Services Grant, (e) \$500,000 GPR over the biennium for the Skills Enhancement Grant at the Wisconsin Department of Children and Families, and (f) \$4 million GPR over the biennium to create a new housing quality standards grant. Finally, provide 2.0 FTE GPR positions within the Wisconsin Department of Administration's Division of Energy, Housing, and Community Resources to support the expanded programs and a 1.0 FTE FED position to support the Homeless Case Management Services Grant.
- Provide \$200,000 GPR over the biennium to the Milwaukee County Housing First Initiative to support its efforts in addressing the increasing number of unhoused individuals in Milwaukee County.
- Provide \$1 million GPR in fiscal year 2025-26 for the creation of a grant program to local units of government, school districts, and businesses for the start-up of programs that focus on the development of the skilled workforce through the building or rehabilitation of affordable housing in their communities.
- Provide \$7.2 million GPR in fiscal year 2025-26 to create a grant program that provides funding for administration and implementation for whole-home upgrades in Milwaukee to reduce energy burdens and create a healthier living environment for households with lower incomes.
- Provide \$40,000 PR over the biennium to the Wisconsin Department of Safety and Professional Services to support the awarding of funds for environmentally sound disposal of abandoned manufactured homes, and critical repairs to low-income, elderly, or disabled homeowner-occupied manufactured homes.
- Increase the current law allowable extension to a tax incremental district's lifespan from one year to three years for the purpose of investments in affordable housing if the district's joint review board approves the additional two-year extension.

- Modify current tax incremental financing law to allow municipalities to use districts to spur the creation of workforce housing by lifting the current law limitation on the share of a mixed-use district's area that can be used for newly platted residential developments from 35 percent to 60 percent if that additional 25 percent is comprised of workforce housing. Also, extend the current law impact fee exemption or reduction provisions to apply to workforce housing.
- Permit other types of tax incremental finance districts to convert their type of district to a mixed-use district subject to a unanimous vote of the joint review board of the district, provided that the district adopts a new project plan consistent with the requirements of a mixed-use district.
- Create a Zoning Incentive Pilot Program and provide \$20 million GPR in fiscal year 2025-26 to increase affordable housing by incentivizing local units of government, including Tribal nations, to adopt policy initiatives that eliminate zoning barriers to foster affordable housing developments.
- Support Wisconsinites in preparing for and protecting themselves and their property in disasters by:
 - Providing \$2 million GPR over the biennium for predisaster flood resilience grants to identify flood vulnerabilities, identify options to improve flood resiliency, and restore hydrology in order to reduce flood risk and damages in flood-prone communities.
 - Allowing pretax catastrophe savings accounts to be created through financial institutions for the purposes of paying for catastrophic event insurance coverage and repairs to property from damage resulting from a catastrophic event, including floods, tornadoes, hailstorms, and cold weather-related damage.
 - Strengthening real estate flood disclosure requirements among real estate sellers and landlords to include more detailed flood-related information about the property.
- Provide \$2 million in Tribal gaming revenues over the biennium to provide a grant for Tribal Nations in the state to support home repairs that reduce energy burdens and improve health outcomes.
- Modify the State Housing Tax Credit program to help address the need for affordable housing in the state by: (a) increasing the limit on the total amount of state housing tax credits that may be authorized annually by the Wisconsin Housing and Economic Development Authority from \$42 million to \$100 million and (b) modifying current financing requirements for developments to allow the authority to continue to allocate state housing tax credits even if the federal private activity tax-exempt bond volume cap limit is reached.
- Modify current law relating to the newly created Infrastructure Access Loan program, the Vacancy-to-Vitality program, and the Restore Main Street program to encourage greater use by local units of government and Tribal Nations, as well as improving the effectiveness of the programs.
- Increase the limit on notes and bonds the Wisconsin Housing and Economic Development Authority can issue that are secured by a capital reserve fund from \$1 billion to \$1.3 billion to continue to finance projects supported with an allocation of state and federal housing tax credits.

Improving Water Quality and Combating Contaminants Statewide

- Provide \$100 million GPR over the biennium and 2.0 FTE GPR project positions to restart the Windows Plus Program which would support lead-safe renovation in schools, homes, and child care centers.

- Provide \$7.1 million GPR in fiscal year 2025-26 for Community Water Services to aid in-home child care providers in ensuring safe drinking water in Milwaukee County.
- Modify current law to allow utilities to provide financial assistance in the form of 100 percent grant funding to support the replacement of lead service lines for property owners.
- Provide \$200 million GPR for the replacement of lead service lines across the state.
- Authorize \$725.9 million in revenue bonding authority for the Safe Drinking Water Loan Program and Clean Water Fund Program.
- Provide more than \$6.2 million GPR over the biennium for local health departments to support additional lead hazard investigations for children.

Supporting Wisconsin's Veterans and Their Families

- Provide \$5 million SEG in fiscal year 2025-26 for grants to community-based and emergency mental health providers and to support and promote programs providing critical mental health services to veterans.
- Provide \$164,000 GPR and a 1.0 FTE GPR two-year project position to plan and implement special events related to Wisconsin's commemoration of the 250th anniversary of the founding of the United States of America.
- Provide \$302,600 SEG over the biennium and 3.0 FTE SEG positions to the state's veterans memorial cemeteries to continue to provide a final resting place for eligible veterans, spouses, and dependents.
- Provide \$302,200 SEG over the biennium and a 1.0 FTE SEG position to support and expand the oral history programs at the Wisconsin Veterans Museum.
- Provide \$50,000 SEG over the biennium to increase the annual grant to Camp American Legion to support relaxation and rehabilitation services for veterans and their families.
- Provide 7.0 FTE SEG positions and more than \$1.1 million SEG over the biennium to expand the Veterans Outreach and Recovery Program, which provides outreach mental health services and support to veterans who may have a mental health condition or substance use disorder. The goal of the program is to reduce the suicide rate among veterans and to provide veterans access to mental health supports, housing, and other services.
- Provide more than \$1.95 million SEG over the biennium to the Veterans Housing and Recovery Program, which provides homeless veterans with job training, education, counseling, and rehabilitation services necessary to achieve steady employment and affordable housing.
- Provide \$200,000 SEG over the biennium to support critical transportation services for veterans to access medical care.
- Expand access to the Assistance for Needy Veterans Grant by including medical devices as an allowable expense under the program. Further, increase the 12-month maximum grant award from \$3,000 to \$5,000 per recipient and the lifetime maximum grant award from \$7,500 to \$10,000.

- Provide \$129,200 SEG over the biennium to increase state grants to support County and Tribal Veterans Service Offices. Veterans service offices are the primary point of contact for veterans and advocates in navigating the benefits veterans have earned.
- Provide \$5 million SEG over the biennium to modernize the Wisconsin Department of Veterans Affairs benefit management information technology systems.

Modernizing Wisconsin's Justice and Correctional Systems

- Provide more than \$24.5 million GPR in fiscal year 2025-26 and \$70 million GPR in fiscal year 2026-27 for increased court support payments. In order to be eligible for the funding, a county must offer a treatment, alternative, or diversion program. Additionally, transfer 3.0 FTE GPR positions from the Wisconsin Department of Justice to the Director of State Courts Office to help administer treatment, alternative, or diversion programming at the counties. Finally, provide \$68,600 PR-S in fiscal year 2025-26, \$90,300 PR-S in fiscal year 2026-27, and a 1.0 FTE PR-S position for financial support staff for the circuit court support payment program.
- Establish two additional circuit court branches in Brown County.
- Convert \$408,700 PR-F in each year and 5.0 FTE PR-F positions at the Wisconsin Department of Justice from federal Victims of Crime Act (VOCA) funding to general purpose revenue to address a projected reduction of VOCA funding and to maximize the amount available for awards to local agencies providing services to crime victims.
- Create a new PR surcharge on criminal and civil forfeiture offenses to offset federal reductions to VOCA funding. Additionally, provide a new GPR sum sufficient at the Department of Administration to supplement VOCA funding.
- Provide more than \$1.6 million all funds in fiscal year 2025-26 and more than \$2.1 million all funds in fiscal year 2026-27 to increase reimbursements to counties for crime victim and witness services.
- Expand the Earned Release Program to include educational, vocational, treatment, or other qualifying training programs that are evidence-based to reduce recidivism and the likelihood that individuals might reoffend after their release. The expansion would retain current suitability and eligibility requirements, including that the incarceration is for a non-violent, non-assaultive offense. Additionally, create a residential parenting earned release program.
- Allow eligible individuals who have followed the rules of their sentence, have not reoffended, and have complied with the terms of their sentence to earn compliance credits toward their supervision.
- Expand the conditions under which an individual may have their criminal record expunged of a crime.
- Provide more than \$2.5 million over the biennium for ongoing funding to the Wisconsin Department of Corrections to operate mobile training and job labs.
- Provide more than \$2.9 million GPR in fiscal year 2025-26 and \$5.9 million GPR in fiscal year 2026-27 to expand community-based options for alternatives to revocation.
- Provide \$4 million GPR over the biennium for community reentry centers to ensure justice-involved individuals are connected to a variety of services.
- Expand the sources that a county must utilize to generate jury lists to ensure juries better reflect the community they serve in.

- Require that courts order the use of an ignition interlock device for all offenses involving the use of alcohol and operating a motor vehicle while intoxicated.
- Extend judicial privacy protections to federal judges.
- Modify the youth justice statutes and appropriations to provide more flexibility in allocating Youth Aids funding and to enhance system improvements.
- Create a Juvenile Justice Reform Review Committee at the Department of Children and Families to study and provide recommendations on reforming the juvenile justice system, including jurisdiction and sentencing, to the Department of Children and Families and the Department of Corrections.
- Create a new sum sufficient appropriation and provide \$10 million GPR over the biennium to reimburse counties for increased costs associated with raising the age that a circuit court or municipal court exercises adult court jurisdiction on individuals from 17 to 18 years of age.
- Legalize, regulate, and tax the sale of marijuana for recreational use, much like Wisconsin already does with alcohol, if it is sold by a retailer holding a permit issued by the Wisconsin Department of Revenue, resulting in \$58.1 million in revenue in fiscal year 2026-27 and growing amounts in future years. Additionally, create a process for individuals serving sentences or previously convicted of marijuana-related crimes to have an opportunity to repeal or reduce their sentences for nonviolent minor offenses.
- Create a controlled, safe market for Delta-8 and 9 products by limiting their purchase to those age 21 and older, requiring product testing, and regulating the production, processing, and sale of these products. Further, restrict the production, processing or sale of Delta-8 and 9 products within 500 feet of a school, playground, child care facility, public park, or library and specify that no one under 21 can be employed in the regulated market.
- Provide funding and staffing for a Wisconsin Department of Corrections Type 1 juvenile detention facility in Milwaukee with more than \$6.4 million GPR in fiscal year 2025-26, more than \$20.9 million GPR in fiscal year 2026-27, and 147.05 FTE GPR positions.
- Convert Lincoln Hills School and Copper Lake School to Lincoln Correctional Institution, a 500-bed, medium-security adult facility to help free up bed space across the adult corrections enterprise.
- Provide more than \$28.1 million GPR in fiscal year 2025-26 to maintain the juvenile daily rate at the current statutory level.
- Require district attorneys to offer a diversion and restitution alternative for certain misdemeanor offenses.
- Provide more than \$3.7 million GPR in fiscal year 2025-26 and more than \$4.9 million GPR in fiscal year 2026-27 to fund an additional 47.0 FTE GPR assistant district attorney positions, to help prosecute crime in the state.
- Provide GPR funding to convert 29.5 FTE PR-F district attorney positions to permanent state-funded positions to ensure continuity of staffing levels.
- Provide more than \$2.9 million GPR in fiscal year 2025-26 and more than \$5.8 million GPR in fiscal year 2026-27 for market-based salary adjustments for assistant district attorneys to increase retention of experienced attorneys.

- Allow counties with a population between 200,000 and 750,000 to appoint up to four deputy district attorneys.
- Provide \$3.5 million GPR over the biennium in one-time funding to continue to rebuild and modernize the District Attorneys' caseload management system, also known as the PROTECT system.
- Provide more than \$1.7 million GPR in fiscal year 2025-26, more than \$1.9 million GPR in fiscal year 2026-27, and a 1.0 FTE GPR position to support IT infrastructure for District Attorneys.
- Provide more than \$2.1 million all funds in fiscal year 2025-26 and more than \$4.3 million all funds in fiscal year 2026-27 for market-based salary adjustments for assistant state public defenders to increase retention of experienced attorneys.
- Provide more than \$3.6 million GPR in fiscal year 2025-26, more than \$3.9 million GPR in fiscal year 2026-27, and 52.2 FTE GPR positions for the State Public Defender to hire additional administrative staff and reduce oversized staff workloads.
- Provide more than \$1.4 million GPR in fiscal year 2026-27 to establish a new private bar reimbursement rate for serious cases to improve the State Public Defender's ability to recruit and retain private attorneys.
- Provide the State Public Defender with more than \$2 million GPR over the biennium for expert witness costs and \$695,200 GPR over the biennium \$347,600 GPR annually for transcript, interpreter, and discovery costs.
- Create a Supreme Court Marshal Office to provide security for court officials. Provide more than \$1.1 million GPR in fiscal year 2025-26, more than \$1 million GPR in fiscal year 2026-27, and 8.4 FTE GPR positions.
- Provide \$35,000 PR-S in fiscal year 2025-26, \$45,300 PR-S in fiscal year 2026-27, and 0.75 FTE PR-S position for program support for the court interpreter program.
- Create an Ombudsperson Office at the Wisconsin Department of Corrections with \$901,300 GPR in fiscal year 2025-26, more than \$1.2 million GPR in fiscal year 2026-27, and 11.0 FTE GPR positions.
- Increase staffing at the Wisconsin Department of Corrections Internal Affairs Office by providing \$412,000 GPR in fiscal year 2025-26, \$462,200 GPR in fiscal year 2026-27, and 5.0 FTE GPR positions.
- Provide \$839,800 GPR in fiscal year 2025-26, more than \$1 million GPR in fiscal year 2026-27, and 13.0 FTE GPR positions to staff job labs at Wisconsin Department of Corrections facilities, which will enhance job counseling and employment support services aimed at reducing recidivism, supporting successful gainful employment, and, ultimately, improving community safety as individuals reenter communities after incarceration.
- Provide \$48,000 GPR in fiscal year 2025-26 to conduct Prison Rape Elimination Act site audits.
- Provide \$437,800 GPR in fiscal year 2025-26 and \$437,700 GPR in fiscal year 2026-27 for body-worn cameras for correctional officers.
- Provide more than \$2 million GPR in fiscal year 2025-26, more than \$2.2 million GPR in fiscal year 2026-27, and 12.0 FTE GPR positions for central intelligence staffing at the Wisconsin Department of Corrections to help address gang-related activity in our correctional institutions.

- Provide \$605,200 GPR in fiscal year 2025-26, \$582,800 GPR in fiscal year 2026-27, and 6.0 FTE GPR positions to create a regional Americans with Disabilities Act Compliance Team at the Department of Corrections.
- Provide \$326,400 all funds over the biennium to fully fund GPS tracking of sex offenders that are currently under monitoring by the Wisconsin Department of Corrections.
- Provide \$364,500 all funds in fiscal year 2025-26 and \$535,000 all funds in fiscal year 2026-27 for GPS monitoring of sex offenders that are estimated to need monitoring beginning in the 2025-27 biennium.
- Create 25.0 FTE GPR positions for medication administration and provide \$842,000 GPR in fiscal year 2025-26 and more than \$2 million GPR in fiscal year 2026-27 for this purpose.
- Provide 24 hours a day, 7 days a week on-site health services staffing at Fox Lake Correctional Institution by utilizing more than \$1 million GPR in fiscal year 2025-26, more than \$1.1 million GPR in fiscal year 2026-27, and 16.6 FTE GPR positions.
- Provide \$568,900 GPR in fiscal year 2025-26, \$573,400 GPR in fiscal year 2026-27, and 12.0 FTE GPR positions for additional central pharmacy staff at the Wisconsin Department of Corrections.
- Provide 4.0 FTE GPR positions in each year to convert four Wisconsin Department of Corrections psychiatric advanced practice nurse contractors to full-time state employees.
- Provide \$671,700 GPR in fiscal year 2025-26, \$704,200 GPR in fiscal year 2026-27, and 6.0 FTE GPR positions for maintenance at correctional institutions.
- Provide \$360,400 GPR in fiscal year 2025-26 and \$742,700 GPR in fiscal year 2026-27 for institutional repair and maintenance.
- Allow the current staff at the Green Bay Correctional Institution to transfer to other Department of Corrections facilities when the institution is decommissioned.
- Provide more than \$2.7 million GPR in fiscal year 2025-26 and \$303,600 GPR in fiscal year 2026-27 for a wastewater treatment plant upgrade to serve Oakhill Correctional Institution and Oregon Correctional Center.
- Provide an additional 15.75 FTE GPR positions to staff Robert E. Ellsworth Correctional Center and Taycheedah Correctional Institution, funded at more than \$1.9 million GPR in fiscal year 2025-26 and \$2.3 million GPR in fiscal year 2026-27.
- Provide more than \$1.1 million GPR in fiscal year 2025-26, \$1.3 million GPR in fiscal year 2026-27, and 11.0 FTE GPR positions to maintain critical IT infrastructure in institutions.
- Provide \$285,800 GPR in fiscal year 2025-26 and \$285,700 GPR in fiscal year 2026-27 to develop a control of hazardous energy program at correctional centers and institutions.
- Provide \$668,300 PR in fiscal year 2025-26, \$882,600 PR in fiscal year 2026-27, and 12.0 FTE PR positions at the Wisconsin Department of Justice to provide the Office of School Safety with permanent positions.
- Provide \$190,800 PR in fiscal year 2025-26 to help offset overtime costs for beat patrol efforts of law enforcement.

- Provide \$352,000 GPR in fiscal year 2025-26, \$452,600 GPR in fiscal year 2026-27, and 5.0 FTE GPR positions at the Wisconsin Department of Justice's Division of Criminal Investigation.
- Provide \$352,700 PR-S in fiscal year 2025-26, \$450,200 PR-S in fiscal year 2026-27, and 6.0 FTE PR-S positions at the Wisconsin Department of Justice for additional staff at the State Crime Laboratories.
- Provide more than \$1 million PR-S starting in fiscal year 2026-27 to support the maintenance of the new Milwaukee State Crime Lab, which is expected to become operational in 2026.
- Provide \$135,400 all funds in fiscal year 2025-26, \$173,800 GPR in fiscal year 2026-27, and 2.0 FTE all funds positions for the Wisconsin Department of Justice to administer new and existing programs.
- Provide \$386,600 GPR over the biennium as one-time and ongoing funding for training resources and equipment at the State Fire Marshal's Office.
- Provide \$186,800 GPR in fiscal year 2025-26, \$194,700 GPR in fiscal year 2026-27, and 1.3 FTE GPR assistant attorney general positions for additional staff at the Wisconsin Department of Justice in the Division of Legal Services.
- Provide \$571,000 all funds in fiscal year 2025-26 and more than \$1.1 million all funds in fiscal year 2025-27 in one-time funding for pay progression for assistant attorneys general to increase retention of experienced attorneys.
- Provide \$6 million GPR in fiscal year 2025-26 and \$1.5 million GPR in fiscal year 2026-27 to update and improve the Wisconsin Department of Justice's information technology systems to comply with new federal requirements.
- Create a false claims with qui tam provision for private parties to bring an action on behalf of the state where fraud against state-funded programs is alleged.
- Provide \$240,800 PR-S over the biennium to the Division of the Capitol Police to ensure essential ongoing supplies and services needs are met to maintain high-quality law enforcement and specialized security and protective service functions for those it protects and serves.
- Provide \$73,800 PR-S in fiscal year 2025-26 and \$112,100 PR-S in fiscal year 2026-27 to fully fund the costs of the 2023-25 pay progression series for police officers in the Division of the Capitol Police.
- Provide \$167,600 PR-S over the biennium to the Division of the Capitol Police to modernize audio-visual equipment in the command post and provide updated equipment in the communications center.
- Provide more than \$1.2 million PR-S in fiscal year 2025-26 and more than \$1.1 million PR-S in fiscal year 2026-27, and 8.0 FTE PR-S positions to the Division of the Capitol Police to ensure appropriate security capabilities without needing to rely as heavily on other agencies such as the Wisconsin State Patrol.
- Increase the Tribal law enforcement grant program, administered by the Wisconsin Department of Justice, by more than \$2.6 million Tribal gaming revenues over the biennium to increase support for Tribal police departments.
- Provide \$537,200 all funds in fiscal year 2025-26 and \$596,700 all funds in fiscal year 2026-27 for conservation warden overtime costs.

- Provide more than \$3.6 million all funds in fiscal year 2025-26 and more than \$2.7 million all funds in fiscal year 2026-27 for conservation warden safety equipment. Additionally, provide \$608,500 all funds in fiscal year 2025-26 and \$420,600 all funds in fiscal year 2026-27 to provide body cameras to conservation wardens.
- Improve access to legal assistance in the civil justice system by creating a civil legal assistance program at the Wisconsin Department of Administration and provide \$43 million GPR in fiscal year 2025-26 to allocate funds to the Wisconsin Trust Account Foundation Inc., to provide grants for civil legal services. Civil legal services may address eviction, unemployment compensation, consumer law, domestic violence and health insurance matters.
- Expand the civil legal assistance program at the Wisconsin Department of Children and Families by \$8 million TANF over the biennium.

Investing in Public Safety and First Responders

- Invest more than \$50 million GPR over the biennium into the following Emergency Medical Services items: (a) create statutory language that removes the barriers first responders with posttraumatic stress disorder face when seeking worker's compensation; (b) modify the allocation methodology, financial reporting requirements, expenditure limits, and training and examination regulations for the Funding Assistance Program; (c) provide funding to expand the Cardiac Arrest Registry to Enhance Survival module; and (d) create a grant to municipalities to improve or expand emergency medical services.
- Provide \$800,000 GPR over the biennium for the Law Enforcement Officer Virtual Behavioral Health Crisis Care Pilot Program which offers virtual behavioral health crisis care services for use by county or municipal law enforcement agencies in the field to connect law enforcement officers who encounter persons in crisis to behavioral healthcare service.
- Continue to fund the successful youth firefighter training grant program and increase the number of volunteer firefighters in the state by providing \$75,000 PR in each year of the biennium to the Wisconsin Department of Safety and Professional Services.
- Provide more than \$79.7 million GPR over the biennium for the design and implementation of a new statewide interoperable communications system, which is a shared land mobile radio public safety communications system allowing emergency personnel and first responders to communicate for their daily missions or during a major disaster or large-scale incident.
- Provide \$4 million GPR over the biennium for grants to local units of government for equipment upgrades to support their transition to the new statewide interoperable public safety radio network.
- Provide \$1.5 million GPR over the biennium for training and equipment for an urban search and rescue task force to allow the Department of Military Affairs to reach its goal of building Wisconsin Task Force 1 into a Type 2 urban search and rescue task force capable of 24-hour operations.
- Provide \$503,200 GPR over the biennium for training and deployment costs for the Wisconsin All Hazards Incident Management Team.
- Provide more than \$1.1 million GPR over the biennium to maintain the state's emergency management programs due to a reduction in federal grant revenue.
- Allow towns to fund emergency medical services via the same mechanisms allowed for fire protection services.

- Provide more than \$2.4 million GPR over the biennium and 4.0 FTE GPR positions for equipment, travel, and training needs of the Wisconsin Cyber Response Team and for state matching funds for a cybersecurity grant program.
- Provide \$1.1 million GPR over the biennium and 6.0 FTE GPR positions to ensure that federal employees in the National Guard do not supervise state staff, to comply with requirements under the cooperative agreements with the National Guard Bureau in the Department of Defense.
- Remove the sunset date of the Next Generation 9-1-1 grant program to continue to provide grants to local exchange carriers to reimburse them for costs associated with development of Next Generation 9-1-1.
- Provide more than \$2.1 million GPR over the biennium and 2.0 FTE GPR positions to expand the Wisconsin Disaster Assistance Program to include water control facilities, public buildings, public utilities, and parks and recreation facilities. Also provide \$68,100 GPR to the town of Westport for disaster recovery.
- Provide \$502,600 PR-S in fiscal year 2025-26 and \$557,300 PR-S in fiscal year 2026-27 to fully cover the cost of security services in the state's multitenant buildings.

Supporting and Investing in Local Communities

- Provide \$125,136,400 GPR in fiscal year 2025-26, \$175,300 GPR in fiscal year 2026-27, and 2.0 FTE GPR positions to create grants for local capital projects program for nonstate entities which serve a public, statewide purpose. Provide \$23.4 million SEG in fiscal year 2025-26 and \$16.7 million SEG in fiscal year 2026-27 to provide funding for grants for local government capital projects. The current biennial budget provided \$50,000,000 to the Building Commission for this purpose. Expanding on this successful program, the Department of Administration would administer the program based on criteria and projects approved by the Building Commission.
- Create a new county and municipal property tax freeze incentive program to provide aid payments to counties and municipalities that commit to holding the line on property taxes. Communities that certify they did not increase their levy in the previous year will receive aid payments based on the revenue a 3 percent levy would have generated, helping them maintain essential services without raising taxes. The first eligible levies for this incentive will be for the 2026 tax year, delivering meaningful property tax relief to Wisconsinites.
- Provide \$100 million GPR in fiscal year 2025-26 for the local road improvement supplement program. The program provides direct support to local and bridge projects throughout the state.
- Eliminate an existing disincentive for local government service consolidation by removing the required negative levy limit adjustment that the transferring government must take when transferring the provision of a service to another government.
- Allow for the creation of regional transit authorities statewide to empower local governments to improve their transportation infrastructure.
- Make it easier for communities to work together to create cross-boundary transit corridors by creating an exclusion to county and municipal levy limits for cross-municipality transit routes where the counties and municipalities meet a number of criteria, including that the counties and municipalities claiming the exclusion must be adjacent, must have entered into an intergovernmental cooperation agreement to provide new or enhanced transit services across county or municipal boundaries, and that each participating county or municipality must have passed a referendum approving the agreement.

- Encourage service sharing between local units of government on emergency medical services and fire protection by broadening the types of service sharing arrangements that qualify for the levy limit adjustments related to service sharing.
- Allow counties, other than Milwaukee County, to impose an additional sales tax of up to 0.5 percent and allow municipalities with populations over 30,000, other than the city of Milwaukee, to impose a sales tax of up to 0.5 percent to diversify local revenue sources and better empower local governments to fund police and fire protection, transit, roads, and other important services, if approved by local referendum. This includes the flexibility to allow counties to set their tax rates in 0.1 percent increments from 0.1 to 1.0 percent. Municipalities would also have the flexibility to set their rates in 0.1 percent increments from 0.1 to 0.5 percent.
- Increase funding for the municipal services payment program by over 90 percent, providing a \$17 million SEG boost to municipalities serving tax-exempt state properties in fiscal year 2025-26, with automatic increases beginning in fiscal year 2026-27 to ensure ongoing support for essential local services.
- Provide more than \$1.1 million GPR over the biennium to support towns and counties impacted by a federal court decision that reduced their property tax base, ensuring they have the resources to maintain essential services and lessening the tax burden on the remaining property tax base.
- Provide \$1 million GPR in fiscal year 2025-26 to provide refunds to Tribal citizens who paid property taxes that were later found to be unlawful by a federal court decision.
- Revise the expenditure restraint program budget test for municipalities to increase local control and to ensure they are not excluded from the program's payments because of increases in their spending due to accepting federal dollars or increases in shared revenue payments.
- Remove restrictions on advisory referenda to empower counties and municipalities to seek public input on important issues.
- Shift the assessment jurisdiction of pipelines currently assessed by municipalities to the state, simplifying administration and filing for both pipeline companies and local governments, while providing corresponding aid payments to local governments to offset the loss of the local property tax revenue.
- Exempt radio, cellular, and telecommunication towers from the property tax to alleviate the administrative burden on municipalities and landowners, as assessment of these assets are difficult and complex.
- Allow a municipality to exceed the 12 percent of equalized value limitation on the creation of new tax incremental districts if the municipality certifies to the Department of Revenue that a district or districts with sufficient value increment to bring the municipality back below the 12 percent threshold will close in the following year and that the municipality will not take actions to extend the lives of those districts.
- Include utility-owned energy storage facilities in the calculation of shared revenue utility aid payments to counties and municipalities to encourage the construction of facilities necessary for energy storage and incentivize local governments to host this form of utility property in their communities.



E. PROTECTING AND CONSERVING OUR NATURAL RESOURCES

Addressing PFAS and Other Contaminants

- Invest over \$145 million to address PFAS contamination across Wisconsin, from private well owners to municipalities and across surface, drinking, and groundwater, including:
 - Creating a PFAS Community Grant Program to assist municipal drinking water systems with testing for and eliminating PFAS from drinking water through the Safe Drinking Water Loan Program.
 - Helping private well owners sample and test their private wells through a new County PFAS Well Testing Grant Program.
 - Researching effective destruction and disposal methods of PFAS and implementing proven strategies to dispose and eliminate PFAS.
 - Providing grants to local businesses and communities to help reduce or eliminate their use or release of PFAS into the environment.
 - Conducting statewide research, including sampling and testing for PFAS to better understand its prevalence.
 - Commencing PFAS biomonitoring studies across the state to support local health department PFAS response.
 - Providing additional emergency resources to help provide safe, bottled water to households and communities impacted by water contamination.
 - Protecting innocent landowners like farmers who unknowingly allowed the spreading of biosolids containing PFAS on their land from having to foot the bill for the cleanup.
 - Increasing biosolid sampling, testing, and remediation for PFAS in biosolids and allocating new funding to help innocent landowners and farmers remediate PFAS contamination.
 - Adopting major policies from the CLEAR Act, including creating a REINS Act exemption for administrative rulemaking relating to establishing enforceable standards for PFAS and requiring additional testing of land spread biosolids and prohibiting the land spreading of biosolids with levels of PFAS that exceed a health-based level.
- Provide 10.0 FTE GPR positions and associated funding at the Department of Natural Resources for the monitoring and remediation of PFAS.
- Provide \$200,000 SEG in fiscal year 2025-26 and \$225,000 SEG in fiscal year 2026-27 for non-PFAS emerging contaminants monitoring and remediation.
- Increase funding by \$5 million SEG over the biennium for financial assistance under the state well compensation program and provide a 1.0 FTE SEG position to assist homeowners who apply for funds. In addition, amend the well compensation program eligibility criteria to bring the program's

contamination criteria in line with federal water quality standards and address emerging contaminants like PFAS, update the program's financial qualifications to allow the program to serve more Wisconsin residents, and expand the program to include owners of transient noncommunity public water systems.

- Enable the town of Bloom in Richland County to qualify for financial assistance through the well compensation grant program.
- Require new stormwater ponds in populous areas to meet certain safety standards.
- Create the Revitalize Wisconsin program with more than \$3.3 million SEG in fiscal year 2025-26, more than \$4.3 million SEG in fiscal year 2026-27, and a 1.0 FTE SEG position. The program will address discharges of hazardous substances or the existence of environmental pollution, help reduce the backlog of Dry Cleaner Environmental Response Fund claims, and aid in the disposal of waste materials at abandoned properties.
- Authorize \$9 million in bonding for contaminated sediment removal from sites in the Great Lakes or their tributaries that are on Wisconsin's impaired waters list.
- Authorize \$11 million in Environmental Fund-supported general obligation bonding authority for the Wisconsin Department of Natural Resources for urban nonpoint source cost-sharing and the municipal flood control program.
- Provide \$199,400 SEG in fiscal year 2025-26 and \$240,800 SEG in fiscal year 2026-27 to coordinate the development and implementation of total maximum daily load restoration plans on impaired waters throughout the state.
- Authorize \$10 million in bonding for grants to counties for capital projects that implement land and water resource management plans under the Targeted Runoff Management Program, and provide an additional \$400,000 SEG over the biennium for noncapital projects under the Targeted Runoff Management Program. Additionally, provide \$1.7 million over the biennium for contractual services related to nonpoint pollution reduction.
- Create a 1.0 FTE SEG position, funded at \$67,300 SEG in fiscal year 2025-26 and \$88,100 SEG in fiscal year 2026-27, to facilitate development and implementation of water quality restoration and improvement plans through the water quality trading clearinghouse.
- Authorize \$10 million in bonding for grants to counties for implementation of land and water resource management plans, including cost-share grants to landowners through the Soil and Water Resource Management Program.
- Provide \$1 million SEG over the biennium to support the Producer-Led Watershed Protection Grant Program.
- Provide \$170,000 SEG over the biennium for ongoing supplies and services costs related to water and land resources management at the Department of Agriculture, Trade and Consumer Protection.
- Establish a \$425 permit processing fee for Wisconsin Pollution Discharge Elimination System wastewater general permits. Additionally, provide \$134,700 GPR in fiscal year 2025-26, \$176,100 GPR in fiscal year 2026-27, and 2.0 FTE GPR positions to improve compliance monitoring efforts.

- Continue the Private On-Site Wastewater Treatment System Replacement and Rehabilitation Program for residence owners and small commercial establishments meeting certain family resident income and system eligibility criteria. The program allows those who are eligible to repair or replace failing private on-site wastewater treatment systems and access new and improved water treatment solutions. Additionally, increase expenditure authority for the Wisconsin Department of Safety and Professional Services by \$840,000 PR in both years of the biennium for grants to meet industry demand for expedited review of septic plans.

Bolstering our State Parks and Outdoor Recreation

- Renew the Knowles-Nelson Stewardship Program at \$83 million bonding, \$9 million SEG, and \$8 million GPR in each year, for a \$1 billion investment over the next ten years. In addition, modify the allocation of funds under the Stewardship Program to better align the program's priorities with the needs of the state such as increasing investment in local parks and recreation projects and creating a new subprogram to support nonprofit conservation organizations that perform habitat management activities on conserved land. In addition, make statutory language changes to help the Wisconsin Department of Natural Resources more effectively administer the program.
- Provide more than \$15.6 million all funds over the biennium for capital development and property maintenance projects in the state park system.
- Increase supplies funding for state parks by more than \$3.2 million SEG in fiscal year 2025-26 and more than \$3.1 million SEG in fiscal year 2026-27 to meet supply demands due to continued high levels of attendance at state parks.
- Provide \$946,200 SEG over the biennium to expand accessible outdoor recreation opportunities in the state park system through the Open the Outdoors initiative.
- Provide \$355,000 SEG in fiscal year 2025-26 to fund upgrades of internet broadband capacity at state parks and shooting ranges.
- Create a new fee waiver for annual state parks admissions receipts for citizens of federally recognized Tribes in the state. Additionally, provide fee waivers for state campground reservations for Tribal citizens.
- Create a new fee waiver for annual state parks admissions receipts for the families of Wisconsin fourth graders.
- Create 7.0 FTE SEG positions, funded at more than \$3.1 million SEG in fiscal year 2025-26 and more than \$3.2 million SEG in fiscal year 2026-27, to perform maintenance at state parks such as hazardous tree removal and stream crossing improvements.
- Provide more than \$5 million all funds over the biennium for limited term employee wages to support work across the Wisconsin Department of Natural Resources.
- Provide \$1,497,600 SEG in fiscal year 2025-26 for a recreation and property infrastructure data system.
- Provide \$62,300 SEG in fiscal year 2025-26, \$83,000 SEG in fiscal year 2026-27, and a 1.0 FTE SEG project position to collect and analyze data on Wisconsin water bodies in order to better evaluate the potential impacts of wake boats on Wisconsin's waters.
- Provide more than \$1.7 million SEG over the biennium for grants to local law enforcement agencies for boating enforcement costs and to replace patrol boats in the Department of Natural Resources' Division of Public Safety and Resource Protection.

- Provide \$1 million SEG in fiscal year 2025-2026 to develop an online application-based trail map for all-terrain and utility-terrain vehicle routes.

Enhancing Conservation and Supporting Wildlife

- Provide financial stability to the Fish and Wildlife Account to ensure that future generations of Wisconsinites can enjoy our state's natural resources by increasing hunting, trapping, and fishing license fees, as well as hunting and fishing stamps.
- Provide more than \$6.1 million all funds in fiscal year 2025-26 and more than \$6.6 million all funds in fiscal year 2026-27 for grants to counties for county conservation staff to support land and water conservation activities.
- Provide \$1.5 million all funds to develop a habitat strategy information system to assist the Department of Natural Resources with preparing a biennial habitat work plan, as required under 2023 Wisconsin Act 66.
- Provide \$388,600 all funds over the biennium to support increased forage and freight costs at state-owned fish hatcheries and to conduct additional creel surveys in ceded territory waters
- Provide \$2 million over the biennium in Tribal gaming revenues to create a program that would provide Tribal Nations with grants to repair and maintain Tribal-owned fish hatcheries.
- Provide \$1 million SEG in one-time funding in fiscal year 2025-26 to issue grants for the purchase of deer carcass disposal sites to limit the spread of chronic wasting disease.
- Provide \$3.7 million GPR over the biennium for wolf monitoring and nonlethal abatement activities.
- Provide \$400,000 GPR over the biennium for manoomin (wild rice) stewardship and public education efforts in ceded territory waters. Additionally, provide \$62,300 GPR in fiscal year 2025-26, \$83,100 GPR in fiscal year 2026-27, and a 1.0 FTE GPR position to serve as a manoomin coordinator at the Wisconsin Department of Natural Resources.
- Create truth-in-labeling protections for manoomin (wild rice) that is traditionally harvested.
- Increase the GPR match limit for all taxpayer designations for the endangered species program by \$900,000 over the biennium.
- Create a sales tax exemption for landscape planning and counseling services that pertain to the restoration, reclamation or revitalization of prairie, savanna or wetlands if such services are provided under a separate fee distinct from other services. The fiscal impact is an estimated reduction in tax revenue of \$468,800 in fiscal year 2025-26 and \$660,000 in fiscal year 2026-27.
- Improve capacity for and response to both chronic wasting disease testing and foreign animal disease surveillance by providing the Veterinary Diagnostic Laboratory with \$568,500 GPR and 7.0 FTE GPR positions in each year of the biennium.

Strengthening Wisconsin's Forests and Forestry Industries

- Create a 1.0 FTE SEG forestry liaison position at the Wisconsin Department of Natural Resources, funded at \$67,300 SEG in fiscal year 2025-26 and \$88,100 SEG in fiscal year 2026-27. The position would support coordination between the department and forestry stakeholders.

- Provide \$775,000 SEG in fiscal year 2025-26 in one-time funding for the development of a forestry industry strategic plan and roadmap.
- Increase funding for the County Wildlife Habitat Grant program by \$260,000 SEG over the biennium.
- Increase funding for the Wisconsin Forest Landowner Grant Program by \$500,000 SEG over the biennium.
- Increase funding for the County Forest Administration Grant Program by \$500,000 SEG over the biennium to support salaries for county forest administrators.
- Increase funding for the Sustainable Forestry Grant Program by \$500,000 SEG over the biennium to support sustainable forest management projects on county forest land.
- Provide more than \$2.1 million SEG in fiscal year 2025-26 and more than \$1.9 million SEG in fiscal year 2026-27 for forestry operations, including firefighting equipment, radios, and overtime costs. Additionally, provide \$120,000 SEG in fiscal year 2025-26 and \$20,000 SEG in fiscal year 2026-27 to purchase tick-resistant personal protective equipment for firefighters.
- Provide \$460,000 SEG over the biennium for invasive pest treatments in Wisconsin's forests.
- Provide more than \$1.1 million SEG over the biennium for Wisconsin Department of Natural Resources forestry IT needs and land recording fees.
- Create a new sum sufficient SEG appropriation, funded by revenues in the Forestry Account of the Conservation Fund, to reimburse local fire departments that assist the Department of Natural Resources in combatting wildfires.
- Provide \$1.3 million SEG over the biennium for the Wisconsin Forestry Careers Pathway Program and the Learning, Experiences, & Activities in Forestry Program at the University of Wisconsin-Stevens Point.
- Provide \$589,900 SEG in fiscal year 2025-26, \$640,400 SEG in fiscal year 2026-27, and 2.0 FTE SEG positions to support additional seedling production in the state nursery program.
- Provide the Board of Commissioners of Public Lands with \$100,000 SEG over the biennium to fund tree planting activities.

Other Natural Resources Priorities

- Provide \$4 million SEG over the biennium to assist with the cleanup of the Amcast Superfund site in Cedarburg.
- Provide \$18 million GPR in fiscal year 2025-26 to assist with the remediation of arsenic contamination in the Kewaunee Marsh.
- Provide \$6 million GPR in fiscal year 2025-26 for erosion control efforts at the Kenosha Dunes.
- Require permit applicants to consider the impacts of their proposed project on certain communities with a high density of individuals at or below 200 percent of the federal poverty guidelines, engage with these communities in the permit application process, and enable the Department of Natural Resources to consider the cumulative impacts of a proposed project and the community engagement process conducted by the permit applicant when making permit decisions.

- Provide \$419,100 SEG in fiscal year 2025-26, \$445,500 SEG in fiscal year 2026-27, and a 1.0 FTE SEG position to maintain and improve the Water ePermitting System at the Department of Natural Resources.
- Create a Winter Road Safety Improvement Grant Program at the Wisconsin Department of Natural Resources funded at \$5 million GPR to assist municipalities in making improvements to road equipment and storage facilities to more effectively treat and plow wintery roads.
- Increase the well notification fee for high-capacity wells.
- Create a new food waste reduction grant program, funded at \$200,000 GPR over the biennium.
- Provide \$250,000 SEG in fiscal year 2026-27 as one-time funding for management and implementation of a landfill food waste study.
- Provide \$134,600 SEG in fiscal year 2025-26, \$176,200 SEG in fiscal year 2026-27, and 2.0 FTE SEG positions as additional staff support for the Winnebago Lake System.
- Create an Erosion Control Loan Program to assist municipalities and owners of homes located on the shores of Lake Michigan, Lake Superior, or the Mississippi River where the structural integrity of municipal buildings or homes is threatened by erosion of the shoreline. Provide \$7 million SEG in fiscal year 2025-26 as an initial capitalization for the programs.
- Authorize \$15 million in bonding for the repair, reconstruction, and removal of dams.
- Create a 1.0 FTE PR-S position, funded by \$52,800 PR-S in fiscal year 2025-26 and \$68,700 PR-S in fiscal year 2026-27, to provide environmental review of transportation projects, thus allowing the projects to proceed more quickly.
- Increase Title V air permit fees to meet the federally required fee adequacy level.
- Provide \$532,400 SEG in fiscal year 2025-26 to streamline the air permitting process.
- To better track state grant expenditures, provide \$700,000 SEG over the biennium to support licensing and maintenance costs for the Department of Natural Resources' new eGrants application.
- Provide \$697,000 all funds over the biennium for IT system improvements and field equipment at the Department of Natural Resources.
- Provide \$894,400 all funds over the biennium for legal representation of the state for environmental protection actions.

Addressing the Climate Crisis and Advancing a Clean Energy Economy

- Provide more than \$10 million GPR over the biennium and a 1.0 FTE GPR position to create a community climate action grant program to assist local governments in preparing climate risk assessments and to help local governments implement emission-reducing and climate action projects.
- Provide over \$1.3 million over the biennium and a 1.0 FTE GPR position to administer a program to promote community engagement on climate and clean energy needs including grants to local nonprofits for this purpose.

- Provide \$20 million GPR in fiscal year 2025-26 to support the continuation of the Energy Innovation Grant program to ensure organizations from different sectors can invest in projects related to energy efficiency, renewable energy, energy storage, and energy planning.
- Create a pilot program at the Public Service Commission of Wisconsin funded with \$1 million GPR in fiscal year 2025-26 to assist developers and electric providers with the cost of developing renewable energy infrastructure on brownfield sites.
- Provide \$1 million GPR in fiscal year 2025-26 to conduct a nuclear power plant feasibility study.
- Modify current law to require electric utilities with owned generation to submit integrated resource plans evaluating the utility's ability to meet long-term electricity demand and its planned approach to integrate clean energy into its energy generation portfolio.
- Double the required utility contribution for the Focus on Energy program from 1.2 percent to 2.4 percent of annual operating revenues, which will generate an additional \$100 million in annual funding for the program. Modify current law to allow energy storage projects for residential customers to qualify for the Focus on Energy program.

Other Energy Priorities

- Provide \$415,000 PR over the biennium to ensure there is sufficient financial assistance for organizations that choose to become intervenors in Public Service Commission of Wisconsin proceedings.
- Provide \$321,400 PR in fiscal year 2025-26 and \$428,600 PR in fiscal year 2026-27 in one-time funding to develop a new assessment system for the Public Service Commission of Wisconsin with enhanced data collection and reporting capability.
- Provide \$293,800 PR and \$6,200 SEG in each year to the Public Service Commission of Wisconsin for the cost of server replacement and cybersecurity software.
- Modify current law to allow the Public Service Commission of Wisconsin's chairperson to allow an additional 180-day extension before taking final action on a project's certificate of public convenience and necessity.
- Provide \$247,100 PR in fiscal year 2025-26, \$329,400 PR in fiscal year 2026-27, and 3.0 FTE PR positions to the Public Service Commission of Wisconsin to meet the growing demands of water utility construction dockets, trainings, and other regulatory activities.
- Modify current law to allow utilities to offer inclusive on-bill, low-cost debt financing of clean energy projects for customers.
- Allow utilities to securitize the entire remaining unpaid balance of a retiring power plant, in addition to the unpaid balance of pollution control equipment, which can result in cost savings for customers.



F. ADDITIONAL KEY PRIORITIES

Strengthening Ties with Tribal Nations

- Provide grants of equal amounts to each Tribal Nation to support programs that meet the needs of Tribal citizens, as determined by each Tribe. In total, the grants will be funded at approximately \$18.8 million PR-S in fiscal year 2025-26 and \$22.6 million PR-S in fiscal year 2026-27, an amount intended to return the majority of the remaining Tribal gaming revenues received by the state over the biennium to the Tribes.
- Create new grants for Native American language and cultural preservation and revitalization, funded with \$11 million in Tribal gaming revenues over the biennium, to be distributed equally to each Tribal Nation.
- Transfer the Native American Tourism of Wisconsin (NATOW) marketing contract from the Wisconsin Department of Tourism to the Wisconsin Department of Administration and increase funding by \$1.6 million from Tribal gaming revenues over the biennium.
- Create a Director of Native American Affairs at the Department of Administration to manage relations between the state and Tribal Nations or Bands in this state. Also provide Tribal liaisons at the Wisconsin Departments of Administration; Tourism; Workforce Development; Agriculture, Trade and Consumer Protection; Corrections; Natural Resources; Justice; and the Public Service Commission to ensure that agencies have dedicated Tribal liaison staff to meet responsibilities associated with consultation and collaboration with Wisconsin's Tribal communities.
- Provide \$142,500 GPR in fiscal year 2026-27 to the Wisconsin Department of Administration to provide grants to the Tribes to administer a Treatment Alternatives and Diversion program.
- Provide more than \$1.1 million in Tribal gaming revenues over the biennium to provide grants to Tribal Nations for specific purposes, which include a transit services program, an intergovernmental training program, and for cybersecurity.
- Reestablish \$218,600 PR-S Tribal gaming revenues over the biennium to the Oneida Nation and the University of Wisconsin-Green Bay for educational programs developed in partnership with the Oneida Nation that was made one-time in the 2023-25 Biennial Budget. This partnership supports STEM-related (science, technology, engineering, and mathematics) camps for hundreds of students and provides access to UW-Green Bay's college credit program for high school students.
- Replace Tribal gaming revenues for tourism marketing with an equal amount of GPR, approximately \$17.4 million over the biennium, and replace Tribal gaming revenues for snowmobile enforcement with an equal amount of SEG from the Conservation Fund, approximately \$2.8 million over the biennium.
- Provide \$493,400 PR-S in fiscal year 2025-26 and \$631,100 PR-S in fiscal year 2026-27, using Tribal gaming revenues, and 4.0 FTE PR-S positions at the Wisconsin Department of Revenue to increase gaming regulation efforts.

Enshrining the Will of the People, Protecting Access to the Ballot Box, and Defending our Democracy

- Require the Legislature to introduce and vote on a joint resolution for a constitutional amendment that would give Wisconsin citizens the right to use a referendum process to propose and approve or reject laws and constitutional amendments.
- Provide \$925,600 GPR in fiscal year 2025-26, more than \$1 million GPR in fiscal year 2026-27, and 10.0 FTE GPR positions to create an Office of Election Transparency and Compliance to provide research and assistance to the commission, including responding to inquiries from the public and legislators regarding alleged unlawful or noncompliant behavior.
- Provide \$239,700 GPR and \$8,000 PR in fiscal year 2025-26 and \$378,300 GPR and \$8,000 PR in fiscal year 2026-27 to increase funding for the Wisconsin Elections Commission for the Accessibility Review and Supply Program, limited term employees, commissioner per diems, membership costs for the Electronic Registration Information Center, and to align the materials and services appropriation with existing revenues and usage.
- Provide \$900,000 GPR in fiscal year 2025-26 and \$500,000 GPR starting in fiscal year 2026-27 to provide one-time funding to local governments for the purchase of electronic poll books (Badger Books) and ongoing funding to support local governments in funding elections.
- Provide the Wisconsin Elections Commission \$238,500 GPR and \$50,000 SEG-F in fiscal year 2025-26 and \$238,500 GPR in fiscal year 2026-27 for the cost of ongoing multifactor authentication protections of the voter registration system, for hosting and maintaining the clerk training management system (ElectEd) and the commission's website, for continuing to provide address validation software (Smarty Streets), and for the cost of Zendesk in light of the 2021 Legislative Audit Bureau report on election administration. Also, require the commission to post non-English sample ballots online for jurisdictions that create them.
- Require polling places to post a voter bill of rights that informs voters of voting rights guaranteed under current law.
- Modify certain voter identification requirements to comply with current court rulings. In addition, require the University of Wisconsin System and the Wisconsin Technical College System to issue identification cards that meet the revised requirement.
- Enable the Wisconsin Elections Commission to reimburse counties and municipalities for certain costs incurred in the administration of special primaries and special elections by creating a GPR sum sufficient appropriation for this purpose.
- Allow a county or municipal clerk to canvass absentee ballots on the day before an election after working with the Wisconsin Elections Commission to ensure the canvass will be conducted fairly and effectively.
- Encourage young people to register to vote by restoring prior state law that would require public high schools and allow private high schools to be a location for voter registration for eligible students and staff.
- Provide \$195,100 GPR in fiscal year 2025-26 and \$20,800 GPR in fiscal year 2026-27 for the Wisconsin Elections Commission to work with the Wisconsin Department of Transportation to implement automatic voter registration. The commission should facilitate the initial registration of all eligible electors as soon as practicable. Provide \$477,200 SEG in fiscal year 2025-26 and \$16,800 SEG in fiscal year 2026-27 to the Wisconsin Department of Transportation to address related costs.

- Eliminate the restriction on how soon a person may complete an absentee ballot in person.
- Modify the scheduling of special elections to ensure they are scheduled with sufficient time to comply with federal requirements for sending ballots to military and overseas voters.
- Restore residency requirements that ensure a resident of Wisconsin is eligible to vote in an election in a municipality or ward if the voter has been a resident of that location for at least ten consecutive days before an election.
- Modify the statutory language of the clerk training appropriation to allow it to fund training of municipal and county clerks on all election administration procedures and topics, including voter identification and modify the current appropriation used for reimbursing the costs of election recounts to allow local units of government and petitioners to be reimbursed in a timely manner.
- Modify statutes to only allow an aggrieved candidate, other than the candidate who requested the initial partial recount, to request a recount of additional jurisdictions or the full state.
- Provide more than \$2.5 million GPR in fiscal year 2025-26, more than \$2.2 million GPR in fiscal year 2026-27, and 19.0 FTE GPR positions to the Wisconsin Ethics Commission to meet the new demands of local campaign finance committees registering with the commission following the enactment of 2023 Wisconsin Act 126.
- Provide \$196,000 GPR in fiscal year 2025-26 and \$151,000 GPR in fiscal year 2026-27 on a one-time basis to finish the development of the new campaign finance reporting system at the Wisconsin Ethics Commission.
- Provide \$164,800 GPR in fiscal year 2025-26 and \$149,800 GPR in fiscal year 2026-27 to provide the Wisconsin Ethics Commission with an information technology contractor to support commission systems.
- Modify the administration of lobbying so that all expenses are funded with general purpose revenue and all lobbying fee revenues are instead deposited in the general fund.
- Remove the Legislature's exemption from open records law by requiring that records and correspondence of any member of the Legislature be included in a definition of a public record to provide greater transparency for the people of Wisconsin. Provide \$72,300 GPR in fiscal year 2025-26, \$96,400 GPR in fiscal year 2026-27, and a 1.0 FTE GPR position at the Legislative Technology Services Bureau to administer the requirement.
- Reduce barriers to public access to information by raising the threshold at which an authority may charge an open records location fee, increasing the threshold amount from \$50 to \$100 and defraying out-of-pocket costs to requesters in an effort to increase government transparency and accountability.
- Repeal statutory modifications made in 2017 Wisconsin Act 369 during the extraordinary session in December 2018 related to the expansion of legislative powers and duties, including: (a) advice and consent of the Senate in relation to gubernatorial nominations; (b) ability of the Legislature to retain legal representation for legislators, legislative staff, and the Legislature; and (c) approval of Capitol security changes.
- Increase transparency by preventing anonymous objections from members of the Joint Committee on Finance and instead require that the member and the nature of the objection for any objection to items before the Joint Committee on Finance for passive review be announced publicly.

- Allow existing board or council members appointed by the Governor to remain in their appointed positions once their term has expired only until the Governor has made a nomination for appointment to the same position.

Making Government Work Better for Wisconsinites

- Provide 4.0 FTE all funds positions and associated funding in fiscal year 2026-27 to support the ongoing administration of the Office of Information Privacy and Office of Data within the Wisconsin Department of Administration.
- Implement the following initiatives within the Wisconsin Department of Administration to enhance state government cybersecurity efforts:
 - Direct the department to develop a plan to establish a cybersecurity insurance program for state agencies during the 2027-29 biennium.
 - Modify current law to allow the department to transfer up to \$10 million GPR annually from sum sufficient appropriations for cybersecurity incident emergency response.
 - Provide \$414,400 GPR in fiscal year 2025-26, \$532,500 GPR in fiscal year 2026-27, and 5.0 FTE GPR positions to develop, implement, and support enterprise cybersecurity policies and risk management efforts and establish a cybersecurity insurance program.
 - Modify current law to permit governmental bodies to convene in closed session to discuss information security issues.
- Provide more than \$1.2 million PR-S in fiscal year 2025-26, more than \$1.6 million PR-S in fiscal year 2026-27, and 10.0 FTE PR-S positions to support increased workload related to the capital budget program and to ensure adequate staffing without having to utilize more costly, external contractors.
- Provide \$239,200 PR-S in fiscal year 2025-26, \$310,900 PR-S in fiscal year 2026-27, and 2.0 FTE PR-S positions to increase quality assurance and quality control for the state's building program.
- Provide \$248,500 PR-S in fiscal year 2025-26 and \$395,500 PR-S in fiscal year 2026-27 to fund the increasing cost of the project management system (e-builder) used for the State Building program.
- Provide \$776,000 PR-S over the biennium to acquire geographic information systems software to improve the efficiency and outcomes of building project planning and management.
- Provide \$291,800 all funds over the biennium and 2.0 FTE all funds positions to better maintain the facilities under management by the Wisconsin Department of Military Affairs.
- Provide \$147,500 GPR over the biennium and a 1.0 FTE GPR position to increase the capacity for workplace investigations in the Wisconsin Department of Military Affairs.
- Provide \$185,200 GPR and a 1.0 FTE GPR position to the state information directorate in the Wisconsin Department of Military Affairs to provide additional resources to the information technology help desk.
- Adjust the Wisconsin Department of Administration's Technology for Educational Achievement (TEACH) Universal Service Fund appropriation to accommodate programming at the Wisconsin Department of Public Instruction and offset the reduction with new GPR. Additionally, modify

current law to increase the program's minimum broadband speed benchmark to align with modern standards.

- Provide more than \$7.3 million PR-S over the biennium to align the Wisconsin Department of Administration Division of Enterprise Technology's expenditure authority with current operational expenditure needs including for log data archival requirements deployed to address audit findings of the Legislative Audit Bureau.
- Provide \$695,400 PR-S in fiscal year 2025-26 and \$692,500 PR-S in fiscal year 2026-27 in the Wisconsin Department of Administration Division of Enterprise Technology to provide contractual resource services and IT equipment to the Department of Safety and Professional Services.
- Provide 4.0 FTE PR-S positions and associated expenditure authority to the Wisconsin Department of Administration's Division of Personnel Management to address an increase in human resources transactions and to support efforts to strengthen human resources auditing, monitoring, and compliance responsibilities. Additionally, provide a one-time increase of \$150,000 PR-S in fiscal year 2025-26 to the division for an enterprise recruitment strategic analysis initiative.
- Provide \$361,000 GPR in fiscal year 2025-26, \$461,400 GPR in fiscal year 2026-27, and 5.0 FTE GPR positions to establish a grant resource team within the Wisconsin Department of Administration Division of Intergovernmental Relations to assist local governments in navigating federal and state grant application processes.
- Provide \$1 million GPR over the biennium to expand access to translation services for state agencies.
- Provide more than \$16.5 million SEG over the biennium and increase the register of deeds document recording fee from \$30 to \$45 to provide additional funding to county land information offices in light of increasing workloads from recent legislation.
- Modify state law to require that municipal boundary agreements be recorded with county registers of deeds. In addition, provide \$4,800 PR and a 0.05 FTE PR position to fully fund the related work in the Division of Intergovernmental Relations within the Wisconsin Department of Administration. Further, make minor changes and technical adjustments to the municipal filing statutory language to create consistency in filing requirements.
- Provide \$175,000 PR in fiscal year 2026-27, of which \$25,000 PR would be ongoing, to create a modern licensing system for bingo and raffle licenses and increase associated licensing fees and taxes on receipts to fund this system.
- Provide position and expenditure authority to hire an attorney to represent state attorneys before the Office of Lawyer Regulation in the event that a grievance against their law license is filed.
- Establish the Higher Educational Aids Board as an administrative attachment to the Wisconsin Department of Administration and provide an additional a 1.0 FTE GPR position and funding to support the increased administrative duties.
- Provide additional expenditure authority in the Wisconsin Department of Administration's existing risk management administrative appropriation for excess insurance premiums due to the unpredictability of insurable events.
- Provide \$304,500 GPR in fiscal year 2025-26 and \$32,100 GPR in fiscal year 2026-27 to establish and maintain an electronic filing and payment system at the Tax Appeals Commission,

streamlining operations and improving the experience for Wisconsin citizens who are navigating the tax appeal process.

- Provide \$42,000 GPR in fiscal year 2025-26 and \$39,000 GPR in fiscal year 2026-27 to the Wisconsin Women's Council for additional research capacity and operational support.
- Modify the National and Community Service Board's federal administration appropriation to allow the board to expend all federal funding received under the appropriation without additional approval and increase the appropriation by \$83,000 FED over the biennium to reflect projected program administration costs over the next biennium.
- Provide \$104,900 PR-S in fiscal year 2025-26, \$124,300 PR-S in fiscal year 2026-27, and a 1.0 FTE PR-S position to the National and Community Service Board to better fulfill match requirements for federal funding, which would allow for program expansion. An additional \$26,200 GPR in fiscal year 2025-26 and \$31,100 GPR in fiscal year 2026-27 were provided to the Wisconsin Department of Administration to help pay the match that is associated with the board's increase.
- Increase the statutory general obligation refunding authority by \$1.6 billion.
- Provide \$28.4 million SEG over the biennium to the Wisconsin Department of Employee Trust Funds to support ongoing operational expenses associated with the modernization of the department's pension administration system. Additionally, direct the department to include in its future biennial budget submissions a report detailing project expenditures and the condition of the project's funding appropriation.
- Provide 2.0 FTE SEG positions and associated expenditure authority to the Wisconsin Department of Employee Trust Funds to provide support for the department's customer service functions for members and employees.
- Provide a 1.0 FTE SEG position and associated expenditure authority to the Wisconsin Department of Employee Trust Funds to better support the department's accounting and actuarial responsibilities.
- Shift oversight of the Wisconsin Department of Employee Trust Funds' Office of Internal Audit from the Office of the Secretary to the Employee Trust Funds Board and provide a 1.0 FTE SEG position to better support the office's workload.
- Reinstate domestic partnership benefits for all state and local government employee insurance programs administered by the Wisconsin Department of Employee Trust Funds. These benefits were eliminated under 2017 Wisconsin Act 59, effective January 1, 2018.
- Modify current law to make references to marriage, spouses, and parentage gender-neutral, providing greater flexibility and inclusion for all individuals and families.
- Provide \$144,600 GPR in fiscal year 2025-26, \$192,800 GPR in fiscal year 2026-27, and 2.0 FTE GPR positions to support the Legislative Technology Services Bureau.
- Provide \$300,000 GPR annually to support increased operational, technology, and publishing expenses for the Legislature.
- Provide a 1.0 FTE PR-S two-year project position to the Office of the State Treasurer to assist the office in its promotion of the Unclaimed Property Program.

- Provide 4.0 FTE PR positions and associated expenditure authority to the Office of the Secretary of State, including an unclassified deputy secretary of state position and additional permanent and project office support positions. Additionally, modify the office's appropriations to allow the office to carry over fee revenues collected from apostille and authentication services from year-to-year and to lapse any unspent revenue transferred from the Department of Financial Institutions to the general fund.
- Modify current law to establish references to apostille and authentication services in the statutory fee schedule for the Office of the Secretary of State. Additionally, modify current law to define the provision of apostille and authentication services as a duty of the office and define the office as the exclusive provider of authentication services in Wisconsin.
- Provide more than \$1.7 million GPR over the biennium as one-time funding for the digitization of hard copy records at the Wisconsin Department of Natural Resources.
- Provide \$300,000 SEG over the biennium to increase Geographic Information System (GIS) infrastructure capacity at the Wisconsin Department of Natural Resources.
- Provide \$500,000 GPR in fiscal year 2025-26 to allow the Wisconsin Department of Natural Resources to demolish unused and unsafe aging buildings on department property.
- Provide more than \$1.5 million all funds over the biennium to restore funding to certain nonprofit conservation organizations.
- Align the ballast water program with federal ballast water statutes under the federal Vessel Incidental Discharge Act.
- Provide \$340,000 SEG over the biennium for a lands assets management system at the Board of Commissioners of Public Lands. Additionally, provide \$480,000 GPR over the biennium to develop a financial assets management system for the board.
- Create a 1.0 FTE GPR accountant position at the Board of Commissioners of Public Lands, funded at \$55,900 GPR in fiscal year 2025-26 and \$74,300 GPR in fiscal year 2026-27. Additionally, provide the board with \$18,300 GPR annually for limited term employee funding.
- Provide \$5,200 SEG over the biennium for the Lower Wisconsin Riverway Board for IT upgrades, as well as education and outreach efforts.
- Provide \$12,600 SEG over the biennium in operational support for the Fox River Navigational System Authority.
- Create a new a 1.0 FTE SEG marketing specialist position at the Kickapoo Reserve Management Board, funded at \$40,700 SEG in fiscal year 2025-26 and \$63,300 SEG in fiscal year 2026-27.
- Provide \$30,000 SEG in each year for the Northern Great Lakes Visitor Center.
- Provide greater pay equity to specially trained and subject matter experts at the Veterinary Diagnostic Laboratory by providing \$217,300 GPR in each year of the biennium.
- Provide \$961,200 PR in fiscal year 2025-26 and \$967,200 PR in fiscal year 2026-27 for the continued modernization of Wisconsin Department of Safety and Professional Services information technology systems.
- Provide \$60,800 PR in fiscal year 2025-26, \$77,100 PR in fiscal year 2026-27, and a 1.0 FTE PR position to increase the collection of data-driven information which will in turn improve decision

making and overall departmental processes in the Wisconsin Department of Safety and Professional Services.

- Support and increase the quality of compliance investigations and enforcement activities in the Wisconsin Department of Safety and Professional Services by providing \$271,800 PR in fiscal year 2025-26, \$358,300 PR in fiscal year 2026-27, and 4.0 FTE PR positions.
- Allow the Wisconsin Department of Safety and Professional Services and affiliated credentialing boards to streamline their licensure investigations when the underlying conduct is related to a subset of minor arrests, convictions, or other offenses to more efficiently credential individuals without sacrificing applicant quality.
- Provide up to \$1 million GPR to reimburse the city of Green Bay for public safety costs related to the 2025 NFL Draft.
- Provide \$606,600 PR on a one-time basis in fiscal year 2026-27 for the Wisconsin Department of Financial Institutions to modernize the department's corporations bureau fulfillment system, general online form repository, and charitable organizations management system. This project will improve data reporting functionality, increase public access to online forms and data, and reduce the need for manual printing and scanning. This project will also better enable Wisconsin residents to determine whether a charitable organization merits their donations.
- Provide \$2.5 million PR over the biennium to support the central duties of the Wisconsin Department of Financial Institutions, including the maintenance and upgrade of mission critical information technology infrastructure, financial examiner travel and training costs, accreditation costs, and limited term employee salary and fringe benefits costs.
- Provide \$169,500 PR in fiscal year 2025-26, \$226,000 PR in fiscal year 2026-27, and 2.0 FTE PR positions to the Wisconsin Department of Financial Institution's Division of Securities to ensure prompt investigation of securities scams, investment schemes, and other financial threats to better protect the public.
- Provide \$157,100 PR in fiscal year 2025-26, \$210,700 PR in fiscal year 2026-27, and 2.0 FTE PR positions to the Wisconsin Department of Financial Institution's Office of Credit Unions to ensure timely financial oversight of state-chartered credit unions.
- Provide \$485,400 PR in fiscal year 2025-26 and \$202,500 PR in fiscal year 2026-27 to the Wisconsin Department of Financial Institutions to establish a secure backup site for the department's information systems, including data protection and security.
- Create a PR appropriation for the Wisconsin Department of Revenue Division of Alcohol Beverages to make the division fully self-funded through alcohol permit fee revenues, covering the current 20.0 FTE positions and adding 5.0 FTE new PR positions.
- Provide \$2.3 million GPR in fiscal year 2025-26 and \$3.1 million in fiscal year 2026-27 to convert 38.0 FTE GPR revenue agent project positions to permanent positions at the Wisconsin Department of Revenue. Allowing these positions to expire would decrease collections of unpaid delinquent taxes by \$32.5 million in fiscal year 2025-26 and \$43.4 million in fiscal year 2026-27.
- Provide \$66,000 SEG in fiscal year 2025-26, \$88,000 SEG in fiscal year 2026-27, and a 1.0 FTE SEG position at the Wisconsin Department of Revenue Lottery Division to process lottery claims and assist with player support.
- Provide \$66,100 PR in each year to convert two 0.5 LTE PR positions into a 1.0 FTE PR position and to make whole a 0.93 FTE PR purchasing agent – senior position, a 0.9 FTE PR communications specialist position, and a 0.5 FTE PR operations program associate position in the Office of the Commissioner of Insurance.

State Budget Overview

III. STATE BUDGET OVERVIEW

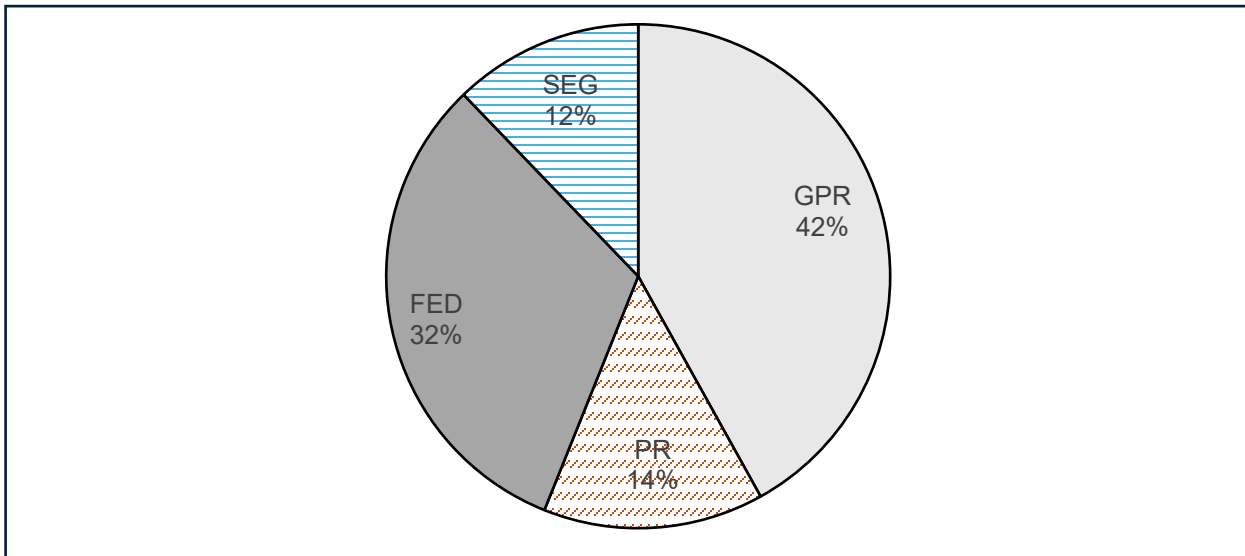
A. PRESENTATION OF THE GOVERNOR'S 2025-27 BUDGET

The Governor's recommended budget for the 2025-27 biennium is presented in its customary components. The operating budget for all agencies and their programs is submitted to the Legislature in the budget bill, the Executive Budget Book and this Budget in Brief. The capital budget will be submitted as a budget amendment after the State Building Commission has approved a recommended building program for the 2025-27 biennium.

B. EXPENDITURES

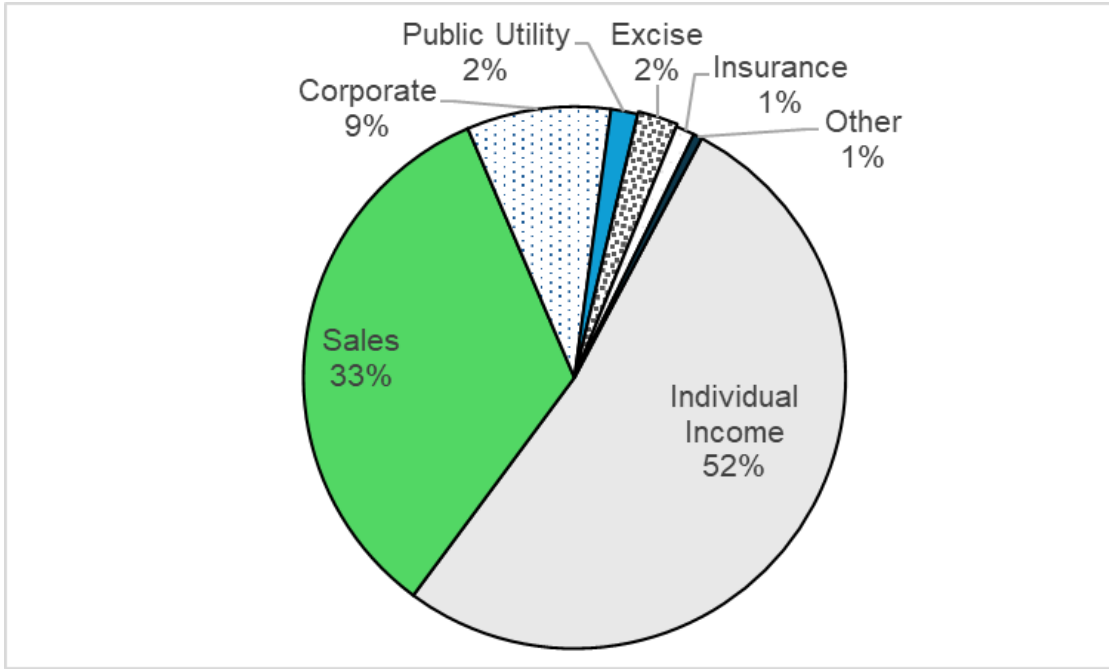
The Governor recommends an operating budget of \$59.4 billion in fiscal year 2025-26 and \$59.6 billion in fiscal year 2026-27. These figures include all four major funding sources and all state agencies and programs (see Chart 1). On an annual basis, the Governor's all funds budget for fiscal year 2025-26 represents an increase of \$9,920.2 million (20.1 percent) over the fiscal year 2024-25 adjusted base, and the budget for fiscal year 2026-27 represents an increase of \$254.7 million (0.4 percent) compared with fiscal year 2025-26.

CHART 1: FISCAL YEAR 2026-27 BUDGET BY FUND SOURCE



The largest portion of the state budget is funded from general purpose revenue (GPR), which includes the individual income tax, state sales tax, corporate income tax and various other taxes (see Chart 2).

CHART 2: FISCAL YEAR 2026-27 GPR TAX REVENUE BY TYPE



Federal revenues (PR-F or SEG-F) are the second largest source of funds in the state budget. The amounts budgeted represent state agency estimates of the various federal program grants expected to be received. Corresponding state matching dollars, where applicable, are budgeted in the other state funding sources. Since it is not possible to predict future congressional budget action, the Governor's budget generally assumes no changes in federal funding except where noted.

Program revenue (PR-O) is received from user fees that finance specific activities such as public utility regulation, agricultural commodity inspections and State Fair Park admissions. Program revenue is generally budgeted to reflect the anticipated demand for these activities.

Segregated revenues (SEG-O) include revenues from such sources as the motor fuel tax, hunting and fishing license fees, and lottery ticket sales. These revenues are deposited in segregated funds such as the Transportation Fund, the Conservation Fund and the Lottery Fund, which are credited with any interest they earn. Segregated revenues can only be used for specific purposes and are not general revenues of the state.

TABLE 1: LARGEST BIENNIAL GPR INCREASES OVER BASE
(\$ in millions)

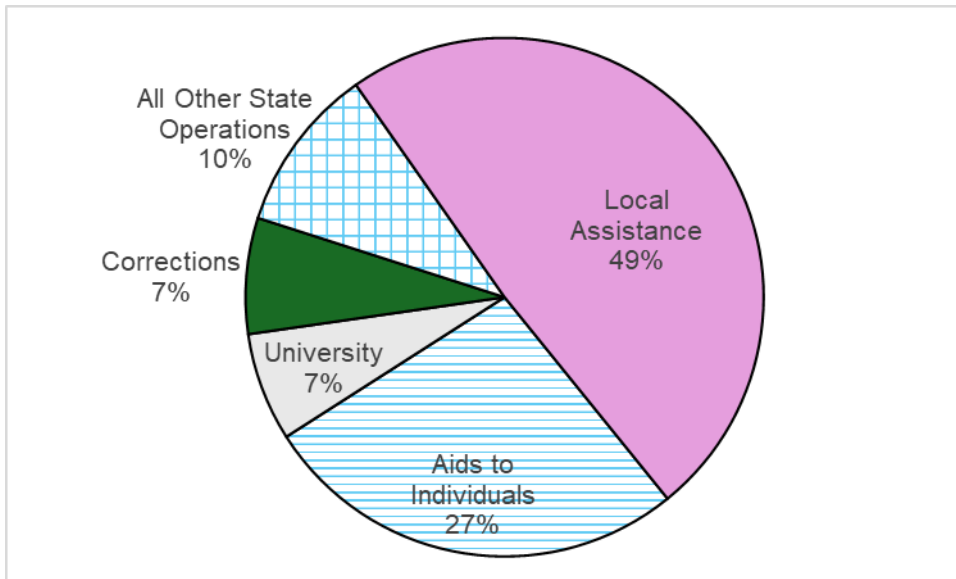
Department of Public Instruction	\$3,403
Shared Revenue and Tax Relief	1,054
University of Wisconsin System	692
Department of Children and Families	601
Department of Corrections	522
Public Service Commission	422
Department of Workforce Development	213
All Other Changes	817
TOTAL	\$7,723

TABLE 2: TEN LARGEST GENERAL PURPOSE REVENUE PROGRAMS
(\$ in millions)

	FY27 <u>Budgeted</u>	Percent of <u>Total</u>	Cumulative <u>Percent</u>
General and Categorical School Aids	\$9,676.0	38.7%	38.7%
Medical Assistance and Related Programs	4,049.3	16.2%	54.9%
Corrections	1,859.3	7.4%	62.4%
State Property Tax Credits	1,815.5	7.3%	69.6%
University of Wisconsin System	1,691.9	6.8%	76.4%
Technical College System	615.1	2.5%	78.8%
State Mental Health Institutions	465.1	1.9%	80.7%
Community and Social Services Aids	372.0	1.5%	82.2%
Shared Revenue	340.3	1.4%	83.6%
Homestead, Earned Income and Other Individual Income Tax Credits	<u>336.1</u>	<u>1.3%</u>	<u>84.9%</u>
Top Ten Program Total	\$21,220.6	84.9%	84.9%
Debt Service (not included above)	238.7	1.0%	85.9%
Debt Service for Appropriation Obligation Bonds	260.1	1.0%	86.9%
All Other Programs	3,274.9	13.1%	100.0%
GPR Total	\$24,994.3		

Detail may not add due to rounding.

CHART 3: FISCAL YEAR 2026-27 GPR BUDGET ALLOCATION BY PURPOSE



The Governor recommends a GPR budget of \$25.5 billion in fiscal year 2025-26 and \$25.0 billion in fiscal year 2026-27. On an annual basis, the Governor's GPR budget for fiscal year 2025-26 is a spending increase of \$4,109.5 million (19.2 percent) over the fiscal year 2024-25 base, and for fiscal year 2026-27 is a spending decrease of \$496.2 million (-1.9 percent) over fiscal year 2025-26.

C. POSITIONS

The Governor's budget recommendations include authorization for 75,613.61 FTE state positions from all fund sources by the end of the next biennium (fiscal year 2026-27). This represents an increase of 880.94 FTE positions from the fiscal year 2024-25 adjusted base of 74,732.67. From GPR funds, the budget provides 36,766.59 FTE positions, an increase of 1,302.78 from the fiscal year 2024-25 adjusted base of 35,463.80.

Table 3 demonstrates the changes from the adjusted base level FTE positions to the second year of the biennium (fiscal year 2026-27).

TABLE 3: FISCAL YEAR 2026-27 FTE POSITION CHANGES OVER BASE

	<u>GPR</u>	<u>FED</u>	<u>PR</u>	<u>SEG</u>	<u>All Funds</u>
Adjusted Base	35,463.80	11,540.51	22,833.81	4,894.55	74,732.67
Agency Requests	608.08	-275.00	-53.22	29.50	309.36
Governor's Recommendation	<u>694.71</u>	<u>13.75</u>	<u>-171.28</u>	<u>34.40</u>	<u>571.58</u>
TOTAL	36,766.59	11,279.26	22,609.31	4,958.45	75,613.61

Positions are increased in the following key areas:

- Provide 10.0 FTE PR positions to the Department of Safety and Professional Services to provide efficient and effective processing of license applications, helping to bolster our state's workforce and our economy.
- Provide 3.0 FTE GPR positions at the Department of Tourism to enhance economic development by offering centralized support to Wisconsin's film and creative sectors.
- Provide 5.5 FTE GPR positions at the Department of Workforce Development for comprehensive career services to individuals pursuing registered apprenticeships and career development opportunities related to artificial intelligence, helping to modernize the state's workforce for the challenges of today and tomorrow.
- Provide 8.0 FTE PR positions and 3.0 FTE PR-F positions to the Department of Health Services to address backlog and manage workload of the Bureau of Assisted Living, helping to connect the dots for our senior citizens of the state.
- Provide 7.0 FTE SEG positions to the Department of Veterans Affairs to expand the Veterans Outreach and Recovery Program, which provides outreach mental health services and support to veterans who may have a mental health condition or substance use disorder, helping the veterans of the state to reduce suicidal ideation and to provide access to mental health supports, housing, and other services.
- Provide 10.0 FTE PR positions to the Office of the Commissioner of Insurance to create a Public Intervenor Office to provide information and assistance to health insurance consumers, ensuring they receive the best possible claim outcomes they are entitled to under their insurance policies. Consumers whose health insurance claims are denied would be assisted with appeals and other legal actions to pursue coverage for health care services.

- Provide 8.0 FTE PR-S positions to the Department of Administration's Division of the Capitol Police to ensure appropriate security capabilities without needing to rely as heavily on agencies such as the Wisconsin State Patrol.
- Provide 17.5 FTE GPR positions at the Wisconsin Employment Relations Commission and 20.0 FTE PR-S positions at the Division of Personnel Management within the Department of Administration in fiscal year 2026-27 to assist employees, bargaining units and units of government with the expansion of collective bargaining rights. Positions to support the expansion of collective bargaining rights have been created at both agencies and will be funded through federal ARPA funds through December 31, 2026.
- Provide 10.0 FTE GPR positions at the Elections Commission to create an Office of Election Transparency and Compliance to provide research and assistance to the commission, including responding to inquiries from the public and legislators regarding alleged unlawful or noncompliant behavior.
- Provide 19.0 FTE GPR positions to the Ethics Commission to meet the new demands of local campaign finance committees registering with the commission following the passage of 2023 Wisconsin Act 126.
- Create an Ombudsperson Office at the Department of Corrections with 11.0 FTE GPR positions.
- Provide 12.0 FTE PR positions at the Department of Justice to provide the Office of School Safety with permanent positions.
- Provide 10.0 FTE GPR positions at the Department of Natural Resources for the monitoring and remediation of per- and polyfluoroalkyl substances (PFAS).

D. BUDGET BALANCE

TABLE 4: GENERAL FUND CONDITION UNDER GOVERNOR'S BUDGET
(\$ in millions)

	2025-27 Governor's Budget			2027-29 Estimates	
	FY25	FY26	FY27	FY28	FY29
OPENING BALANCE, JULY 1	\$4,622.3	\$4,267.7	\$2,275.2	\$646.3	-\$1,648.0
REVENUES AND TRANSFERS					
Taxes	\$22,252.3	\$24,515.9	\$24,604.0	\$24,660.7	\$24,660.7
Departmental Revenues					
Tribal Gaming Revenues	18.8	0.0	0.0	0.0	0.0
Other	759.4	650.2	448.4	389.0	388.0
Total Available	\$27,652.9	\$29,433.8	\$27,327.6	\$25,696.0	\$23,400.8
APPROPRIATIONS, TRANSFERS AND RESERVES					
Gross Appropriations	\$21,046.1	\$25,490.5	\$24,994.3	\$25,627.6	\$25,652.1
Compensation Reserves	397.9	222.9	352.6	352.6	352.6
Transfers					
Capital Improvement Fund	423.3				
Local Government Fund	1,563.4	1,686.1	1,620.6	1,656.6	1,656.6
Innovation Fund	303.0				
Transportation Fund	106.8	156.6	166.2	166.4	166.4
Veterans Homes Institutional Operations Account		7.1	14.8		
Winnebago Mental Health Institutional Operations Account		18.6	15.3		
Less Estimated Lapses	-455.3	-423.1	-482.5	-459.2	-476.2
Total Expenditures	\$23,385.1	\$27,158.6	\$26,681.3	\$27,344.0	\$27,351.5
BALANCES					
Gross Balance	\$4,267.7	\$2,275.2	\$646.3	-\$1,648.0	-\$3,950.7
Less Required Statutory Balance	-105.0	-110.0	-115.0	-120.0	-125.0
Net Balance, June 30	\$4,162.7	\$2,165.2	\$531.3	-\$1,768.0	-\$4,075.7
Structural Balance	-\$354.6	-\$1,992.5	-\$1,628.8	-\$2,294.3	-\$2,302.8

Detail may not add due to rounding.

The estimated four-year fund condition statement is balanced through fiscal year 2026-27. The estimates for the 2027-29 biennium do not assume any projected growth in revenues or expenditures. However, prospective tax impacts and commitments to additional expenditures made in this biennium for the next are addressed in the estimates for fiscal years 2027-28 and 2028-29.

State statute also requires showing the impact of the Governor's budget on the state's budget balance under generally accepted accounting principles (GAAP). Unlike the modified accrual basis of the budget as published in the statutes, these principles require that revenue and expenditures be accounted for when they occur.

Wisconsin currently has a positive balance under generally accepted accounting principles due, in part, to the state's Budget Stabilization Fund, or "rainy day" fund, which had a fiscal year 2023-24 ending balance of \$1.899 billion, approximately 8.3 percent of fiscal year 2024-25 estimated GPR expenditures. While

fiscal year 2023-24 General Fund tax revenues exceeded budget estimates, no transfer was made to the Budget Stabilization Fund because the fund's balance exceeded 5 percent of estimated GPR expenditures in the fiscal year.

Under generally accepted accounting principles, the Budget Stabilization Fund is accounted for as part of the General Fund. The Annual Comprehensive Financial Report for fiscal year 2023-24, the most recent available, showed that Wisconsin ended the fiscal year with a positive GAAP balance of \$4.476 billion. This balance was supported by the Budget Stabilization Fund and the large fiscal year 2023-24 budgetary closing balance in the General Fund. In fiscal year 2023-24, the General Fund benefited from higher than budgeted tax revenues and the increased Federal Medical Assistance Percentage that all states received under the federal public health emergency and that reduced state General Fund expenditures for Medical Assistance benefits.

These large budgetary balances in the General Fund and Budget Stabilization Fund offset other pressures that often result in a GAAP deficit. To reduce one of those pressures, the Governor's budget recommends moving the date computer aid payments are made to taxing jurisdictions from July to May. This shift will ensure that school districts receive their payment within the appropriate school year and provide counties and municipalities with full annual payments in the first half of their fiscal year. Beginning in fiscal year 2024-25, computer aid payments, along with certain other county and municipal aid payments, are made from the Local Government Fund, which for GAAP purposes is included in the General Fund.

TABLE 5: ESTIMATED GENERAL FUND CONDITION SUMMARY ACCORDING TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
(\$ in millions)

	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
Opening Balance	\$4,475.8	\$4,224.5	\$2,373.9
Revenue			
Estimated Taxes	\$22,252.3	\$24,515.9	\$24,604.0
Departmental Revenues and Transfers	759.4	650.2	448.4
Tribal Gaming Revenue	18.8	0.0	0.0
Total Revenue	\$23,030.5	\$25,166.1	\$25,052.4
Total Available	\$27,506.3	\$29,390.6	\$27,426.3
Less Total Appropriations (Net)	\$23,385.1	\$27,158.6	\$26,681.3
Balance Before Change in Adjustments to GAAP	\$4,121.2	\$2,232.0	\$745.0
Net Contributions to Balance Adjustments in GAAP (change from prior year)			
Budget Stabilization Fund*	\$84.7	\$72.6	\$64.6
Local Government Fund*	18.6	1.6	1.6
Computer Aid		67.7	
Film Tax Credits			-5.0
Estimated Closing Balance	\$4,224.5	\$2,373.9	\$806.2

*Under GAAP, the General Fund includes the Budget Stabilization Fund and Local Government Fund, so any activity in that fund impacts the General Fund's GAAP balance.

Detail may not add due to rounding.

E. DEBT MANAGEMENT

State debt management is necessary to ensure that long-term capital needs can be met at an affordable level. State debt management historically looks at various standards, including, but not limited to, annual GPR debt service as a percentage of GPR tax revenues. These standards help ensure that annual debt service does not consume a burdensome share of the state's budget and that overall indebtedness remains within reason for the State. In addition to annual debt service that is paid from GPR, other annual debt service is paid from various program revenue and segregated fund sources.

In the next biennium, the standard relating to annual GPR debt service is expected to be reduced compared to the percentages for the 2023-25 biennium. Projected annual debt service payments, as a percentage of GPR tax revenues, is 2.03 percent for the second year of the 2025-27 biennium, compared to 2.08 percent for the second year of the 2023-25 biennium. This reflects proactive debt management of the State as evidenced by the continued ability of the State to refinance debt for savings. While the municipal bond market has seen increases in rates from their historical lows, below historical average interest rates and municipal bond market dynamics have continued to provide opportunities for debt service savings. Like refinancing a mortgage, the State takes advantage of these lower interest rates and market dynamics to lower its debt service costs.

The 2025-27 executive budget is prepared on the assumption that the State's market access and bond ratings will be maintained. Wisconsin's general obligation bonds continue to carry the following ratings - Aa1/AA+/AA+/AAA from Moody's, S&P, Fitch, and Kroll, respectively. Notably, in August 2021 Kroll upgraded its rating on the State to AAA from AA+. Finally, Wisconsin's bonds are received favorably by

the investment community. Investors and rating agencies recognize the State's increased liquidity position and the strength of its fully-funded pension program. Specific bonding recommendations for the building program will be included in the capital budget bill, which will be submitted later. In addition to proposed borrowing in the 2025-27 executive budget, future bond issues of the State will also include previously authorized but unissued debt for previously approved projects and multiyear commitments.

F. CASH MANAGEMENT

While the 2025-27 biennial budget is balanced as required by state law, cash challenges may occur at various times during the year. They arise from the difference between the "statutory/budgetary basis" on which the budget is built and the "cash basis" on which the state must pay its bills. There are significant differences in the timing of receipts and payments, particularly on dates of major state aid payments. Any cash shortfalls are accommodated through short-term borrowing. Most often, this borrowing occurs automatically by using the balances of other state funds. More than ten years ago, operating notes were issued in times of significant need for cash, or if the operating notes are cheaper than using the cash of other state funds. Due to increased liquidity of state funds, an operating note has not been issued by the state since fiscal year 2011-12.

Budget Initiatives by Subject Area

IV. BUDGET INITIATIVES BY SUBJECT AREA

A. DOING WHAT'S BEST FOR KIDS

As a former educator, superintendent, state superintendent, and as a father and grandfather, Governor Evers has always believed that doing what's best for kids is what's best for the state. That's why the Governor declared 2025 is the Year of the Kid in Wisconsin. While much focus has been placed on teaching and the testing, metrics, and standards that go along with discussions around education, kids have much to teach adults about kindness, supporting others, and treating our neighbors with respect. Wisconsin's kids are doing good work all across the state in their schools, neighborhoods, and communities to make their home state incredibly proud.

In Green Bay, members of the Brown County Youth Action Board who are youth ages 16 to 24 with lived experiences in homelessness come together to plan a "Joy Drive" to provide items of joy to other kids who are experiencing housing instability. In Williams Bay, Camp OneStep provides summer camp opportunities for kids fighting cancer. Youth who have survived cancer donate their time, energy, and kindness as "heroes" to staff these camps and ensure campers have an experience to remember.

Across the state at the University of Wisconsin-River Falls students taking an event planning class organize an annual fundraiser for families experiencing financial insecurity by hosting a thrift sale event with entertainment by the UW-River Falls band. And in Merrill and schools across the state, students are taking on difficult conversations around mental health, supporting their peers, and using their voices to advocate for one another.

The students at Frederic Elementary School are leading the way on growing healthy meals for their classmates with first grade students planting seeds in a hydroponic lab to grow food for students to share.

In the Western Dairyland Fresh Start Program, kids ages 18 to 25 who are disconnected from high school are connecting the dots and gaining hands-on construction experience while building a house for an income-eligible family in the community. While Oshkosh students from the Wave Robotics team won a prestigious impact award for their work fostering community and encouraging younger generations to become involved in science and technology.

The list could go on for many pages. Kids are resilient, courageous, smart, caring, and energetic. Many of the above are examples of kids helping kids, which makes the stories even more encouraging and profound. However, our kids cannot and should not be expected to achieve success, health, and contentment on their own. The state must do more to improve outcomes for kids, both in and beyond the classroom.

Supporting Public Education at Every Level

Over the past six years, under Governor Evers' leadership, the state has seen historic increases in public school funding and special education funding, Wisconsin's K-12 schools have returned to the top 10 in the country after falling to 18th under previous leadership, and nearly every school district in the state had benefitted from expanded access to school-based mental health support for kids through the Governor's "Get Kids Ahead" initiative.

After a decade of disinvestment, Governor Evers has enacted budgets to restore two-thirds funding for public schools for the first time in over two decades, provide the largest special education aid increase in state history, and bring per pupil aid to its highest level ever.

Together with 2023 Wisconsin Act 11, the 2023-25 budget signed by Governor Evers built upon the historic progress toward fully funding public schools by providing an overall increase of nearly \$1.2 billion in spendable authority for public school districts, including state categorical aids. This historic increase is generated by a \$325 per pupil increase in revenue limits in each fiscal year, as well as an increase in the

low revenue ceiling from \$10,000 to \$11,000 per pupil in the first year of the biennium. This is the largest increase in statewide revenue limit authority since revenue limits were first imposed on K-12 schools in 1993-94, and it is permanent and base-building.

The Governor's budget continues this historic progress by providing over \$3.1 billion in new general and categorical aids over the 2025-27 biennium, the largest proposed investment in Wisconsin's kids in any budget by any Governor in state history.

CHART 4: GOVERNOR'S BUDGET INCLUDES RECORD INVESTMENT IN OVERALL SCHOOL AIDS

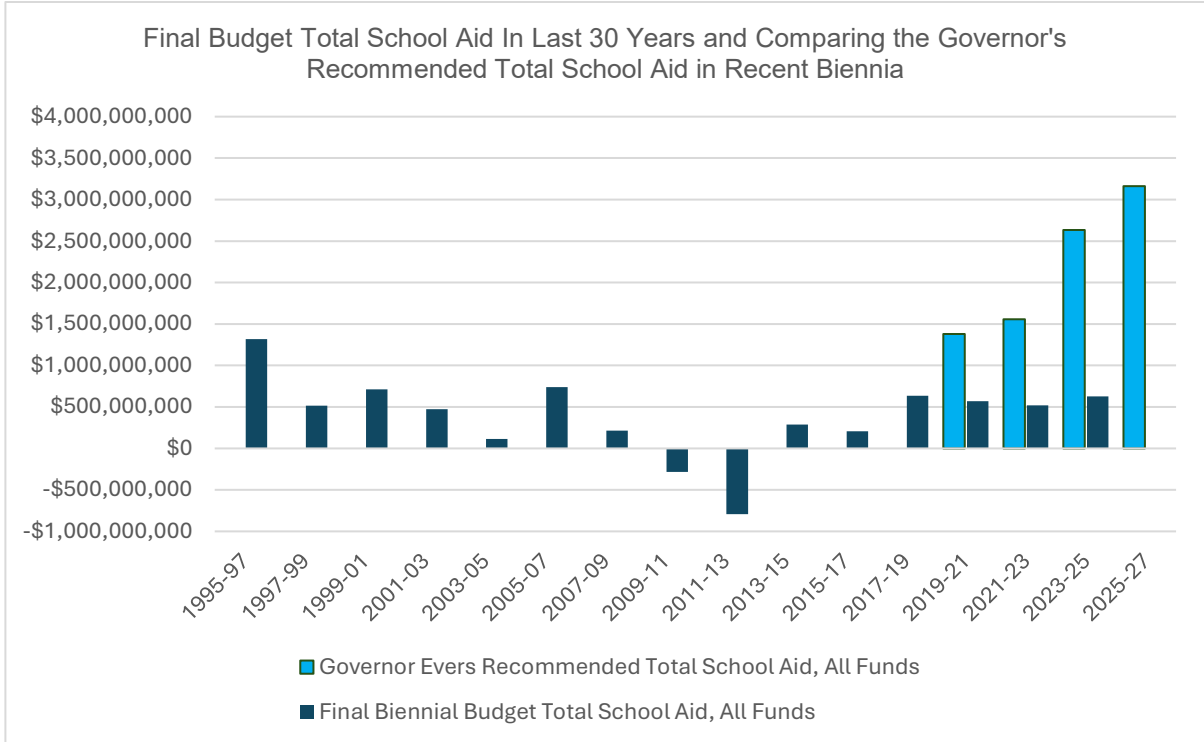
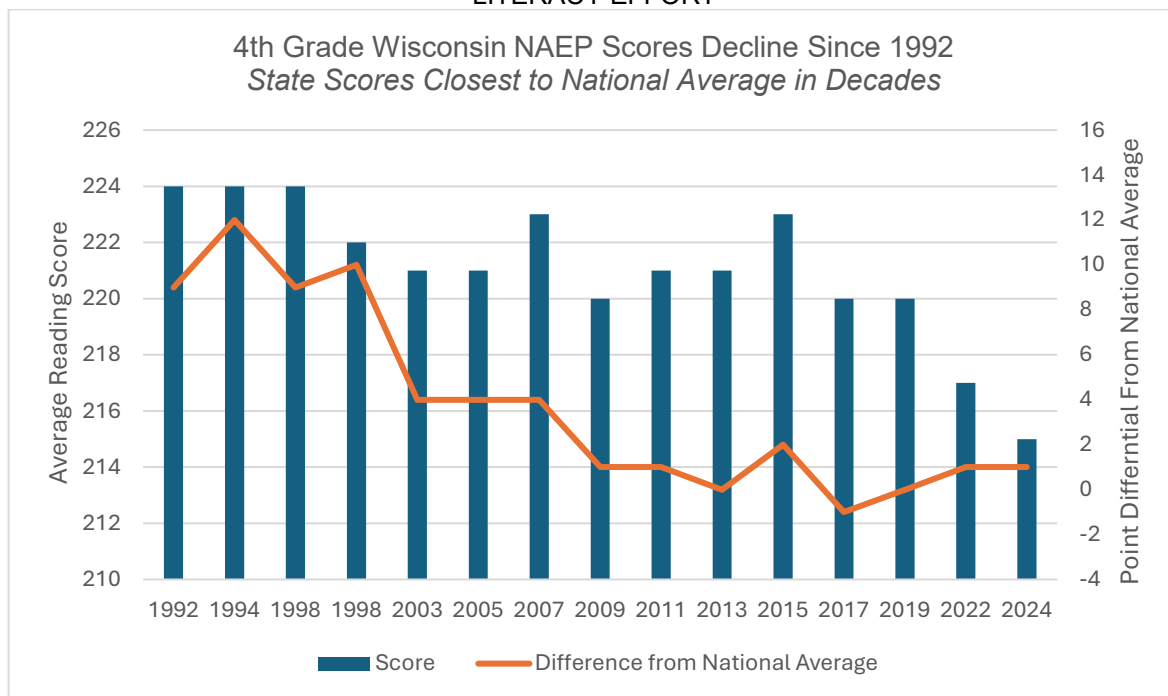


CHART 5: GOVERNOR'S BUDGET RECOMMENDS RECORD INVESTMENT TO SUPPORT LITERACY EFFORT

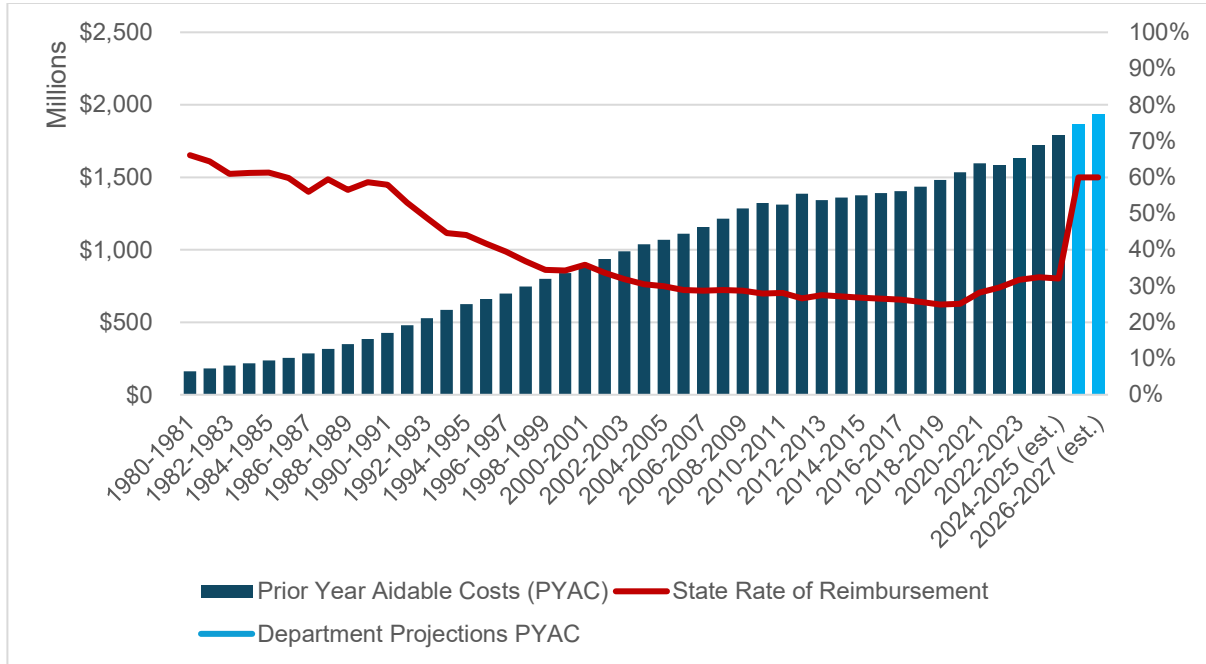


The Governor proposes a record investment in literacy, including the following initiatives to support the critical work of reversing the trends shown in the chart above:

- \$50 million GPR in fiscal year 2025-26 to fully implement 2023 Wisconsin Act 20, which was set aside for that purpose in the 2023-25 biennium and remains unreleased by the Legislature. At the close of the biennium, these funds will become part of the opening balance for the next budget and be available to allow the Department of Public Instruction to meet the intent of the law.
- Over \$7 million GPR in fiscal year 2025-26 and over \$11 million GPR in fiscal year 2026-27 for literacy coaching. Under Act 20, the newly established Office of Literacy is to establish a program to contract with experts in science-based early literacy instruction to provide coaching, especially in schools with the greatest early literacy needs. The Governor's proposed investment will reimburse schools for the cost of providing these intensive summer interventions.
- More than \$2.6 million GPR in fiscal year 2026-27 for summer reading interventions. Act 20 requires that a new model policy require that a student who, based on a summative assessment is determined to be in need of a personal reading plan, be provided with an intensive summer reading program.
- More than \$1.4 million GPR per year to reimburse schools for the costs of administering diagnostic literacy assessments as required by Act 20.
- \$3 million GPR per year for "high-dosage" reading tutors. While high-dosage tutoring is not required under Act 20, it is an important strategy in addressing literacy achievement. This type of tutoring is provided to no more than four students per tutor, uses high-quality instructional material aligned with classroom content, consists of at least three sessions per week during school hours, and is conducted by professionally trained tutors.

Some kids need more help with learning than others, and while the state has made progress in meeting these needs since the Governor took office, there remains a significant opportunity for budget initiatives to make further progress in supporting students with individualized education plans.

CHART 6: GOVERNOR'S BUDGET WILL PROVIDE RECORD INCREASE IN STATE SPECIAL EDUCATION REIMBURSEMENT



To address waning state reimbursement of special education costs for students with disabilities, the Governor's budget includes:

- More than \$542.9 million GPR in fiscal year 2025-26 and more than \$587.8 million GPR in fiscal year 2026-27, the highest ever amount of special education aid funding for students with disabilities, to increase the state's rate of reimbursement to a guaranteed 60 percent in each year of the biennium.
- More than \$8.7 million GPR in fiscal year 2025-26 and more than \$9.7 million GPR in fiscal year 2026-27 to provide the highest ever enhanced reimbursement of costs for students with the most acute need for special education services (known as High Cost Special Education Aid).
- \$1.2 million GPR over the biennium to support Cooperative Educational Service Agency (CESA)-based collaboration coaches to help identify and provide services to our youngest children in school- or community-based child care settings.

The Governor's more than \$1.1 billion dollar investment in special education in this budget builds upon his past historic investments and ensures that schools have more resources to meet the needs of all learners.

However, in order to improve outcomes, we must ensure our kids are able to bring their best and full selves to the classroom and show up to school coursework ready, the state must make significant investments to support our kids' mental and physical health. Kids are struggling perhaps now more than ever with maintaining mental health. According to the most recent Wisconsin Youth Risk Behavior Survey released in July 2024, 59 percent of high school students report experiencing at least one mental health challenge in the past year. Over half of surveyed students in grades 6 through 12 experience anxiety.

Only one in every five students who felt sad, empty, hopeless, angry, or anxious said they received the help they needed most or all of the time. Over 18 percent seriously considered suicide.

Current funding levels for school mental health aid programs are insufficient to meet the increasing needs of students. Further, much of the funding that exists is based on competitive grants, rather than providing schools with predictable, dedicated funding to meet students' mental health needs. The Governor's proposal to provide almost \$300 million GPR over the biennium, the highest single biennial investment in mental health aid ever, will help stem the number of school-aged children in distress, including:

- \$167.7 million GPR over the biennium for mental health services provided by schools.
- More than \$62.7 million GPR in fiscal year 2025-26 and more than \$67.2 million GPR in fiscal year 2026-27, coupled with expanded ability of school districts to use funds for costs other than those strictly associated with social workers. Under the Governor's proposal, expenditures for counselors, psychologists, and nurses would be eligible for state aid.
- \$760,000 GPR over the biennium to train school staff in handling student mental health issues, bullying prevention, restorative practices, and other evidence-based strategies to help struggling kids.

Further, kids should be focused on their studies not on whether or when they will eat next. The Governor's budget provides the highest ever school meal support to ensure that every kid, every day that school is in session, will receive a nutritious and free breakfast and lunch regardless of income with a more than \$147.7 million GPR investment in fiscal year 2026-27.

To ensure our kids, educators, and schools have the support and resources they need to be successful, improve outcomes, and prepare our kids for their future, the Governor's budget includes significant investments, as follows:

- To provide school districts with additional flexible resources that can be used where locally elected school boards determine they are needed most, \$493.8 million GPR in fiscal year 2025-26 and \$699.9 million GPR in fiscal year 2026-27 in state general equalization aid, the highest biennial increase in 30 years.
- The Governor also recommends indexing to inflation the historic \$325 increase in annual per pupil revenue limit authority provided as part of the 2023-25 budget, resulting in estimated per pupil adjustments of \$334 per pupil in fiscal year 2025-26 and \$345 per pupil in fiscal year 2026-27.
- Further, the Governor proposes increasing the low revenue ceiling, which helps low-spending school districts achieve greater revenue equity with other districts, to \$12,000 per pupil in fiscal year 2025-26 and \$12,400 per pupil in fiscal year 2026-27. This historic investment would help an estimated 270 school districts reduce disparities in district spending by providing lower-spending school districts with additional revenue limit authority without having to go to referendum.
- In addition to providing much needed additional revenue limit authority, the Governor is also recommending increasing per pupil categorical aid outside of revenue controls from \$742 per pupil currently to \$800 per pupil in fiscal year 2025-26 and \$850 per pupil in fiscal year 2026-27.
- To support students in a technology-forward economy, where many jobs are increasingly computer-centric, \$10 million GPR in fiscal year 2025-26 for career and technical education grants; \$3 million GPR over the biennium for career and technical education student organizations; and more than \$10 million GPR over the biennium for computer science education. The Governor also recommends requiring that high schools offer at least one computer science course.

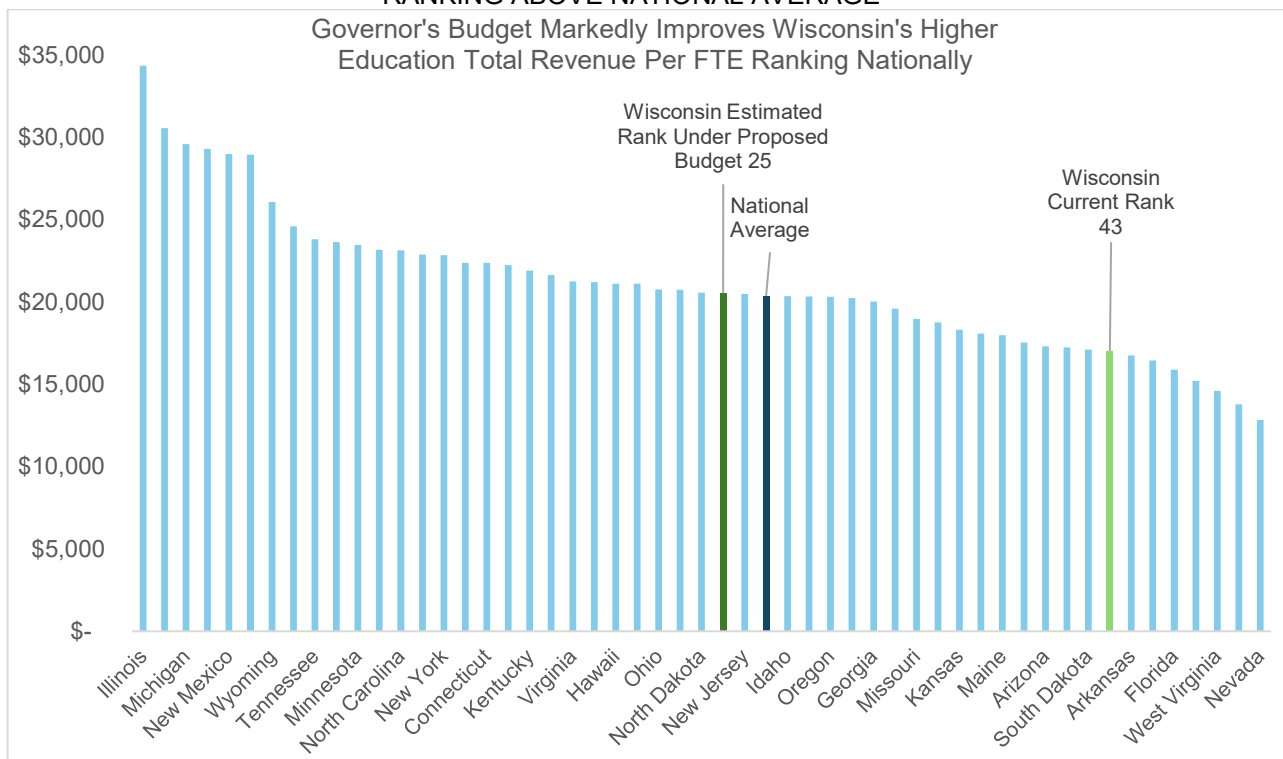
- To address the worsening educator shortage this budget includes providing: (a) \$5,000,000 GPR in fiscal year 2026-27 for "grow-your-own" educator programs; (b) over \$12.8 million GPR in fiscal year 2026-27 for stipends for student teachers, student teacher mentors, and future school librarians; (c) \$500,000 GPR over the biennium for Educators Rising, a student organization with local chapters for aspiring teachers; and (d) a provision in the University of Wisconsin System budget allowing for tuition remission for student teachers, discussed further below.
- \$53.5 million GPR over the biennium to support English learner students in all areas of the state, not just in certain districts with high concentrations of such students.

We must invest in public education from early childhood to our higher education institutions. Wisconsin technical colleges are a critical partner in the state's educational and workforce development efforts, passionate about developing applied skills in kids and adults. The technical colleges and other state agencies work together to create new and exciting pathways to careers for our state's future and current workers, such as teacher apprenticeships. The colleges also provide training and education through state programs such as Wisconsin Fast Forward. This budget invests in green jobs, health care, and worker training on using artificial intelligence to allow the Department of Workforce Development and technical colleges to bolster our workforce in these areas. The Governor's budget invests \$58.1 million GPR in the technical colleges over the biennium, building on the \$68.5 million GPR of approved investments since the governor took office in 2019.

The state's University of Wisconsin (UW) System campuses are central to the state's economy, an essential part of the promise of public education, and critical to bolstering the state's workforce by recruiting and training talent to support the state's future. The UW has a long, historic tradition of solving complex problems, marshaling world-class research to real-world applications, and being a laboratory for innovation that has saved and changed lives in Wisconsin and across the globe. Unfortunately, for more than a decade, Republican lawmakers have waged a war against higher education in the state, and UW campuses are long overdue for a significant increase in funding. A report released in April 2023 by the Wisconsin Policy Forum found that the UW System ranked 43rd nationally for per-student funding in 2021.

That's why, in the wake of six UW branch campuses announcing closures and several campuses laying off employees and cutting programs, the Governor urged the Board of Regents to join him in supporting the largest biennial increase for the state's UW campuses in state history. The Governor's budget makes good on that promise by providing more than \$856 million aimed at guarding against continued layoffs, campus closures, and program cuts and ensuring that UW campuses around the state remain vibrant parts of their communities and engines of the state economies.

CHART 7: GOVERNOR'S BUDGET WOULD MOVE WISCONSIN'S HIGHER EDUCATION REVENUE RANKING ABOVE NATIONAL AVERAGE



Source: State Higher Education Executive Officers Association, State Higher Education Finance Report, FY 2023

Making Child Care More Affordable and Accessible for Working Families

Because the first few years of a child's life are a critical time for brain development and lay the foundation for the rest of their life, Governor Evers is committed to ensuring that every kid has access to high-quality early childhood educational experiences that are affordable for families.

Wisconsin's child care industry has been under significant pressure for many years, struggling to balance affordability and access for all Wisconsin families with maintaining high quality care. The industry is plagued by razor-thin margins, low pay, high turnover, and a lack of high-quality, affordable options for families. When child care centers provide that quality care through low teacher-to-child ratios, while also handling compliance and quality factors, payments from families often do not fully cover operational costs or result in families being priced out of finding quality care for their kids. Another challenge for providers is recruiting and retaining qualified staff. Staff costs comprise roughly 80 percent of providers' expenses. Yet, because of providers' tight margins, the early childhood education workforce generally only earns on average between \$10 and \$13 per hour with few benefits. These low wages have led to a 40 percent annual turnover in the workforce, making it difficult for providers to sustain high-quality programs.

The financial strain on providers is a key reason Wisconsin faces an extreme shortage in infant and toddler care and nonstandard hour care (evening, overnight, weekend), and lacks overall care choices for families. According to the Department of Children and Families, an estimated 54 percent of Wisconsin residents live in a child care desert, defined as "any census tract with more than 50 kids under age five that contains either no child care providers or so few options that there are more than three times as many kids as licensed child care slots." The lack of early childhood education options across the state has had fundamentally negative impacts on Wisconsin's families, its workforce, and its economy as a whole.

The state's early childhood education system plays an important role for both families and businesses alike and several initiatives helped stabilize the child care industry during and after the COVID-19 pandemic. With bipartisan support, over \$650 million of federal funds were allocated to the Child Care Counts quality payment program to provide relief and support to child care providers throughout the state. Due to legislative inaction, payments from the Child Care Counts Program were cut in half in May 2023. While Governor Evers unilaterally was able to provide an additional \$170 million, without state investment, the program will end in June 2025, causing a child care cliff. Failing to stabilize and invest in Wisconsin's child care industry could have disastrous consequences for working families, our state's workforce, and our state's economy. According to a report from The Century Foundation, without additional continued investments, 2,110 child care programs are projected to close, resulting in over 87,000 children without child care in Wisconsin and the loss of over 4,880 child care jobs. Additionally, the lack of access to child care could potentially cause about half a billion dollars in economic impacts across the state.

In this budget, Governor Evers is proposing to make substantial, meaningful investments in Wisconsin's child care industry to help lower the cost of child care for working families, ensure child care providers can recruit and retain dedicated workers, and make child care more accessible by filling available slots and preventing further child care closures. The Governor has again proposed a significant investment to continue the Child Care Counts quality payment program to address quality, affordability, access, and equity for kids both in Wisconsin Shares and unsubsidized child care. Specifically, the Governor's budget allocates over \$480 million all funds over the biennium to continue the Child Care Counts program and to focus on infant and toddler care and early childhood education workforce. Under this initiative, providers would continue to receive a monthly amount per child based on the provider's YoungStar rating, the child's age, the child's Wisconsin Shares participation, and whether the child's authorization is part-time or full-time. Because retaining a well-qualified workforce is critical to the early childhood education landscape across Wisconsin, this initiative also provides a per-staff payment that would vary based on the provider's YoungStar rating and whether the staff member works full-time or part-time. This dual strategy of investing in infant and toddler care while supporting staff addresses the pervasive challenges around access, quality, affordability, and workforce in the early childhood education field.

In addition, although the Governor authorized the Department of Children and Families to raise Wisconsin Shares child care provider reimbursement rates to the 80th percentile of market rates in January 2022, the 2024 Market Rate Survey revealed that provider prices increased further, resulting in a drop in affordable child care slots by nearly 25 percent. For families participating in Wisconsin Shares, the rise in prices has led to a steep decline in child care affordability, with only 50 percent of slots now considered affordable. According to the 2024 Market Rate Survey report, Wisconsin families with an infant in center-based child care are seeing an average of 11 percent increase in monthly tuition prices, while Wisconsin families with an infant in family-based care are seeing an average of a 14 percent increase. These prices also outpaced Wisconsin's overall 4.9 percent inflation rate between the two years. Therefore, the Governor is including funding in his budget to raise those rates back up to the 75th percentile to provide adequate compensation to child care providers and relief to many families.

The Governor's budget also helps make child care more affordable, specifically for low-income families, by removing copayments for those with incomes less than 150 percent of the federal poverty level. This is part of an initiative to modify the calculation of a family's copayment based on a sliding scale from 0 to 7 percent of family income.

The Governor's budget will also include funding to build additional capacity in the industry by providing \$10 million GPR over the biennium for child care licensing support, coaching services, and other support services including substitute child care workers and providing \$5 million GPR starting in fiscal year 2026-27 for an employer-sponsored child care partnership grant program that supports businesses that choose to invest in child care for their employees.

In total, Governor Evers' budget aims to address fundamental structural problems in the child care industry by helping existing providers offer high-quality programs, support the development of new providers, and ease the cost burden on families. A robust, well-funded early childhood education and care

system is critical for our kids, and it is critical for our workforce. Without it, Wisconsin's economy will not be able to realize its full potential.

While making meaningful investments in Wisconsin's young people at every level, from early childhood to public schools to our higher education systems, is critical to improving outcomes for kids, these outcomes are as much of a reflection of what happens within schools as they are, importantly, a reflection of what happens beyond them. This budget works to shorten the odds by working to help address the challenges kids face every single day--at school, at home, and in their communities.

Ensuring Every Child's Welfare

State and county child welfare agencies continue to face implementation challenges related to the federal Family First Prevention Services Act. Although the act was passed in 2018 and Wisconsin began implementation in 2021, the changes to the child welfare system continue to be felt. The act reformed federal funding for child welfare and created new state requirements intended to reduce the number of kids entering out-of-home care, as well as encouraging states to place kids who do enter out-of-home care in family settings, such as foster care. While the federal government will now provide reimbursement funding to states for providing prevention services, federal reimbursement for the costs of placing a child out of home in a congregate care setting, with certain exceptions, is significantly reduced. This means that the state and counties are receiving less federal support to help children who are in group care placements.

The Governor understands that fully supporting our county partners is critical to ensuring the well-being of children who interact with the child welfare system. As a result, the Governor is recommending a 5 percent increase in calendar year 2026 to both Children and Family Aids and Youth Aids to counties, and an additional 2 percent increase in calendar year 2027.

The Governor also aims to improve child welfare programs in Tribal Nations. The budget adds to the support given in previous biennia by creating GPR appropriations and expanding funding for Tribal family services by 5 percent in federal fiscal year 2026 and an additional 2 percent in federal fiscal year 2027. In addition, the Governor proposes to create a GPR appropriation for high-cost Tribal out-of-home care placements and provide almost \$7.5 million GPR over the biennium to ensure sufficient funding.

One of the best placements for kids in out-of-home care is in a family setting, ideally with a family member they know. The budget expands eligibility for kinship caregiving, as well as subsidized guardianship, to certain populations of justice-involved youth who are currently excluded, as well as ensuring kids of all ages are able to be placed with a like-kin guardian.

Though Wisconsin, like all states, is shifting toward placing kids in family settings like foster care or kinship care, the Governor recognizes that the healthiest place for certain kids removed from their home is a placement in a qualified residential treatment program, which can provide necessary medical and behavioral support. In 2022, the Department of Children and Families utilized federal funds to pilot an enhanced qualified residential treatment program to provide services to children with high acuity needs, with the goal of preventing more children from being placed in settings outside of Wisconsin. Following the success of this pilot, the Governor is proposing more than \$5.3 million GPR over the biennium in the budget to ensure ongoing funding for this important out-of-home placement setting.

In order to ensure that kids in out-of-home care receive excellent support to enable them to have healthy lives and futures, their caregivers must receive necessary support. In addition to strengthening the child welfare programming at the state and local level, the Governor's budget provides additional assistance directly to foster and kinship care families. As the cost of caring for children continues to rise, the Governor understands that ensuring quality care is provided to those children who need it the most requires an increase to assistance for foster care and kinship care parents. The Governor is therefore providing over \$2.1 million all funds over the biennium to increase foster care age-based rates by 5 percent and allow foster care level 1 providers to receive that age-based rate. The budget also makes

kinship care providers eligible to receive those age-based rates and provides nearly \$21 million TANF over the biennium.

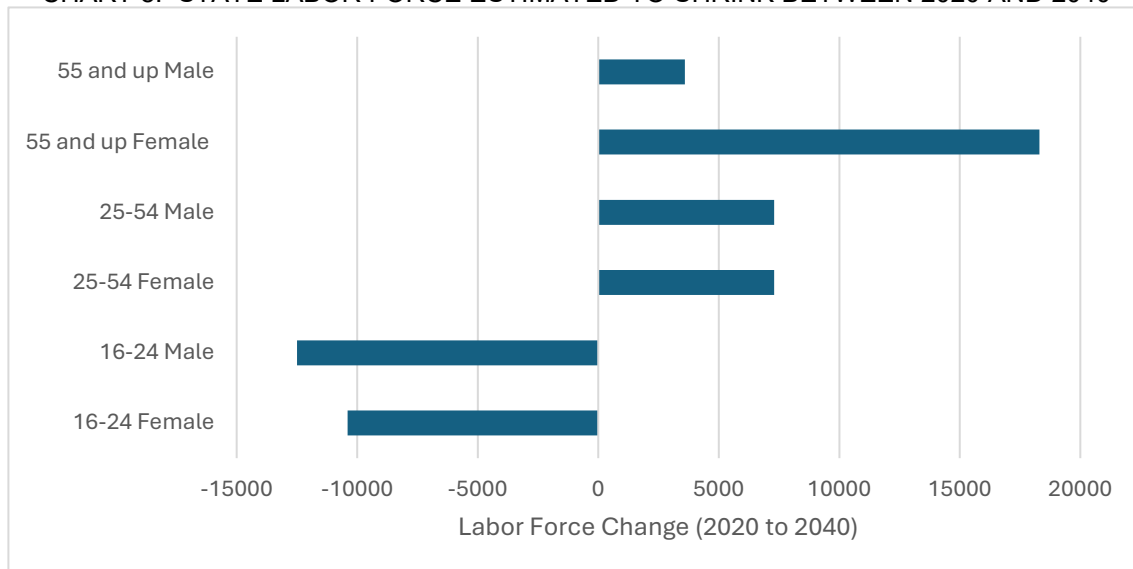
Finally, the Governor supports programs that are aimed at developing and supporting strong and healthy families. As such, the budget includes over \$4.8 million GPR in each fiscal year for the Child Abuse and Neglect Prevention Board to fund family resource centers in regions across the state and expands home visiting services to approximately 24 additional counties and Tribes with more than \$5 million all funds over the biennium.

BUILDING A 21ST-CENTURY WORKFORCE & ECONOMY

Wisconsin's workforce has never been stronger. Governor Evers declared 2024 the Year of the Worker in Wisconsin to highlight his administration's efforts to bolster the state's workforce in high-demand fields. Throughout the course of the year, the state continued to see historically low unemployment, with nine counties reporting their lowest unemployment rates on record. The state's unemployment rate as of December 2024 was 3.0 percent, which is significantly below the national average of 4.1 percent. Additionally, the state saw record-high employment for eight consecutive months with more Wisconsinites employed than ever before, and the state's labor force participation rate increased to 65.9 percent, which is above the national average.

However, the state continues to face generational workforce shortages and serious demographic challenges that require policymakers to take urgent and meaningful action to continue to attract, recruit, train, and retain workers to Wisconsin in order to maintain the state's thriving economy.

CHART 8: STATE LABOR FORCE ESTIMATED TO SHRINK BETWEEN 2020 AND 2040



Since his last budget proposal, the Governor created two task forces to address two of the pressing workforce challenges facing Wisconsin. The Governor's Task Force on Workforce and Artificial Intelligence released an advisory action plan in July 2024, and the Governor's Task Force on the Health Care Workforce completed its work in August 2024.

The Governor's budget includes numerous investments to address the task force recommendations. Other workforce initiatives are more generally designed to upskill workers to meet employer needs, increase earning capacity, and bolster job satisfaction. Specifically:

- \$140 million GPR over the biennium to establish a Workforce Innovation Grant Fund, which will provide grants to regional entities for locally driven solutions to workforce challenges. Of this, \$15 million GPR will be used to fund workforce issues surrounding artificial intelligence and \$25 million GPR to address Wisconsin's healthcare workforce shortages.
- Over \$2.9 million GPR in fiscal year 2025-26 and over \$2.6 million GPR in fiscal year 2026-27 for registered apprenticeship expansion and development of new workforce pathways, including in the areas of artificial intelligence and health care. Additionally, the Governor's budget includes more than \$3.6 million GPR in fiscal year 2025-26 and \$7.6 million GPR in fiscal year 2026-27 to ensure all youth apprenticeship grant requests are fulfilled.
- \$15 million GPR in fiscal year 2025-26 and over \$5.1 million GPR in fiscal year 2026-27 for the Worker Advancement Program, to reach workers who are disconnected from the workforce.
- \$3.7 million GPR in fiscal year 2025-26 and \$1.7 million GPR in fiscal year 2026-27 for Wisconsin Fast Forward grants in the areas of teacher apprenticeships, health care, green jobs and technical education.
- \$710,600 GPR in fiscal year 2025-26 and \$910,800 GPR in fiscal year 2026-27 to place dedicated career navigators in each of the state's workforce development areas to connect workers and employers.
- To bolster worker satisfaction and attract talent, require that all employers in the state with 50 or more employees provide paid family and medical leave of at least eight weeks. According to the U.S. Department of Labor, the need for paid leave is growing as our population ages, and access to such leave is unevenly distributed across racial groups, industries, and income levels. The Department of Labor also notes that these benefits can improve public health, reduce stress, and fuel economic growth. The Governor's budget provides partial income replacement benefits while on paid family and medical leave, allowing Wisconsinites to better balance their budgets and the demands of work and family.
- Overall investments in the state's higher education opportunities through the University of Wisconsin System, financial aid, and the Wisconsin Technical College System to improve the state's pipeline of workers.
- Investments to continue improvements in professional credentialing at the Department of Safety and Professional Services, such as: (a) 10.0 FTE PR positions for efficient and effective credential application processing; (b) 14.0 FTE PR positions for call center staffing to assist credential holders and applicants in a timely manner; (c) statutory changes to make it easier for the state to enter into multistate licensure compacts; and (d) allowing undocumented individuals to obtain credentials to engage in family-supporting occupations.

Investing in Agriculture

Wisconsin's farmers, farm families, and producers have been the backbone of the state for generations. Whether it's been supporting the future research and workforce this industry needs to keep up with the demands of the 21st Century, ensuring rural communities have good roads, broadband, and water infrastructure to be successful, or fighting to make sure farmers have the support and mental health resources they need, Governor Evers has supported Wisconsin farmers and farm families over the past six years. The Governor's next state budget will continue to build upon these efforts by investing more than \$80 million in Wisconsin's \$116 billion agricultural industry.

Since Governor Evers created the Wisconsin Initiative for Agricultural Exports in 2021, Wisconsin's national ranking for agricultural exports has improved. Wisconsin currently ranks 11th among states in agricultural exports, up from 13th in 2021, exporting \$3.87 billion in agricultural products to 142 countries

in 2023. Wisconsin's top five markets for agricultural exports were Canada, Mexico, China, South Korea, and Japan. Wisconsin ranked first in the export of specialty cheese, bovine genetics, ginseng, raw furskins, and prepared/preserved cranberries. With actions in Washington D.C. causing chaos and uncertainty in international agricultural markets, the budget will invest an additional \$2 million over the biennium and staff resources into the successful Wisconsin Initiative for Agricultural Exports. The program, currently funded at \$1 million GPR per year, supports farmers and producers wanting to expand into new markets and increase their export output. Specifically, the budget includes a new full-time position to help farmers navigate the tumult of agricultural export markets. The budget also includes the creation of an agricultural economist position to provide solid economic data to help inform decisions around agricultural markets.

As America's Dairyland, Governor Evers knows that the state's dairy industry is a core part of Wisconsin's past, present, and future success. Wisconsin is home to more dairy farms than any other state in the nation, and the dairy industry itself contributes \$52.8 billion to Wisconsin's economy each year. In 2023, Wisconsin was the nation's top cheese-producing state with over 3.51 billion pounds of cheese, or more than 25 percent of the nation's cheese production. Wisconsin's 1,200 cheesemakers make over 600 types, styles, and varieties of cheese – nearly double the number of any other state.

The budget will help farmers and producers increase their opportunities to create high value products. A new Value-Added Agricultural Grant Program will provide grant dollars to farmers to create and market value-added products, such as turning milk into cheese, wheat into flour, or berries into jam. The budget also increases funding to the Meat Processor Grant Program and Dairy Processor Grant Program, which support capacity expansion and supply chain improvements for those processors. In addition, the budget continues the Meat Talent Development Grant Program, which was established by Governor Evers in 2022, to grow the state's meat processing workforce. The program helps attract, recruit, and train workers for the meat processing industry and provides financial support to Wisconsin students who are enrolled in a meat processing training program. Additionally, this budget creates a new Dairy Agriculture Resilience Investment Now Grant (DARING) program with a \$1.5 million investment to help farmers invest in on-farm equipment improvements for their operations, such as IT infrastructure, milking equipment, and more.

The budget will also help agricultural producers market their products. Additional funding in the Buy Local, Buy Wisconsin Program will help producers overcome marketing, distribution, and processing hurdles that they may face in getting their products to local consumers. The newly created Farm-to-Fork Program will connect Wisconsin farmers with local businesses, universities, and hospitals, to allow those entities to purchase nutritious and delicious locally produced fruits, vegetables, and dairy products for their cafeterias. The budget will invest funds into the Something Special *from* Wisconsin trademark marketing program, which promotes the buying and selling of Wisconsin made and produced products. Finally, the budget will offer legal protections for certain agricultural products and how they are marketed. Truth-in-labeling provisions for milk, dairy products, and traditionally harvested manoomin (wild rice) will help ensure that Wisconsin consumers know exactly what they are purchasing.

Further, the Governor's budget continues the popular Food Security Initiative grant program and increases total funding to \$30 million GPR over the biennium. The program connects local nonprofit food assistance programs with local food production companies, like cheesemakers, meat processors, and vegetable growers, and helps keep food pantry shelves stocked as Wisconsin continues to seed high demand for these resources. The budget also continues funding for the Tribal Elder Community Food Box grant program which assists food security organizations and Tribal Nations in providing nutritious, culturally-relevant food for Tribal Nation citizens. Finally, \$200,000 over the biennium is also provided to conduct a Food Waste Reduction Grant program to reduce the amount of food waste sent to landfills.

The budget also promotes silviculture, the growing and cultivation of trees, which is another key component of Wisconsin's agricultural economy. The Governor recommends providing \$775,000 SEG in one-time funding for the development of a forestry industrywide strategic plan and roadmap. The plan, a recommendation of the Governor's Blue Ribbon Commission on Rural Prosperity and of the Council on Forestry, will help Wisconsin meet the 21st-century demands of the wood products industry. The Governor also recommends providing an additional \$500,000 SEG over the biennium for the Wisconsin

Forest Landowner Grant Program and \$500,000 SEG over the biennium for the County Forest Administration Grant. Further, the budget provides a forestry liaison position at the Department of Natural Resources to coordinate activities and opportunities between forestry community and the state. Finally, the budget provides \$500,000 SEG over the biennium for the Sustainable Forestry Program and provides the Board of Commissioners of Public Lands (BCPL) \$100,000 SEG over the biennium to plant trees on BCPL lands. All of these actions will support the Governor's ambitious goal of planting 100 million trees in Wisconsin by 2030.

Providing Tax Relief, Ensuring Wisconsinites Keep More of Their Hard-Earned Money, and Ensuring Tax Fairness

Wisconsin's tax climate has improved markedly under Governor Evers' leadership. Thanks to the Governor's efforts to cut taxes, Wisconsinites are keeping more of their hard-earned income today than at any point in the last 50 years. A recent Wisconsin Policy Forum report says Wisconsin's state and local tax burden dropped to a record low in 2024. As of the most recently available Census data on state and local taxes, Wisconsin's overall tax ranking has improved to 35th nationally in 2022 from 5th in the nation as recently as two decades ago. The days of Wisconsin being a high-tax state are over. The Governor's recommendations for the 2025-27 biennium will continue to build upon this achievement.

CHART 9: WISCONSIN'S TAXES ARE NOW WELL BELOW THE NATIONAL AVERAGE

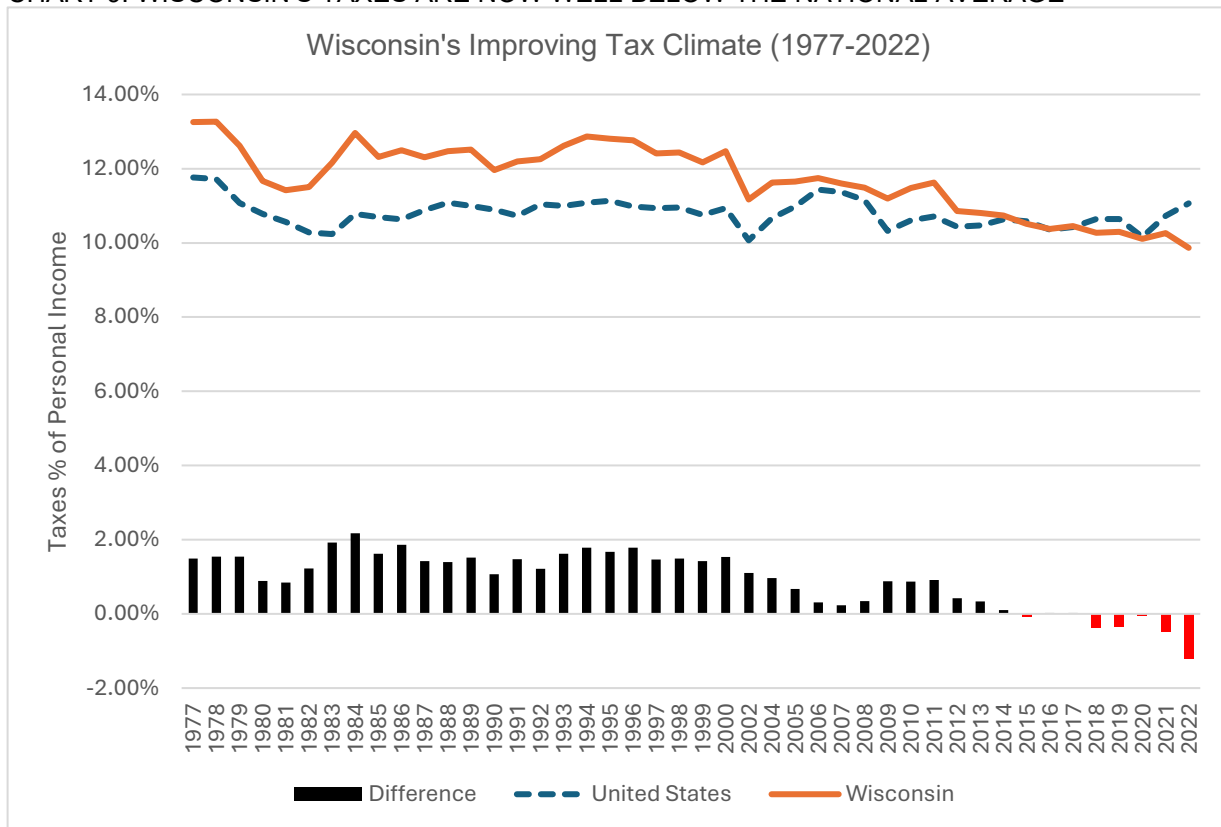


TABLE 6: WISCONSIN TAX RANKING BY TAX TYPE

Measurement	WI Ranking	WI Percentage of Personal Income	US Percentage of Personal Income	Difference
Total Taxes	35	9.87%	11.05%	-1.18%
Property Taxes	17	3.04%	3.03%	0.01%
Individual Income Taxes	30	2.53%	2.80%	-0.27%
General and Selective Sales Taxes	41	2.97%	3.69%	-0.72%
Corporate Income Taxes	11	0.82%	0.74%	0.08%
Total Own-Source Revenue	34	13.95%	15.32%	-1.36%

Since 2019, Governor Evers has enacted more than \$1.7 billion in annual tax relief, with the cumulative total relief exceeding \$7.5 billion by the end of fiscal year 2024-25. By the end of fiscal year 2026-27, total cumulative relief under current law will exceed \$11 billion over the Governor's two terms. These cuts have primarily been to individual income taxes, with rate cuts in each of the last three biennia, which have together delivered cumulative reductions in income taxes of greater than 15 percent for middle class Wisconsinites. Not included in this total are property tax relief items, such as the repeal of the personal property tax on businesses and increases in the School Levy Tax Credit for all property taxpayers.

With continued pressures on Wisconsinites' household budgets and on local governments to meet their costs, property taxes, which are the largest tax source in Wisconsin, will be a central focus of the Governor's tax relief efforts in this upcoming biennium.

Wisconsin's large carryover balance in the General Fund, exceeding \$4.2 billion to begin the 2025-27 biennium, masks the fact that, due to Governor Evers' consistent efforts to deliver tax relief and return dollars to Wisconsinites, the state's General Fund taxes are only approximately even with inflation over the past several fiscal years, which limits the state's ability to keep up with costs. As a result, the Governor's budget includes a number of tax fairness initiatives to secure the necessary revenues to fund both new tax relief measures for middle-class Wisconsin taxpayers and the key public investments that provide the foundation for the Wisconsin economy and our high quality of life, especially in education and health.

CHART 10: INFLATION ADJUSTED TAX REVENUES FLAT

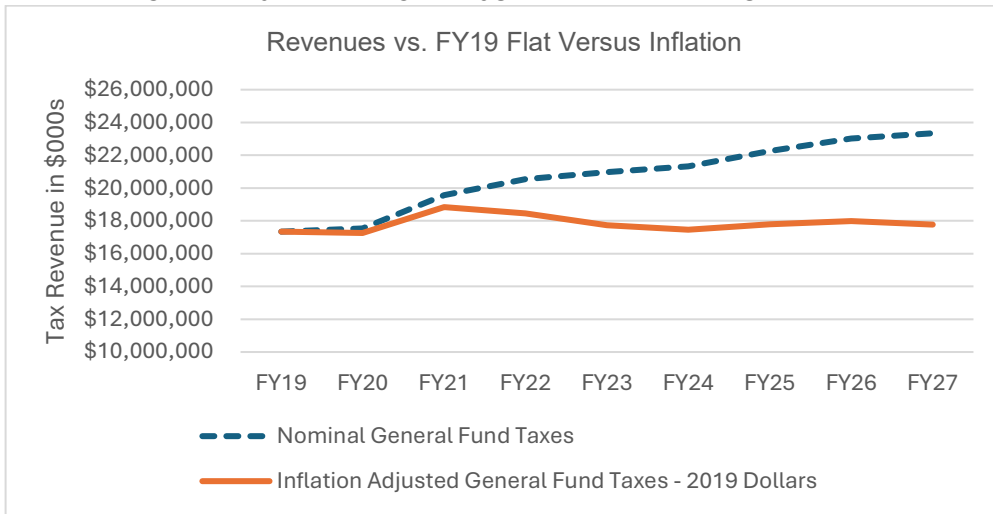
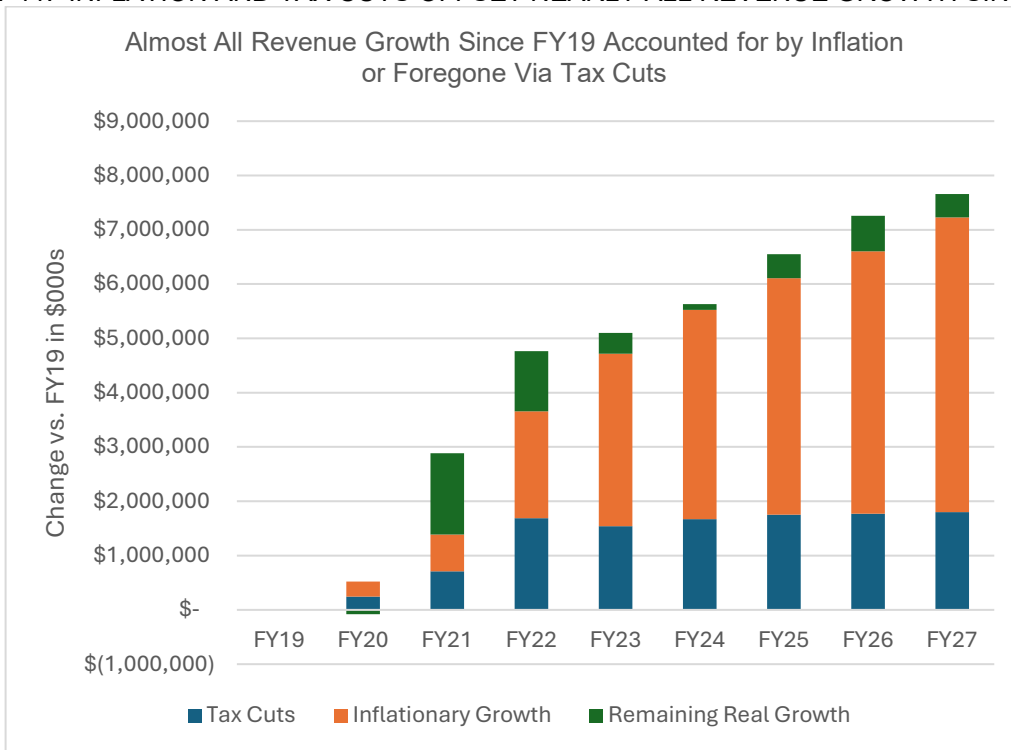


CHART 11: INFLATION AND TAX CUTS OFFSET NEARLY ALL REVENUE GROWTH SINCE 2019

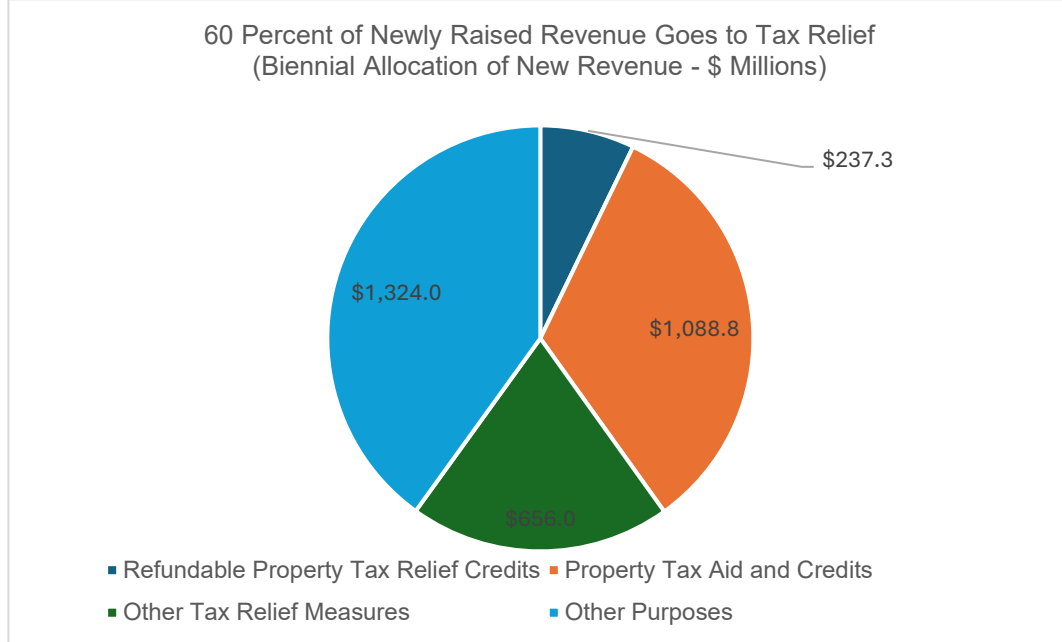


The Governor's budget continues to provide middle class tax relief and balances this critical objective with the need for the state to maintain sufficient revenues for its priorities. In total, this budget provides approximately \$1.1 billion in property tax reductions through local aid and property tax credits over the biennium, along with almost \$240 million of refundable tax credits for seniors, low-income families, and veterans to offset their property tax burdens. Additionally, there are over \$650 million in income and sales tax reductions to assist individuals and businesses with the cost of living and allow Wisconsinites to keep more of their hard-earned money in their pockets throughout the year. This amounts to nearly \$2 billion in tax relief over the biennium for hardworking Wisconsinites, which will keep property taxes flat on the

typical homeowner, reduce costs for Wisconsin families and reduce income taxes for middle class Wisconsinites.

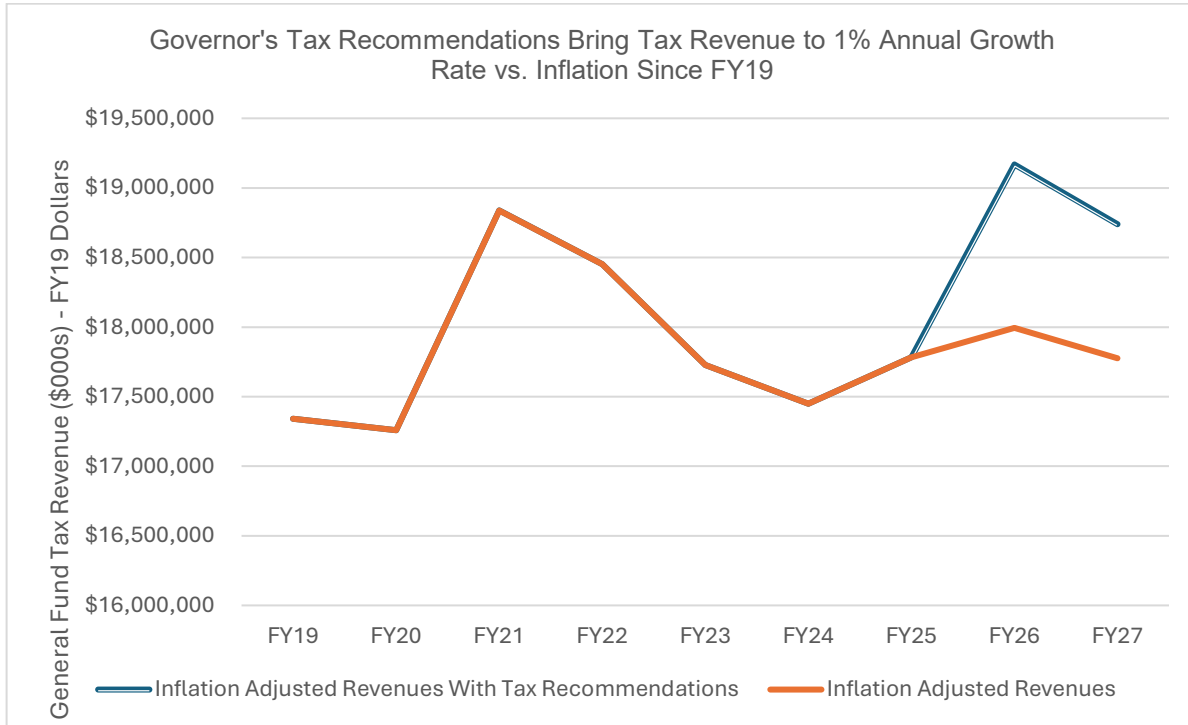
To fund these tax reductions, the Governor recommends ensuring that the highest income Wisconsin taxpayers pay their fair share by creating a new top rate for those earning more than \$1 million annually as well as limiting certain tax expenditures for the wealthiest taxpayers in the state. Of the \$3.3 billion in new revenue generated by these provisions over this biennium, only 40 percent will be allocated to fund new investments in public services while 60 percent will be dedicated to tax reductions, predominantly property tax relief.

CHART 12: MOST NEW GENERAL FUND TAX REVENUE RETURNED AS TAX RELIEF



These new revenues will bring inflation-adjusted Wisconsin General Fund tax revenues to approximately the same level as fiscal year 2020-21 and represent an average annual increase of just 1 percent per year since fiscal year 2018-19 by fiscal year 2026-27. The revenue enhancing measures included in this budget are targeted and modest in the context of deep tax relief that Governor Evers has delivered over the past several years and the state's need to continue to fund core services, confront escalating costs, and do its part to lower costs and provide tax relief for working families.

CHART 13: REVENUE ENHANCEMENTS RESTORE NECESSARY RESOURCES

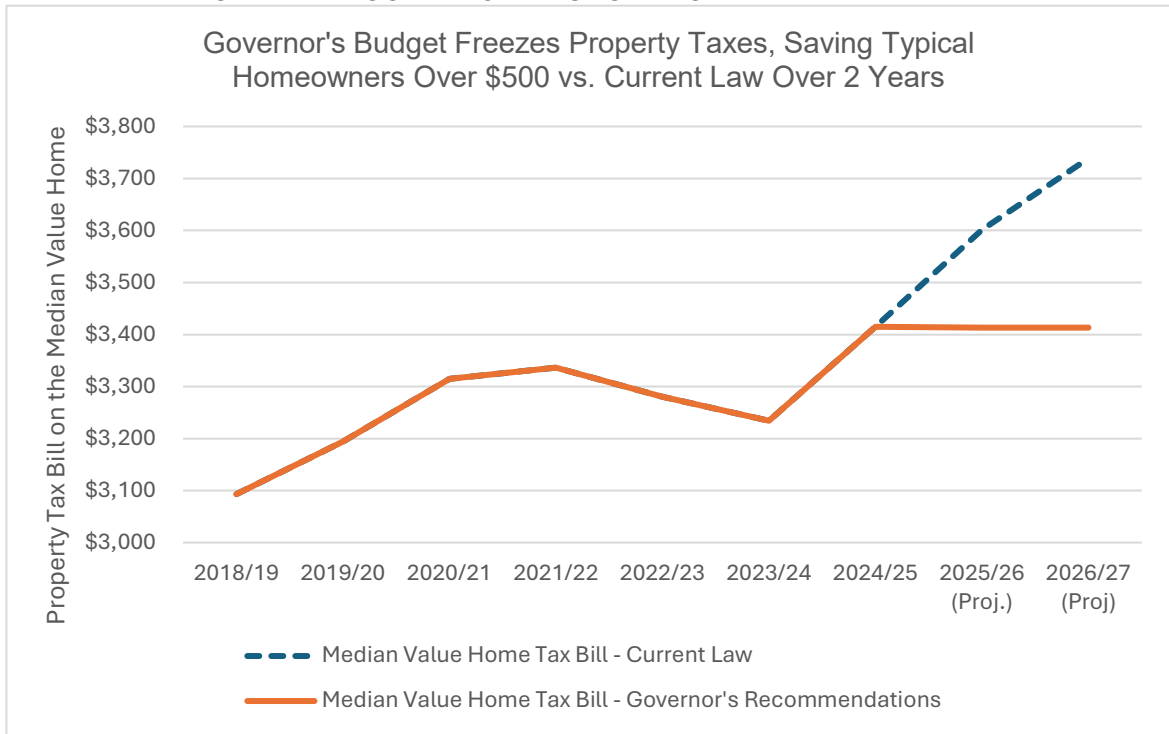


Funding the Freeze – Holding Property Taxes Flat in the 2025-27 Biennium

Working folks and families across the state are struggling with everyday, out-of-pocket costs. Cost pressures have affected local governments as well as school districts; counties and municipalities struggle with higher labor costs, higher interest rates, and rising material costs, affecting their direct purchases as well as contract services costs. As a result, under current law, without additional funding to offset these rising costs, property taxes on the typical homeowner are expected to rise by \$324 from the 2024/25 property tax year which just concluded to the 2026/27 property tax year.

Governor Evers' budget averts that entire increase and freezes the typical bill at the current level.

CHART 14: GOVERNOR'S BUDGET HOLDS TAX BILLS FLAT



To achieve this, the Governor's budget includes more than \$1 billion in aid to local governments and property tax credits to buy down the pressures on property taxpayers. Beyond that, the Governor recommends increasing property tax credits under the individual income tax to assist those Wisconsinites least able to afford rising property tax bills, such as disabled veterans, seniors, and low-income residents.

TABLE 7: GOVERNOR'S RECOMMENDED PROPERTY TAX RELIEF

Governor's Recommended Property Tax Relief (\$ Millions)			
<u>Property Tax Relief Mechanism</u>	<u>FY26</u>	<u>FY27</u>	<u>Biennial Total</u>
K-12 Aid in Excess of Revenue Limit Authority	\$177	\$198	\$375
School Levy Tax Credit	125	250	375
County and Municipal Property Tax Aid	112	227	339
Personal Property Tax Repeal Aid Revenue Limit Adjustments*	62	62	123
Homestead Credit Expansion and Indexing	72	76	148
Veterans and Surviving Spouses Credit – Eligibility Increase	31	35	67
Veterans and Surviving Spouses Credit – Renters	<u>11</u>	<u>12</u>	<u>23</u>
Total	\$590	\$860	\$1,450

*No new aid is provided. Revenue limits for K-12 and technical college districts are reduced for personal property tax repeal aid consistent with the original intent of that repeal aid.

Since the composition of local property tax levies varies considerably around the state between different levying governments, the Governor's property tax relief plan calls for a three-pronged approach instead of focusing on just one levy source. The first is to increase general equalization aid to school districts by more than the amount of new revenue limit authority granted, reducing levies relative to current law levels by \$375 million over the biennium. The second is to provide county and municipal governments with a new incentive program to freeze their property tax levies by providing aid equal to a 3 percent levy

increase in each year if those governments keep levies flat, or reduce those levies, compared with 2024/25 levels. The first levies eligible for this program will be the next levies set by counties and municipalities for calendar year 2026. Third, the Governor recommends increasing the School Levy Tax Credit by \$125 million in fiscal year 2025-26 and \$250 million in fiscal year 2026-27 to deliver additional tax relief directly to taxpayers on their property tax bills. The Governor's investment in the School Levy Tax credit will deliver more than \$100 of property tax relief for the median value home over the biennium.

TABLE 8: VARYING PROPERTY TAX LEVY COMPOSITION

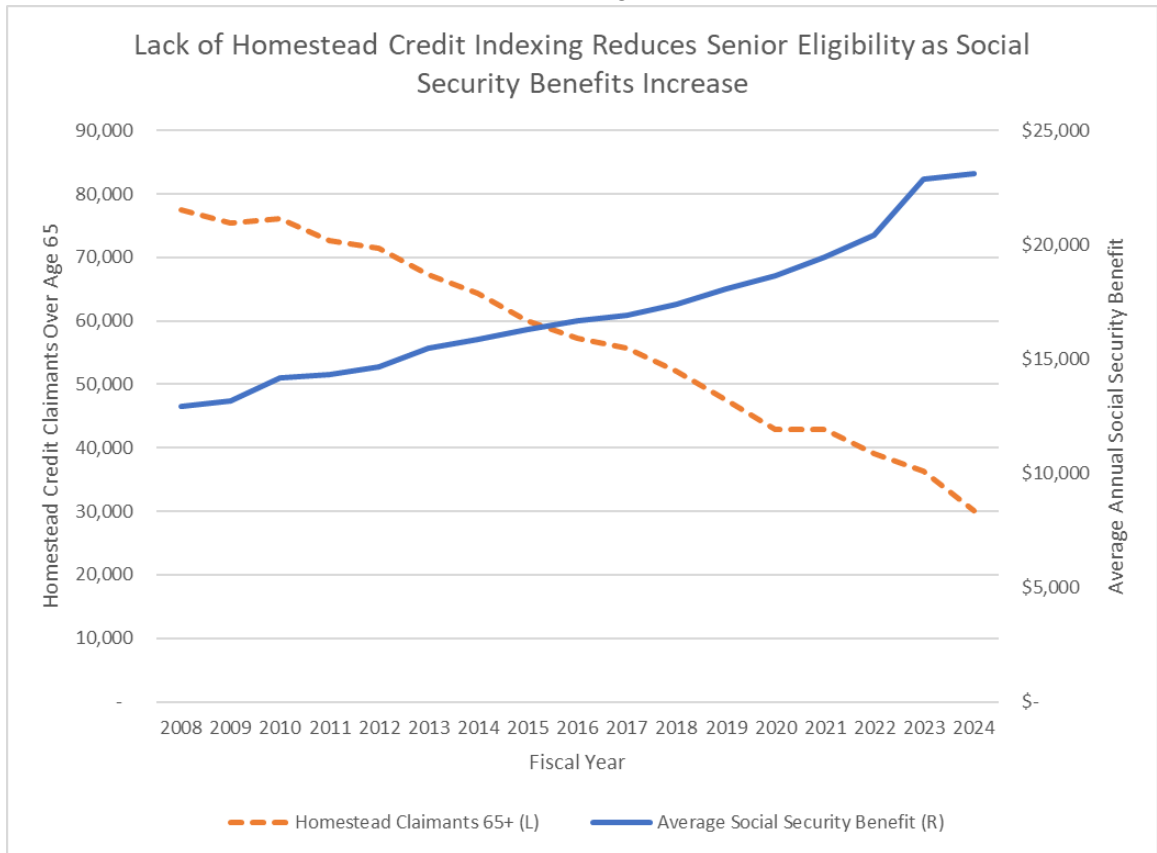
Composition of Property Taxes by Type of Government and Relative Property Values					
Type of Government	Property Value Per Capita Relative to State	Municipal Levy Share	County Levy Share	K-12 Levy Share	School Levy Tax Credit % of Property Tax Levies
City	<100%	36.1%	16.4%	35.2%	7.4%
	100%-150%	30.9%	13.5%	45.0%	9.1%
	150%+	27.3%	12.8%	50.7%	11.1%
Village	<100%	26.6%	18.6%	41.3%	8.4%
	100%-150%	26.3%	14.7%	47.1%	9.7%
	150%+	23.4%	19.3%	45.5%	9.6%
Town	<100%	13.9%	30.6%	50.0%	10.2%
	100%-150%	13.2%	27.1%	54.2%	11.0%
	150%+	13.5%	27.1%	54.1%	11.0%
Statewide Total		26.6%	19.2%	44.1%	9.1%

Taking this blended approach to property tax relief recognizes the varying composition of property tax burdens around the state. Cities, which are home to a majority of the state's population, have comparatively higher municipal levy shares compared to towns, which generally have a greater share of their total levies paid toward K-12 school districts, and there are also variances within government types by per capita property values due to the effect of equalization aids. As a result, providing relief across these three approaches ensures that all parts of the state will see significant property tax relief. The Governor's recommended new county and municipal property tax aid program will add a vital new tool to balance approaches to property tax relief in the future.

Further, the Governor's budget provides for increases in credits for property taxes and the rent equivalent of property taxes for seniors, the disabled, and veterans.

As in previous budgets, the Governor recommends enhancing the Homestead Credit to provide increased relief to lower-income Wisconsin residents, especially seniors and those with disabilities, to meet their property tax and rent burdens. The Governor also recommends changing the name of the Homestead Credit to the Property Tax and Rent Rebate program to better align the name of the program with its purpose. The Governor's budget will increase the maximum eligible household income under the updated program to \$37,500 in tax year 2025 to extend property tax and rent relief to a large segment of Wisconsin residents who have lost that relief due to their income exceeding the maximum income threshold because of inflationary pressures over the past two decades. Also, the Governor recommends increasing the phase-out threshold for the Homestead Credit from \$8,060 to \$19,000 to ensure that taxpayers do not start losing their credit at low levels of income. Further, the Governor's budget will restore indexing for the credit beginning with tax year 2026, which is vital for those on fixed income streams such as Social Security or disability payments. For those taxpayers, restoring indexing will prevent the credit from losing value due to inflation. Approximately 165,000 taxpayers will see approximately \$148 million in targeted property tax relief over the biennium through this expansion of the Homestead Credit.

CHART 15: SENIORS HAVE BEEN PUSHED OUT OF THE HOMESTEAD TAX CREDIT BY INFLATION



Because the Homestead Credit is currently limited to seniors, those with disabilities, and those with earned income due to changes implemented in the 2017-19 biennial budget, expanding the Homestead Credit's income eligibility provides tax relief exclusively to those on fixed incomes or low-income working households, helping seniors and people with disabilities stay in their homes and improving housing affordability for low-income working households. Inflationary adjustments in Social Security benefits have greatly reduced the number of senior claimants of the Homestead Credit in recent years. In fact, as noted in the chart above, the average Wisconsinite whose only income is their Social Security benefit is close to being unable to claim the Homestead Credit. This means that any extra income earned, including an inflationary adjustment to the Social Security benefit, could put a senior claimant over the income threshold and cause the claimant to be ineligible for this credit. By refusing to index the Homestead Credit, the Legislature has been failing Wisconsin's senior citizens who are struggling to pay their property taxes while confronting other rising costs.

Finally, the Governor recommends expanding the Veterans and Surviving Spouses Property Tax Credit in two meaningful ways, by: (a) increasing the availability of the credit to those with a disability rating in excess of 70 percent and (b) expanding the credit to include renters. The expansion to include renters matches the treatment of renters under the Homestead Tax Credit and the School Property Tax Credit. Renters pay property taxes that are passed through by their landlords and should receive tax relief as a simple matter of tax equity. As with the current law provisions, this proposal would extend the Veterans and Surviving Spouses Property Tax Credit for disabled veterans and surviving spouses who rent instead of own at the rate of 20 percent for those with heat included in their rent and 25 percent for those without heat included in their rent. These provisions will provide a total of \$42.3 million in relief in fiscal year 2025-26 and \$47.2 million in fiscal year 2026-27.

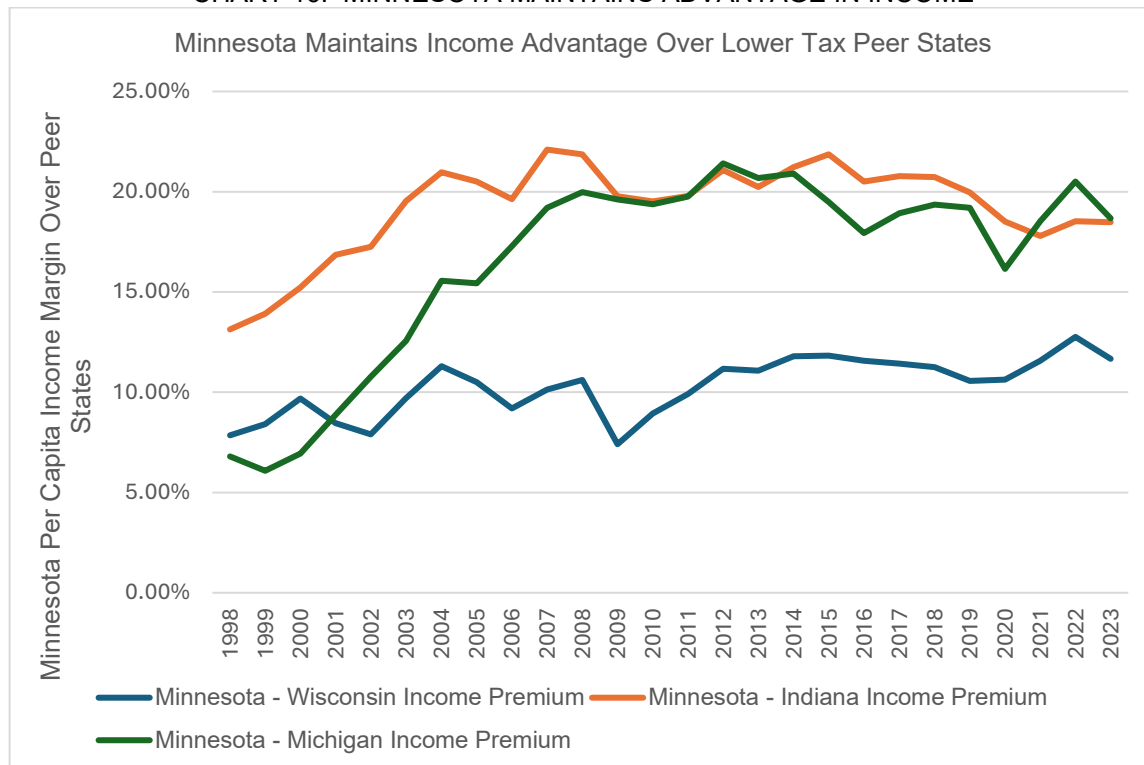
Creating a Fairer Tax Code

Governor Evers believes that when the state provides tax relief it should be real, responsible, and meaningful relief targeted to the middle-class, not to millionaires and billionaires. To ensure that all Wisconsinites pay their fair share to fund the critical resources we all rely on, such as investments in education and health, this budget improves tax fairness in a variety of ways, including the creation of a new top tax rate for Wisconsin's highest income earners. That increased revenue also pays for additional middle-class tax relief in the form of an increase to the personal exemption, an expansion of the Wisconsin Earned Income Tax Credit, and sales tax exemptions for over-the-counter medicine and residential electricity and natural gas.

The new top bracket rate of 9.80 percent, will only apply to those with taxable income of \$1 million or greater. This change will help pay for the Governor's property tax relief proposals as well as additional relief for working families. Wisconsin's top bracket will remain just below our neighbor Minnesota's top tax rate of 9.85 percent, but the high earnings threshold is unlike Minnesota, which imposes its highest bracket on \$330,410 in taxable income for a married couple and \$198,630 for a single filer. The new Wisconsin tax bracket would affect only approximately 0.3 percent of Wisconsin filers and raise additional tax revenue of \$719.3 million in fiscal year 2025-26 and \$578.4 million in fiscal year 2026-27.

While there will be those who claim that increasing Wisconsin's top marginal rate will put the state at a competitive disadvantage, the example of Minnesota is instructive in disproving this notion. Despite its supposedly uncompetitive top marginal rate, Minnesota continues to enjoy a large per capita income premium over its lower tax peer states, such as Michigan, Indiana, and Wisconsin.

CHART 16: MINNESOTA MAINTAINS ADVANTAGE IN INCOME



Source: Bureau of Economic Analysis, Regional Income and Product Accounts

Even when tax revenues might appear to be strong prudent fiscal management is still required including reviewing government programs for efficiency. It is essential that the state conduct routine evaluations of the policies that do and do not work in achieving their aims, investing more in those that do and adjusting

those that do not. In doing so, we can redirect funds from ineffective provisions to deploy those resources into programs with higher return on investment for the people of Wisconsin. This is as true in the tax code as it is in any other program area.

The Manufacturing & Agriculture Credit has now had a decade to prove itself, and it has failed to provide the benefits promised for manufacturing at the time of its creation in 2013, while its costs to Wisconsin taxpayers have soared. When the credit was first created in the 2011-13 biennial budget, the fully phased-in fiscal effect was projected to be only \$128.7 million by fiscal year 2016-17. The actual amount grew to \$257 million by that year and is now costing the state approximately \$450 million a year according to the most recent estimates from the Department of Revenue.

Meanwhile, despite the ballooning costs, the credit has failed to demonstrate any measurable success at increasing Wisconsin's share of national manufacturing employment. To the extent that the purpose of the Manufacturing & Agriculture Credit was to increase Wisconsin's share of national manufacturing employment, it has not achieved its goal, as Wisconsin has not seen growth in its share over the history of the tax credit. The credit is ineffective at increasing employment and at helping to increase wages among those employed in the manufacturing sector. The result of this tax benefit has been to significantly reduce state tax revenues by providing massive tax benefits to high-income earners. Moreover, because it is a nonrefundable credit, it cannot be argued that the credit helps keep firms in business since it is only available to those earning a net profit. Considering that the credit costs the state nearly 2 percent of its total General Fund tax revenues annually, it is time to reevaluate and limit this costly tax expenditure.

In tax year 2023, a mere 8,870 taxpayers, approximately 0.3 percent of all individual income tax filers with a net tax liability, claimed the manufacturing portion of the credit for a total of \$688.9 million, approximately \$77,700 per claimant. Sixty-six percent of the aggregate dollar claim went to taxpayers with adjusted gross incomes in excess of \$1 million, and more than half of those claims were to taxpayers with adjusted gross incomes in excess of \$5 million. Those approximately 290 claimants with adjusted gross income in excess of \$5 million in 2023 claimed \$236.0 million in the manufacturing credit, or nearly \$810,000 per claimant.

Manufacturing continues to be a vital part of Wisconsin's economy. This credit, however, has demonstrated no record of growing Wisconsin's manufacturing employment or wages. Under the Governor's proposal, the agricultural portion of the credit will remain as it is under the current law. However, because this massive tax expenditure has been generally ineffective while also driving inequities in our income tax structure, the Governor recommends limiting, not eliminating, the manufacturing portion of the credit to only apply to the first \$300,000 in qualified production activities income for each firm qualifying for the credit. This will result in an increase of \$418.5 million in fiscal year 2025-26 and \$373.8 million in fiscal year 2026-27 to state tax collections. The Governor remains committed to providing a healthy environment for manufacturers with a robust workforce, improved transportation infrastructure, and targeted incentives for true growth and development as opposed to a simple tax break on large profits.

Another large tax break that has benefits skewing toward a relatively small share of the overall taxpayer population is Wisconsin's 30-percent exclusion for long-term capital gains realizations. This tax expenditure provides a preferential rate for disproportionately high-income earners' income derived from capital asset sales, which tend to be corporate equity holdings. For very high-income Wisconsin taxpayers subject to the highest tax bracket, instead of facing the ordinary 7.65 percent marginal rate that applies to wage and salary income, investment gains qualifying for the capital gains exclusion have an effective preferential rate of 5.355 percent. This is only slightly above the marginal tax rate faced by most middle-class taxpayers.

To improve equity between different forms of income, the Governor recommends limiting the current 30-percent long-term capital gains exclusion to those taxpayers with incomes below \$400,000 for individuals and \$533,000 for married-joint filers. This preserves the exclusion for all but the highest income earners, while continuing to provide relief to ordinary retirees and small investors. Wealthier investors would pay the same tax rate on their capital gains that they would on wages and salaries. That

is a fairer tax system for all Wisconsinites. The Governor's proposal would also retain specific capital gains incentives for investments in Wisconsin businesses as well as retain the current law 60 percent exclusion for capital gains derived from farm assets. The limits to the 30-percent long-term capital gains exclusion will raise an estimated \$242.5 million in fiscal year 2025-26 and \$177.6 million in fiscal year 2026-27. Limiting the exclusion helps to level the playing field while providing revenues for other priorities.

Finally, the Governor recommends conforming Wisconsin's tax base with certain provisions of the federal tax code. Notably, adopting federal tax changes would ensure that federal student loan debt forgiveness received by Wisconsinites would not be subject to state taxes, mirroring its federal treatment. The largest current divergences from federal law result from provisions of the 2017 Tax Cuts & Jobs Act not yet adopted for Wisconsin purposes. Numerous states that automatically conform to federal law have realized increased tax collections resulting from a larger tax base that they have been able to deploy for other purposes. The Governor's proposal would adopt most of the major remaining provisions of the Tax Cuts & Jobs Act, except for accelerated depreciation provisions and the amortization of research expenses. Together, these provisions will raise \$237.4 million in fiscal year 2025-26 and \$250.4 million in fiscal year 2026-27.

Taken together, these tax code changes represent a significant effort to redirect the benefits of the tax code from the wealthiest to Wisconsinites more broadly. Along with funding over \$1.3 billion in property tax relief measures, this additional revenue also funds further tax reductions for middle class Wisconsinites, totaling \$656 million over the biennium.

The largest of these proposals is an expansion of the personal exemption from \$700 to \$1,200 for each exemption claimed by a filer. For a median income family of four, this means that an additional \$2,000 of their income will no longer be subject to the Wisconsin individual income tax, providing a savings of just over \$100 annually for that family. Overall tax relief for all filers will total \$112.4 million in fiscal year 2025-26 and \$113.5 million in fiscal year 2026-27.

To provide additional tax relief to Wisconsin working class families with children, the Governor recommends greatly increasing Wisconsin's supplement to the federal Earned Income Tax Credit (EITC) for working families with one or two children. Targeted tax relief through EITC has been shown to be effective in reducing child poverty, yet Wisconsin's credit for those with one or two children lags most other states and should be increased. Beginning with tax year 2025, the Governor's budget will increase the percentage of the federal credit that filers with one dependent child may claim from 4 percent to 16 percent. For filers with two children, the rate will increase from 11 percent to 25 percent. These increases in the proven EITC program will encourage work while providing needed relief to low- and moderate-income families with children. Under the Governor's budget, over 140,000 filers with children will receive \$58.4 million in fiscal year 2025-26 and \$58.5 million in fiscal year 2026-27. Average tax relief for these taxpayers will be over \$400 annually.

To reduce costs for Wisconsin consumers, the Governor proposes repealing the sales tax on over-the-counter medicine; residential electric and gas utilities; and purchases of diapers, feminine hygiene, and incontinence products. The over-the-counter medicine exemption will reduce costs on the bulk of what you see in your local pharmacy, including pain relievers, fever reducers, cough and sore throat pills, syrups and lozenges, allergy medications, and other items with a drug facts panel or active ingredient listed on the packaging. Exempting residential electric and gas utility spending from the sales tax for the remaining six months of the year not presently covered by the existing sales tax exemption for the winter months will reduce gas and electric costs for Wisconsinites as well as alleviate some of the burden of cooling your house during the hot summer months. Taken together, these exemptions will reduce costs to consumers by \$94.3 million in fiscal year 2025-26 and \$167.1 million in fiscal year 2026-27. That is over \$250 million in savings to consumers on these regular household purchases.

The Governor also recommends simplifying taxation for tipped service sector workers by exempting cash tips from income taxation. This provision is expected to reduce taxes on tipped workers by approximately \$7 million annually beginning in fiscal year 2025-26. Additionally, the Governor recommends increasing the state income tax deduction for adoption costs from \$5,000 to \$15,000 beginning with tax year 2025 to help families bear the considerable costs that accompany adoption. Further, the Governor recommends

allowing Wisconsin union members to deduct their organization dues beginning in tax year 2027, restoring a benefit repealed as part of the Tax Cuts and Jobs Act of 2017.

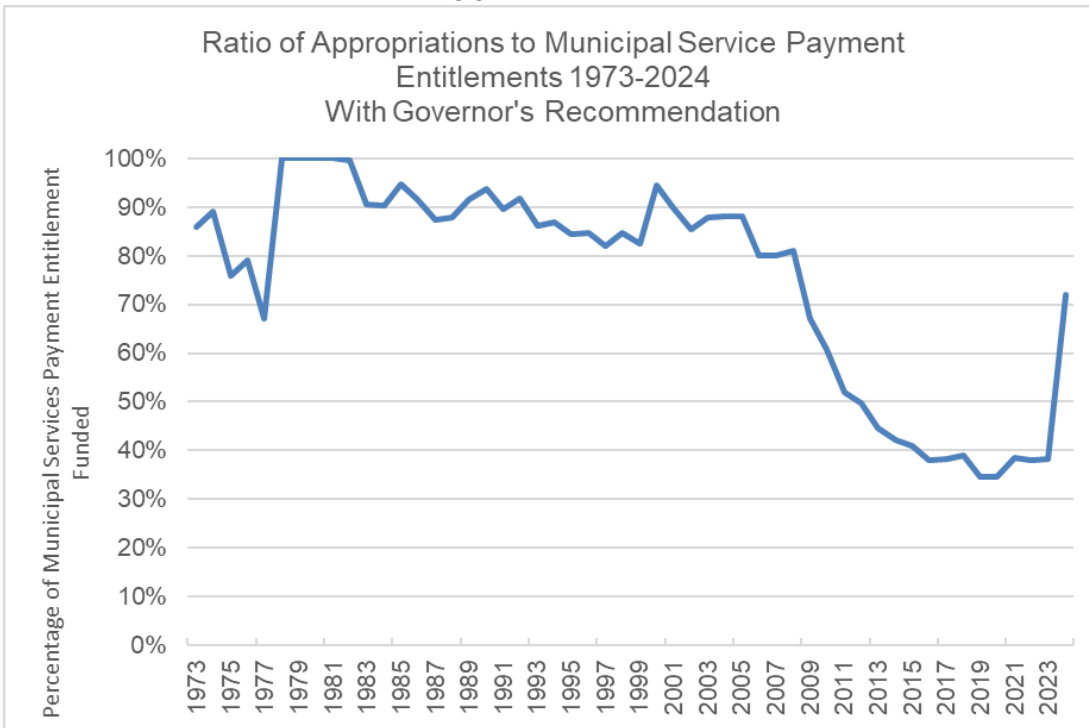
Shared Revenue

This budget builds upon the generational increase in the state's commitment to local communities enacted by the Governor in the previous budget and 2023 Wisconsin Act 12. After more than a decade of Shared Revenue being frozen or cut, it was long overdue for the state to do its part to meaningfully support essential services in our communities. The establishment of the new Supplemental County and Municipal Aid provided an additional \$274.9 million in aid to counties and municipalities in fiscal year 2024-25.

The historic Shared Revenue legislation also tied Supplemental County and Municipal Aid and the already existing County and Municipal Aid funding to estimated growth in the state sales tax, ensuring support for our local governments would continue to increase in future years. As a result, the Governor's budget includes an increase of \$23.6 million to County and Municipal Aid and Supplemental County and Municipal Aid in fiscal year 2025-26 over the previous year, and an additional \$41.7 million increase in fiscal year 2026-27 over fiscal year 2025-26. Increasing Shared Revenue aid to every county and municipality in Wisconsin helps ensure our communities can continue to provide essential services and provides them with another revenue source that isn't the property tax.

In addition to these increases, the Governor recommends an overdue increase for the Municipal Services Payment Program by \$17.0 million in fiscal year 2025-26, which represents an over 90 percent increase in its current funding level of \$18.6 million. The Municipal Services Payment Program compensates municipalities for services like police, fire, and refuse collection that they provide to state property that is exempt from the local property tax base. Funding for the program has not been increased since 2003, when it covered 87.9 percent of the costs incurred by local governments. In 2024, the \$18.6 million funding level only covered 37.6 percent of the costs for these locally funded services, meaning local property taxpayers had to pay the costs. The Governor's proposal would increase the percentage the state pays for these local services back up to over 72 percent of the costs, the highest in over 15 years. Additionally, the Governor recommends this program also be tied to the state's sales tax growth beginning in fiscal year 2026-27, ensuring we keep our commitment to these communities.

CHART 17: FUNDING THE STATE'S RESPONSIBILITIES FOR SERVICES FROM LOCAL GOVERNMENTS



By providing increased Shared Revenue aid to counties and municipalities, Wisconsin localities will be able to continue to make the necessary investments to protect their residents and grow their communities with critical infrastructure and public service with a more diversified revenue stream that relies less on the property tax.

To ease the burdens on municipalities, the Governor recommends shifting the assessment of all locally assessed pipelines to the state. Just like the personal property tax that the Governor repealed in Act 12, the assessment for local governments is burdensome, time-consuming, and complicated, requiring local assessors to interpret state statute and case law. And to ensure local governments aren't harmed by the loss in local property tax revenue, the Governor proposes an aid payment to all impacted local taxing jurisdictions to offset any lost revenue due to change. Similarly, radio, cellular, and other telecommunication towers are administratively complex, with many of these towers changing ownership regularly and a lack of clarity on which towers are tax-exempt personal property or taxable real property. Due to 2023 Wisconsin Act 140, most towers are expected to be exempt from the property tax by 2027, so the Governor recommends simply providing clarity and exempting all towers exempt from the property tax.

With a focus on holding down property taxes, this budget empowers local governments to maintain essential services while easing the financial burden of property taxpayers. By increasing Shared Revenue aid, offering new revenue tools, and a substantial commitment to a property tax freeze, the Governor's budget balances both the need for property tax relief and investments in Wisconsin communities.

Supporting Small Businesses and Economic Development

Governor Evers is committed to making sure Wisconsin's economy is built for the 21st Century, and in 2024, the state launched the largest public-private investment in Wisconsin startups and entrepreneurs in state history, welcomed billions of dollars in investments from global companies, and celebrated that businesses partner with the administration in the last fiscal year committed to more than \$2 billion in capital investments--the highest level in over a decade. Governor Evers' budget builds on these strong

economic gains by making additional investments in effective economic development strategies designed to grow Wisconsin's workforce, bolster small businesses, and spur entrepreneurship in our state.

This budget provides \$145 million in various programs through the Wisconsin Economic Development Corporation for various critical economic development priorities ranging from continuing the recovery of our main street businesses to preparing our manufacturing sector for the changes from artificial intelligence advancements.

The Governor's budget also revives the highly successful Main Street Bounceback program. Initially funded with federal aid received under the American Rescue Plan Act of 2021, the Governor's budget provides \$50 million GPR in fiscal year 2025-26 to restart the program. This funding will help approximately 5,000 small business owners move or expand their businesses into vacant storefronts and commercial spaces across the state. The program is administered through WEDC's nine regional economic development partners, leveraging their expertise and experience in their regions to best deploy grants to businesses needing assistance.

To aid the state's rural economy, the Governor recommends providing \$15 million GPR in fiscal year 2025-26 to WiSys' Forward Agriculture program to assist in securing federal funding to promote sustainable agricultural practices as well as \$5 million GPR in fiscal year 2025-26 to the Thrive Rural Wisconsin program initially started by WEDC to build upon the availability and accessibility of local project capital to spur economic development in rural Wisconsin. Further, \$5 million GPR will be provided in fiscal year 2025-26 to assist Wisconsin's Tribal communities with economic development and diversification efforts.

Manufacturers face a rapidly changing technological landscape with swift advances in artificial intelligence and other advanced technologies. To assist the state's manufacturing industry in adapting to these changes, the Governor recommends providing WEDC with \$5 million GPR in fiscal year 2025-26 to create a program that will award matching grants to small- and mid-sized manufacturing companies located in Wisconsin for investments in advanced manufacturing technologies. The Governor also recommends that the program be authorized to award total grants to an individual firm of no more than \$200,000 and that grants may match no more than one-third of the amount of investment by a manufacturer.

Converting research into new start-up businesses is a vital avenue for economic growth in this state. The Governor recommends providing \$10 million GPR to WEDC in fiscal year 2025-26 for funding a business accelerator program to be administered in conjunction with the University of Wisconsin System and aimed at developing research, including but not limited to research from the University of Wisconsin System, into new start-up businesses.

The Governor also recommends changes to the Business Development Credit and research credit to further investments in workforce housing and nuclear research. The Governor recommends modifying the workforce housing provisions in the Business Development Credit to allow qualifying housing developments to not be exclusively for the employer receiving the credit and to allow contributions to a workforce housing revolving loan fund to be counted toward eligible earnings activities. For the research credit, the Governor recommends adding nuclear power research to the 11.5 percent of costs earnings categories currently provided for internal combustion engine research and certain energy efficiency research spending.

To spur the development of film and television production in Wisconsin, the Governor's budget includes the provisions of a bipartisan plan to create a new film production services tax credit, with a combination of refundable and nonrefundable tax incentives beginning with tax year 2026. Total annual awards under the credit may not exceed \$10 million, which protects state taxpayers while also providing a robust incentive for film and television producers to locate their next projects in Wisconsin.

Finally, Governor Evers recommends incentivizing the creation of higher wage jobs by increasing the wage thresholds for businesses under the Business Development Tax Credit and the Enterprise Zone

Jobs Tax Credit. Both the lower and upper bounds of maximum eligible wages have not been adjusted since the creation of either program, which in the case of the Enterprise Zone Jobs Tax Credit dates back to 2007. To ensure that the state is only incentivizing the creation and retention of jobs that pay living wages, the Governor recommends increasing the minimum qualifying level for wages under the Enterprise Zone Jobs Tax Credit from \$30,000 to \$45,390 for tier II counties and municipalities and from \$22,620 to \$34,220 for tier I counties and municipalities. The maximum wage level eligible for credit earnings will be raised from \$100,000 to \$151,300. These changes will also apply to the Business Development Tax Credit. These higher thresholds will apply to awards first certified in 2026, and the thresholds will be indexed annually thereafter to avoid having award thresholds fall behind cost-of-living increases in the future. These reforms to our business tax incentives will ensure that Wisconsin is only incentivizing the creation of jobs that pay at least a living wage now and into the future as the cost-of-living increases.

B. SUPPORTING HEALTHIER WISCONSINITES

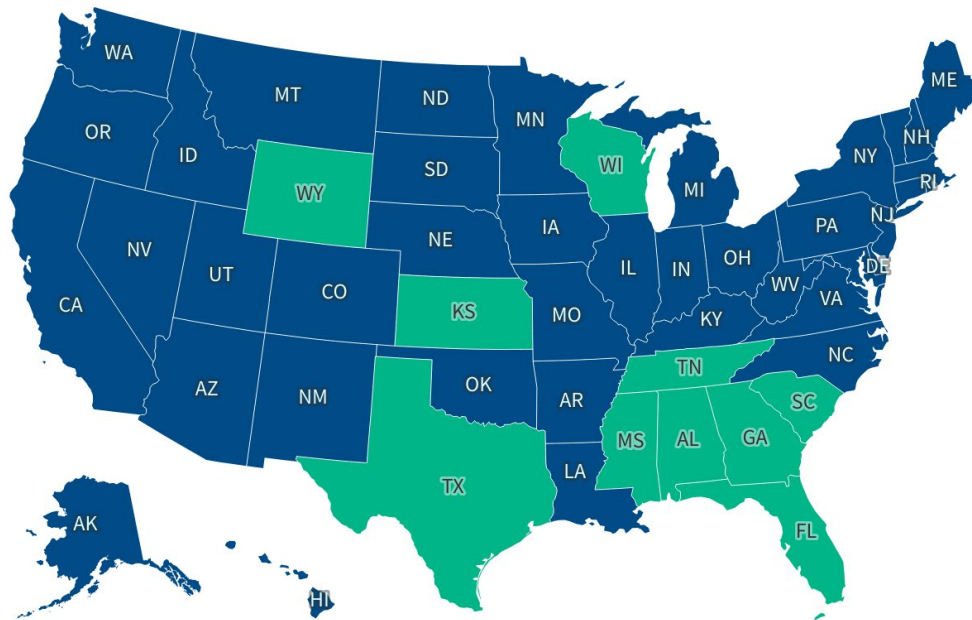
Expanding Access to Quality, Affordable Healthcare

Since Day One, Governor Evers has fought tirelessly to protect access to quality, affordable healthcare, including reproductive healthcare and mental healthcare, and to build a healthier, stronger Wisconsin for all. The Governor's budget once again includes proposals that would increase access to affordable healthcare coverage, improve the quality of healthcare services in the state, and expand the scope of benefits available through Medicaid. The linchpin proposal in the Governor's health package is, once again, expanding Medicaid, known as BadgerCare in Wisconsin. Expanding BadgerCare would expand Medicaid eligibility for parents and adults from 100 percent of the federal poverty line (\$31,200 annually in 2024 for a family of four) to 138 percent of the federal poverty line (\$43,060 annually in 2022 for a family of four). This expansion under the federal Patient Protection and Affordable Care Act would result in 95,800 low-income individuals becoming eligible for Medicaid. In addition to providing affordable healthcare coverage to these individuals, the state would realize a savings of over \$1.9 billion GPR over the biennium and draw down an additional \$2.5 billion FED over the biennium. The GPR savings is driven by an enhanced federal matching rate the state would receive for childless adults covered by Medicaid and an additional incentive created by the federal American Rescue Plan Act that would increase the federal matching rate for the entire Medicaid program by 5 percentage points for two years when the state implements Medicaid expansion.

As of January 2025, Wisconsin is one of only 10 states in the country and the only state of its Midwest neighbors that has not yet expanded Medicaid. The Governor's budget seeks to once again accept the federal Affordable Care Act's provision for Medicaid expansion, ensuring folks have quality, affordable healthcare coverage and access to lifesaving preventative care services while saving the state billions of dollars over the biennium.

CHART 18: STATUS OF MEDICAID EXPANSION ACROSS THE U.S.

■ Adopted and implemented (41 states including DC) ■ Not adopted (10 states)



Source: [Kaiser Family Foundation](#)

Hospitals are the backbone of the healthcare system, supporting the health of folks and families across the state while providing countless family-supporting jobs and bolstering local economies in the state's largest cities and rural communities alike. In the last three budgets, the Governor has consistently supported policy changes that increase hospital reimbursement through Medicaid. This has resulted in increased coverage of the cost hospitals experience when providing care to Medicaid patients. Even with these efforts, hospitals still generally receive reimbursement of less than cost, forcing them to face slim margins and a variety of uncompensated costs. A recent report from the Wisconsin Hospital Association showed that 54 hospitals, or about 33 percent of all facilities, had negative operating margins. In many cases, a large Medicaid payer mix is contributing to hospitals struggling to make ends meet or situations where health care providers are passing the true cost of care onto their commercially insured patients. That is why, in order to support access to high-quality healthcare services for Medicaid members and support the fiscal sustainability of hospitals, the Governor recommends increasing Medicaid hospital access payments to provide increased Medicaid reimbursement to hospitals. This policy change, funded by an increase to the hospital assessment, will result in hospitals receiving an additional \$3,254.1 million all funds and the state saving \$936.8 million GPR over the biennium. To ensure that certain hospitals are not negatively affected by this policy change, the Governor recommends excluding long-term acute care and rehabilitation hospitals from the assessment, in addition to psychiatric hospitals which are exempt under current law, and increasing supplemental payments to stand-alone pediatric teaching hospitals that provide medical services to a disproportionate share of pediatric Medicaid recipients.

Recent events highlight the importance of this investment in hospitals across the Wisconsin. In early 2024, two hospitals closed in Western Wisconsin, sending a shockwave through the region and the rest of the state. The state responded by passing 2023 Wisconsin Act 97, which transferred \$15 million GPR into the Joint Committee of Finance supplemental appropriation for making grants to support hospital services in Western Wisconsin. While the Department of Health Services has submitted formal requests for the funding, to date, the committee has unfortunately chosen to not meet to release the funds. Therefore, the Governor's budget includes \$15 million GPR for grants to stabilize hospital services in western Wisconsin, including urgent care services, OB-GYN services, inpatient psychiatry services,

mental health and substance use services, and any hospital services needed to meet the areas pressing needs.

In addition to supporting Wisconsin hospitals, Governor Evers' budget will expand the scope of benefits available through Medicaid. Wisconsin is one of only two states in the country that has not extended Medicaid postpartum coverage to one year. Unfortunately, despite widespread bipartisan support, Republican leadership in the Wisconsin State Assembly has routinely stopped this policy change from moving forward, resulting in a cruel benefits cliff that new mothers must face 60 days after giving birth. The Governor's recommendation proposes to modify Medicaid eligibility by providing \$24 million to extend Medicaid postpartum coverage to one year. This policy change will provide extended coverage to over 4,000 mothers.

Additionally, the Governor's budget includes the development of several Medicaid waiver requests that would make Wisconsin's Medicaid program one of the most innovative in the nation. One waiver would seek to cover certain Medicaid services for incarcerated individuals up to 90 days before their release from state prisons or county jails. According to the KFF, justice-involved people are disproportionately low-income and often have complex and/or chronic conditions, including substance use disorder and mental health needs. This policy change would improve care transitions and increase continuity of health coverage for inmates reentering the community, reduce disruptions in care during this critical time, improve health outcomes, and ultimately reduce recidivism rates and help keep folks' safe.

Another waiver would seek to create a children's behavioral health specialty managed care program. The final waiver request would seek to cover services related to adverse social conditions that contribute to poor health and are the result of underlying social determinants of health. Covered services may include housing supports, nutrition supports, and case management.

The significant savings from Medicaid expansion also allows the Governor's budget to expand the benefits available to members through the Medicaid program to better meet their needs. The Governor's budget provides \$39.8 million over the biennium to include the following benefits:

- Coverage of services provided by community health workers;
- Doula services;
- Expanded coverage of certified peer specialists; and
- Coverage of continuous glucose monitoring devices and insulin pumps through the pharmacy benefit.

The Governor's recommendation also allows the Medicaid program to reinvest savings to provide targeted rate increases to providers. The Governor's budget provides \$71 million to increase Medicaid reimbursement rates for enteral nutrition products, rural health clinics, obstetric services, medication-assisted treatment, and autism treatment services.

Further, Governor Evers' budget seeks to join several other states that have implemented an easy enrollment program. This initiative would add a check box option to the state's individual income tax return that a filer could check if they are interested in having the state determine their eligibility for Medicaid or subsidized coverage on the health insurance marketplace.

The Governor's budget would make two major changes to how certain aspects of the Medicaid program are financed. Under current law, the Medicaid Community Support Program, a county administered program for adults living with serious and persistent mental illnesses, is funded with county dollars and federal funding. The Governor's recommendation would provide \$41 million GPR over the biennium to shift the nonfederal share of program costs from county funding to state funding. The second major change is to Medicaid school-based services. Under current law, school districts pay the full upfront cost

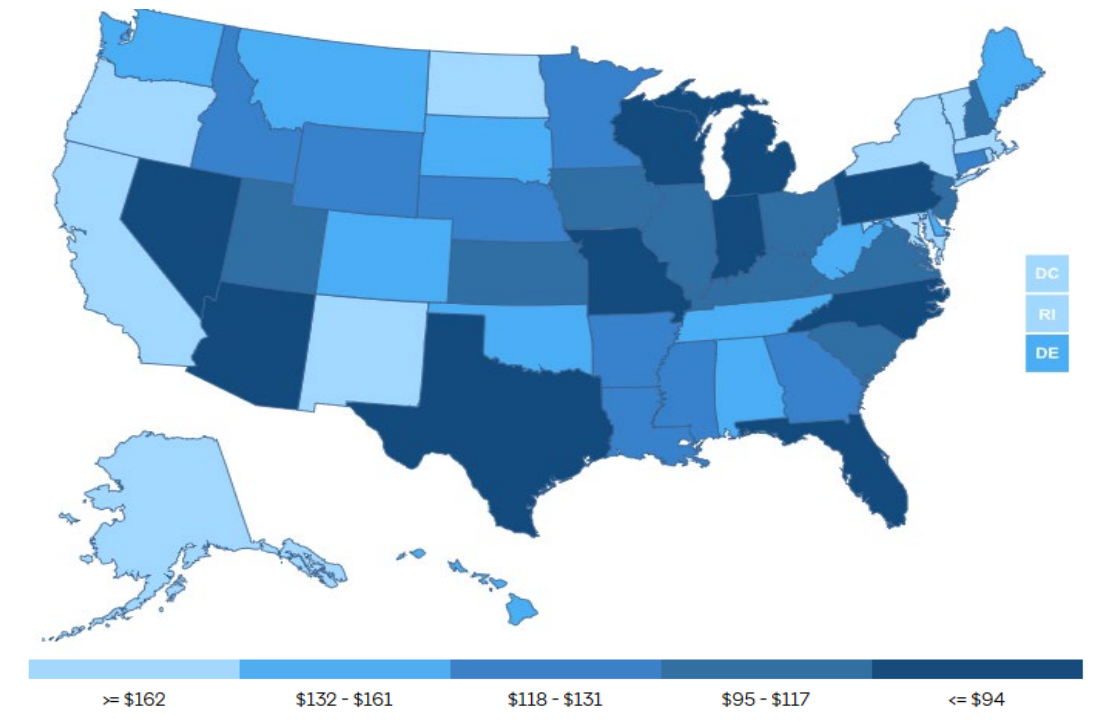
of Medicaid school-based services and are reimbursed for only a portion of those costs via federal funding through a certified public expenditure process. Currently, school districts retain 60 percent of the federal funding received for benefits and 90 percent of the federal funding received for administrative costs and the remaining funding is deposited in the General Fund. The Governor recommends allowing school districts to retain 100 percent of federal funding received for Medicaid school-based services, resulting in school districts receiving approximately an additional \$50 million of federal funding in fiscal year 2026-27.

The Governor's budget also fully funds the projected cost of safety net programs like Medicaid, the Wisconsin Chronic Disease Program, SeniorCare, and the Wisconsin Funeral and Cemetery Aids Program. Finally, the Governor's budget repeals onerous Medicaid regulations included in 2017 Wisconsin Act 370.

Improving Public Health Response and Resources

Public health efforts play a leading role in ensuring that all Wisconsinites are safe and healthy. Public health works to prevent epidemics; protect the environment, workplaces, housing, food, and water; promote healthy behavior; monitor the health of the population; mobilize the community for action; respond to disasters; assure that medical services are high quality and necessary; train specialists in investigating and preventing diseases; and develop policies that promote health. Unfortunately, Wisconsin continues to lag in per capita public health spending, as shown in Chart 14. The state is currently ranked 49th, investing only \$69 per person in public health initiatives, lagging behind our neighbors in Minnesota and Illinois who spend \$127 and \$110 per person, respectively.

CHART 19: 2022-23 PER CAPITA PUBLIC HEALTH FUNDING BY STATE



Source: [America's Health Rankings](#)

Recognizing the importance of a strong public health system to protect and promote the health of all Wisconsinites, the Governor recommends a \$29 million GPR investment in public health activities over the biennium including, but not limited to, the following items:

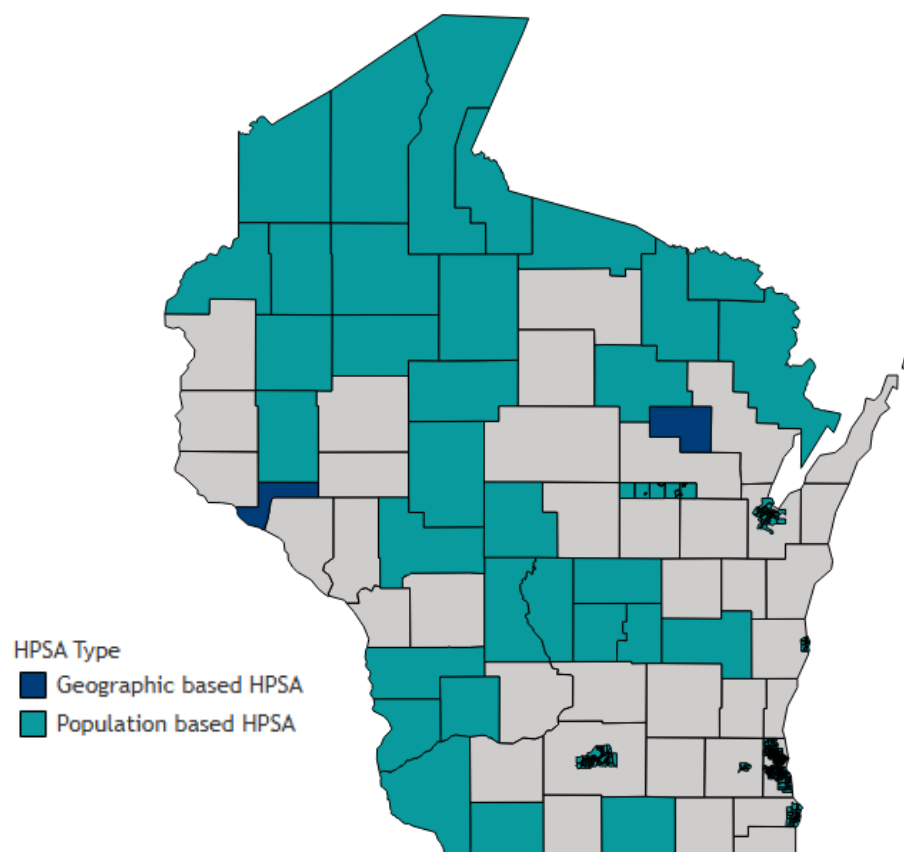
- Providing \$10 million GPR to increase grants to Federally Qualified Health Centers that serve medically underserved areas and populations;
- Providing more than \$4 million GPR in fiscal year 2026-27 for an electrocardiogram screening pilot program for youths participating in athletics in Milwaukee and Waukesha counties;
- Providing \$3.5 million GPR to increase state funding for human immunodeficiency virus (HIV)/acquired immunodeficiency syndrome (AIDS) initiatives;
- Providing more than \$1.4 million GPR to conduct biomonitoring studies for patients across the state to assess Per- and Polyfluoroalkyl Substances (PFAS) exposure levels and 1.0 FTE GPR position to support local health department PFAS response;
- Providing \$1 million GPR for the Mike Johnson Life Care and Early Intervention Services grants;
- Providing \$349,400 GPR and 2.0 FTE GPR positions to support the Wisconsin Immunization Registry;
- Providing \$645,500 GPR and 4.0 FTE all funds disease intervention specialist positions to support sexually transmitted infection prevention and response activities;
- Providing \$500,000 GPR for a trauma resilience grant which would address the needs of individuals impacted by trauma and develop the capacity of organizations to treat and prevent trauma.
- Providing \$500,000 GPR over the biennium to free and charitable clinics.
- Providing \$1.9 million GPR over the biennium to Community Health Centers and Health Center Look-Alikes.

Other initiatives and investments include increasing grants to independent living centers, grants to Reach Out and Read Wisconsin, funding to support American Sign Language interpreter services, funding for The Emergency Food Assistance Program, funding for the Wisconsin Assistive Technology Program, funding for the statewide poison control program, funding for the Office for the Deaf and Hard of Hearing Service Fund, and funding for respite care grants.

Increasing Dental Access

Many Wisconsinites struggle to access dental services due to where they live or what type of insurance they have. According to the U.S. Health Resources and Services Administration, there are 165 dental care health professional shortage areas in Wisconsin and 865,200 individuals live in a dental care health professional shortage area. The state would need an additional 163 dentists to address this challenge and remove the shortage designations.

CHART 20: WISCONSIN DENTAL HEALTH PROFESSIONAL SHORTAGE AREAS (HPSAs)



Source: [Department of Health Services](#)

To begin to address the dental access issues facing Medicaid recipients, the Governor's budget will invest more than \$2.5 million all funds over the biennium to develop a federal Medicaid waiver to offer a statewide dental contract, create a grant to support community dental health coordinators in a rural region of the state, create a grant for community health centers to support mobile dental clinics, expand Medicaid coverage to include nonsurgical treatment of temporomandibular joint disorder, and repeal the dental pilot project reporting requirement.

To address access issues outside the Medicaid program the Governor's budget will invest more than \$9.4 million GPR over the biennium to increase funding for grants that support dental services provided by the Marquette University School of Dentistry, increase grants to low-income dental clinics, and provide one-time funding to the Marquette University School of Dentistry to establish an oral and maxillofacial surgery residency program.

Improving Maternal and Infant Health

Families across Wisconsin continue to experience devastating health and socioeconomic disparities that hold families, communities, and the entire state back. Most notably, Wisconsin has one of the highest rates of infant mortality for Black infants in the country, with Black infants three times more likely to die than white infants. Black mothers similarly face worse outcomes with Black women representing about 21 percent of pregnancy related deaths each year, according to the state's Maternal Mortality Review Team. The Governor's budget once again makes several investments to combat these tragic health outcomes and improve infant and maternal health for all through his "Healthy Moms, Healthy Babies" initiative.

When combined with the Governor's Medicaid investments in maternal health, such extended postpartum coverage, doula coverage and increased reimbursement for obstetrics, the Governor's "Healthy Moms, Healthy Babies" initiative includes over \$55 million all funds to:

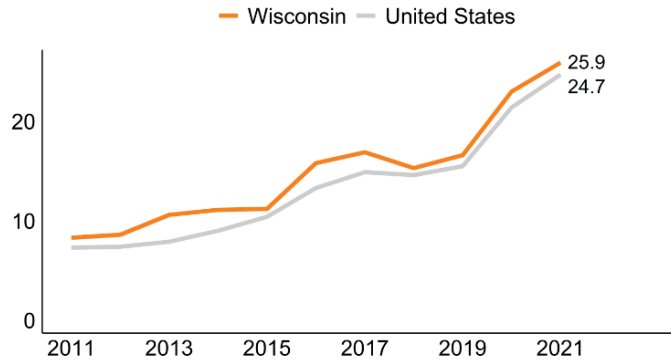
- Award grants to support maternal child health initiatives;
- Fund maternal and child health coordination service grants to local health departments;
- Support improvements to the Well Badger Resource Center website;
- Fund a promotional campaign related to maternal and child health;
- Award grants to support diaper banks;
- Create an incentive for hospitals to conduct postpartum home visits, if requested by a Medicaid patient;
- Increase funding for the Women's Health Block Grant and make other changes related to the administration of the funds;
- Establish a procedure for adding federal newborn screening recommendations to the state newborn screening panel; and
- Fund an IT system improvement to ensure pregnant women and infants who receive Medicaid services are made aware of their eligibility for WIC benefits.

Strengthening Our Behavioral Health Systems

According to KFF, formerly the Kaiser Family Foundation, over 30 percent of adults in the United States have reported symptoms of anxiety or depression; and drug overdose deaths, specifically those related to opioids, have also been steadily increasing in recent years. However, due to the substantial and ongoing collective efforts by all levels of government, the healthcare industry, law enforcement, schools, and families, the rate of opioid overdose deaths in Wisconsin has begun to reverse, as shown in Chart XX. While it is encouraging to see this modest improvement, far too many Wisconsinites and their loved ones continue to be burdened by substance use disorder and its devastating consequences for kids, families, and communities across the state. That is why Governor Evers' budget provides additional resources into increased crisis response, substance use disorder, and mental health treatment.

CHART 21: AGE ADJUSTED OPIOID OVERDOSE DEATH RATE IN WISCONSIN

Age-adjusted Opioid Overdose
Death Rate per 100,000, 2011-2021



SOURCE: KFF analysis of CDC Multiple Cause of Death 2011-2021 on CDC WONDER Online Database.



This budget once again makes significant investments in mental health and substance use disorder treatment systems to improve both the accessibility and affordability of those treatments. Many people with mental health struggles can't find providers, are bogged down by significant wait times or prior authorization requirements, or they can't afford the services or prescription medications they need to treat their conditions.

One of the most important aspects of mental health services is having access to care when you need it the most. Services that may be available a county or two over cannot be helpful when someone is in the midst of a crisis. That is why this budget makes significant investments in expanding the availability of behavioral health services so that Wisconsinites can receive care closer to home and in their support systems.

Improving Crisis Response

This budget, like the previous two budgets proposed by Governor Evers, takes a comprehensive look at the state's crisis response system and offers concrete steps to improve and expand access to crisis services. By fully funding the 988 Suicide and Crisis Lifeline and existing facility types as well as providing funds to establish two new facility types, this budget supports what has been proven to work and invests in bolstering the continuum of care, increasing access to services statewide and closer to home.

Since 2022, the 988 Suicide and Crisis Lifeline has supported individuals in immediate crisis or emotional distress by providing a free and confidential call-center support system 24 hours a day, seven days a week, guiding individuals through a frightening and vulnerable experience and connecting them with further assistance, if needed. The state has seen the need for the crucial service that 988 provides, and in 2024 alone, 988 received over 80,000 calls, 18,000 texts, and 8,000 chats from Wisconsinites. Increased awareness of the existence of 988 and the importance of addressing mental health needs have resulted in a growing utilization of 988 services. The Governor recommends continuing support of this vital program with ongoing funding, supporting the Lifeline and the dedicated workforce of behavioral health professionals that provide this important, life-preserving work. The Governor's budget also provides \$1.1 million over the biennium to support the state peer-run warm-line that assists individuals with nonemergency behavioral health calls to help address behavioral health needs before they escalate.

Increasing the involvement of behavioral health professionals in emergency response situations can have a whole host of benefits, not only to those in crisis directly benefiting from a more compassionate and specialized response approach, but to the other emergency responders often tasked with responding to complex situations beyond their training. Local governments have found success in recent years establishing units to work within or alongside law enforcement officers when responding to calls that involve individuals experiencing mental or substance-related health emergencies. The Governor

recommends assisting in this area by establishing a grant program to support counties and municipalities in establishing these collaborative programs between behavioral health providers and law enforcement. Emergency response situations would involve behavioral health professionals, and certain crisis cases would be fully diverted to behavioral health professionals when appropriate, alleviating the need for law enforcement involvement. The Governor also recommends providing ongoing funding to equip law enforcement officers with the ability to virtually connect individuals with behavioral health professionals while out in the field, further improving the ability for individuals to get the most appropriate care for their situation.

In many parts of the state, additional crisis services are not available close to home. This distance from crisis services can negatively affect both the individuals in crisis and the counties that are responsible for the care and transportation of those individuals. Oftentimes, individuals with short-term crisis needs must be transported across the state to Winnebago Mental Health Institute, the state's provider of last resort, resulting in more restrictive, intensive, and costly treatments that could have better been served at a lower-intensity service provider if they were available. These often-lengthy trips can be traumatic for individuals experiencing a crisis and take up hours of law enforcement time on top of the additional time spent waiting in the emergency room for medical clearance to be conducted before transport, all of which costs county resources.

The Governor recommends continuing bipartisan efforts through 2023 Wisconsin Act 249 by funding the establishment of up to two crisis urgent care and observation centers to serve as crisis services hubs that would offer a range of behavioral health services to everyone from walk-in appointments to first responder emergency detention drop-off cases. These centers would be strategically located across the state; serve as regional crisis receiving and stabilization facilities; offer seamless transitions between levels of services offered at the centers; arrange for the transfer to more appropriate treatment options, if needed; coordinate the connection to ongoing care; and promote the effective sharing of information between providers to improve service delivery and patient outcomes.

In addition to strengthening the overall behavioral health system in the state, these centers would alleviate a significant portion of time that law enforcement and other first responders dedicate to emergency detention cases by offering a dedicated first responder drop-off location, accepting custody of emergency detention cases, and not requiring medical clearances be completed before drop-off. This "no-wrong-door" design would improve the immediate treatment of individuals in crisis, give them a better chance at avoiding the need for more intensive treatment, and avoid the often traumatic experience of being transported facility-to-facility during placement over long distances.

Further, the Governor recommends providing ongoing state support for the five regional crisis stabilization facilities across the state that provide voluntary crisis treatment for adults. Both the crisis urgent care and observation centers and crisis stabilization facilities increase short-term placement options, reducing the need for often traumatic and costly placements at intensive in-patient psychiatric beds at hospitals or institutions used as a last resort due to a lack of other available placement options.

Investing in Mental Health

Governor Evers declared 2023 the Year of Mental Health in Wisconsin and worked tirelessly during the 2023-25 biennial budget to secure additional funding and resources to address the state's burgeoning mental health crisis. This budget continues the Governor's commitment to do what's best for kids, keep communities safe, and ensure folks have the resources to take care of themselves and others by continuing to invest in mental health services for all Wisconsinites, including kids, families, seniors, veterans, farmers, and so many others across the state.

The state offers five peer-run respite centers and one peer-run respite center specially designed to support the needs of veterans. These respite centers offer a safe and stable home-like environment, providing overnight stays and peer support to help navigate mental health or substance use concerns, reducing the likelihood of those situations escalating. These respite centers do not charge for their services, so this budget provides more than \$1.3 million GPR over the biennium in stable, ongoing state

support to ensure these respite centers continue to serve those in our communities that need support and reduce the need for more intensive treatments by addressing their needs early and closer to home.

Additionally, kids and young people are struggling perhaps now more than ever, with even more complex behavioral health needs. Unfortunately, the state lacks meaningful in-state options, requiring the difficult decision to seek long-term placements outside of the state for kids whose needs cannot be met by facilities in state. Therefore, the Governor's budget provides \$1.8 million GPR in fiscal year 2026-27 to lay the groundwork to offer psychiatric residential treatment facilities as a new facility type here in the state to address this gap in care by offering intensive, focused mental health treatment to successfully return the kids and youth home where they belong.

Further, this budget provides \$310,000 GPR in annual, ongoing funding to support the eight peer recovery centers in the state that offer advice, skills training, and a place to connect with others in the local community who have lived experiences with behavioral health struggles.

The Governor's budget also seeks to strengthen our behavioral health systems by:

- Increasing funding to counties for the various health services they administer on behalf of the state, the first increase in nearly 30 years.
- Supporting existing integrated behavioral health stabilization, detoxification and intoxication monitoring services facilities and expanding Medicaid benefits to include these facility types.
- Requiring services provided by substance use disorder counselors be covered by insurance plans to ensure that individuals have affordable access to services.
- Codifying a federal law to curb surprise billing for emergency services, including behavioral health services received during a crisis, and reduce medical costs.
- Investing in the certification, investigation and oversight of licensed behavioral health and alcohol and other drug abuse treatment programs in the state to ensure the quality of services.

The Governor's budget also provides \$4 million GPR over the biennium to convert the highly successful Child Psychiatry Consultation Program into a broader mental health consultation program that can provide perinatal, child, adult, geriatric, pain, veteran, and general mental health consultation services. The Governor's budget also provides \$1.2 million GPR over the biennium to support pediatric health psychology residency and fellowship training programs.

Finally, the Governor's budget continues his support of farmers and their families by doubling current funding for the farmer mental health support initiatives through the Wisconsin Farm Center's Farmer Wellness Program that provides a 24/7 crisis helpline, counselor vouchers, and virtual counseling services for farmers and their families with a \$400,000 investment.

Increasing Access to Healthy Food

According to the World Health Organization, diets rich in fruits and vegetables have proven to protect against some of the most common health risks such as obesity, heart disease, stroke, diabetes, and certain cancers. The vitamins, minerals, and dietary fiber that fresh fruits and vegetables provide create a foundation for good physical health and nutrition. However, fresh fruits and vegetables are not easily available to everyone, either due to lack of access to nearby grocery stores and markets or due to their higher costs. To improve the affordability of healthy foods, the Governor recommends providing ongoing funding for the Healthy Food Incentive Program, which significantly reduces the cost of many healthy food items for FoodShare recipients at participating retailers, allowing FoodShare benefits to go further. Additionally, the Governor recommends expanding locations that accept FoodShare benefits by providing

the necessary equipment to local farmer's markets and farmers that directly market their produce, expanding healthy and local food options for those enrolled in FoodShare.

All age groups benefit from a healthy diet, but proper nutrition can especially help improve seniors' health and quality of life. Access to a nutrition-rich diet supports independent living, staying active, and keeping on muscle mass among a whole host of other benefits. The Governor recommends increasing benefits for the Seniors Farmers Market Nutrition Program to the federally allowable maximum of \$50 per participant per year, which can be used at farmers' markets, roadside stands, and community-supported agricultural programs, supporting our local food producers while encouraging a healthy eating habits.

INVESTING IN LONG-TERM CARE

Children's Long-Term Care

The Children's Long-Term Support waiver program is a home- and community-based services waiver program that provides Medicaid funding for kids who have substantial limitations in their daily activities and need support to remain in their home or community. This budget invests in children by assuring families that all eligible children who apply receive the long-term care services they need. Eligible children include those with developmental disabilities, severe emotional disturbances, and physical disabilities.

Adult Long-Term Care

Aging and Disability Resource Centers provide Wisconsin residents with unbiased information related to aging or living with a disability. An ADRC is a one-stop shop for older adults, people with disabilities, and their caregivers and families with staff available to listen to concerns, clarify options, and direct individuals to appropriate resources. An ADRC is the access point for information about long-term care options and applying for public benefits. The Governor's budget also invests over \$200,000 GPR in independent living centers, community hubs for disability resources across the state.

The Governor recommends providing \$8.6 million all funds over the biennium to ADRCs to reflect the growth in the population served, particularly those who are aging into long-term care services. In addition, the Governor recommends investing \$7.7 million GPR biennially into adult protective services, which protects elderly and vulnerable adults who are at risk of abuse and exploitation, as well as recommending an investment of \$21.7 million GPR over the biennium to meet the needs of Wisconsin's older adults who have a need for home-delivered meals. The Governor further recommends providing \$6 million all funds over the biennium to support the continued efforts toward ADRC modernization, the continuation of the No Wrong Door - Supporting Kids Together Wisconsin initiative, and the continuation of the resident and assisted living facility assessment tool.

The Governor's budget also invests \$15 million GPR into a Complex Patient Pilot, which aims at addressing difficulties and delays experienced in placing individuals in post-acute care settings for medically challenging individuals. The ongoing staffing issues faced by long-term care providers have led to costly delays in discharge from hospital settings, and this pilot seeks to find innovative approaches to more timely placements. With the state's population rapidly aging, investments like this are more critical than ever to ensure Wisconsinites are cared for in the most appropriate setting for their needs.

Further, this budget aims to modernize the process by which the Department of Health Services reallocates licensed nursing home beds. First, the statutory cap on the number of beds, which has not been updated in statute since 1981, is right sized to 25,165, reflecting the number of beds allocated presently. Then, to further help with ensuring that complex patients are cared for in the most appropriate setting, the Governor recommends providing an additional 250 licensed nursing home beds and allocating 125 of these additional beds to providers who serve complex patients. This shift brings the total number of licensed nursing home beds in the state to 25,415.

The Governor is also proposing investments into services for individuals with Alzheimer's disease. Namely, the Governor is recommending providing \$1 million GPR over the biennium to the Alzheimer's Family and Caregiver Support Program, which helps caregivers buy services and goods to care for someone with Alzheimer's. Services can include adult day care, in-home help, respite care, support groups, and self-care and transportation. The Governor also recommends providing \$100,000 GPR over the biennium for the Department of Health Services to work with the Wisconsin Alzheimer's Institute at the University of Wisconsin-Madison for training and information related to Alzheimer's disease.

Caregiving and Direct Care

Wisconsin continues to face a critical shortage of direct care workers that leaves families and individuals struggling to meet care needs at the same time that the percentage of the population age 65 and older is increasing. Furthermore, with advancements in modern medicine and treatment options, people with chronic conditions and disabilities are living longer, requiring the need for paid and family caregivers in Wisconsin's present and future. In continuing to build on the work done in implementing recommendations of the Governor's Task Force on Caregiving over the last two budgets, the Governor recommends increasing funding for the WisCaregiver Careers program, which helps to address the shortage of care workers in the state by supporting recruitment, training, and retention of caregivers across Wisconsin. To date, the WisCaregiver Careers program has helped train and employ more than 3,600 certified nurse aides (CNAs).

The Governor also recommends providing funding for health care innovation grants, which would help healthcare providers implement best practices and innovative solutions to increase worker recruitment and retention. The Governor further recommends providing \$43.8 million all funds over the biennium to increase the rates paid to personal care workers.

Supporting Healthcare Professionals and Bolstering the Healthcare Workforce

The Governor's budget supports the healthcare workforce by combining the allied health professional education and training grant program and the advance practice clinician training grant program to create a healthcare provider training grant program. In addition, the new grant program would include eligibility for entities that support education and training for behavioral health providers. To maximize the impact of the grant program, the Governor recommends eliminating the matching funds requirement and maximum award amounts and providing additional funding.

The Governor's budget further supports the Qualified Treatment Trainee grant program, which facilitates the licensure and certification of those obtaining or with a graduate degree in psychology, counseling, marriage and family therapy, social work, nursing, or a closely related field. This investment aims to reduce the bottleneck of finding certified practitioners to supervise qualified treatment trainees and help them fulfill their supervised hours licensure requirement. Additionally, this budget will ensure that those services provided by qualified treatment trainees, and in the presence of a certified practitioner, are covered by insurance.

Finally, the Governor recommends providing an additional \$1 million over the biennium to assist those in the direct care industry with enrolling in and fully utilizing their health insurance and publicly available benefits.

Lowering Out-of-Pocket Costs for High-Quality Healthcare Coverage, Holding Insurance Companies Accountable, and Improving Insurance Transparency

Governor Evers believes that quality, affordable healthcare shouldn't be afforded to only the healthy and the wealthy. Health insurance can offer security and peace of mind, ensuring folks and families can access the preventative or emergency care they need without breaking the bank. Nobody should ever have to choose between life-saving medication or care and putting food on the table and keeping a roof over their head. People expect the coverage they pay for to be there when they need it most.

The Governor's budget takes bold new steps to hold health insurers accountable, protect consumers, prevent price gouging, and help Wisconsinites afford everyday, out-of-pocket costs. The Governor is recommending a first-of-its-kind proposal to make Wisconsin the first state in the nation to audit health insurers over their claims denials, holding them accountable for their decisions. Sweeping changes to the way prior authorizations are conducted will allow patients to receive the care their doctors recommend without the intrusion of health insurers getting to override those personal medical decisions. And with continued efforts to improve the quality of insurance coverage in the state, from coverage mandates to billing and consumer protections to ensuring covered care is available within a reasonable distance, this budget builds upon the work of Governor Evers' previous budget proposals to help Wisconsinites find affordable, accessible care and coverage.

Additionally, just as he has since 2019, Governor Evers is working to reduce prescription drug prices, set price ceilings for prescriptions, and improve the oversight of drug companies to protect Wisconsinites from price gouging on medications. This budget stays dedicated to reducing prescription drug costs by ensuring a fair marketplace for consumers and putting into place commonsense reforms that put Wisconsinites above profit.

Holding Health Insurers Accountable

According to KFF, 58 percent of insured adults nationwide have experienced problems using their health insurance, including denied claims. Nearly 40 percent of those experiencing problems reported trouble paying medical bills, saying that denied claims contributed to that trouble. For insurance plans offered on the individual exchange, around 20 percent of all claims are denied, with some insurers denying as high as 54 percent of all claims. Just for these individual exchange plans, this amounts to 73 million denied claims in 2023 alone. These figures do not even include employer-sponsored plans, which make up the largest portion of plans in the state and see a 21 percent claims denial rate. Meanwhile, public insurance through Medicare and Medicaid sees far lower claims denial rates at 10 percent and 12 percent, respectively. This budget includes first of its kind auditing of insurers when their claims denial rates are too high. The state would provide a corrective action plan for the insurer, with enforcement power to determine that the corrective action plan is being followed and ensure claims aren't being unjustifiably denied.

This budget also includes the creation of a new consumer protection office especially focused on preserving the rights of health insurance plan holders. The Public Intervenor Office would assist Wisconsinites whose insurance claims were denied by helping them understand their rights, get the most out of their insurance policies, and provide legal assistance to pursue coverage for medical procedures, prescription medication, and other health care services that were unreasonably denied. A new position would also be created to assist in the investigation of fraudulent insurance acts by insurers.

Lowering Out-of-Pocket Costs for Medication, Improving Oversight of Drug Companies, and Protecting Consumers from Medication Price Gouging

Governor Evers recognizes the costs of prescriptions and life-saving medication like insulin are also too darn high. According to a 2023 national survey, more than a quarter of adults in America are having a hard time affording their prescription drugs. It found 30 percent of adults aren't taking medications as prescribed due to cost. That's why in 2019 the Governor created the Task Force on Prescription Drug Prices, which was charged with making recommendations for reducing prescription drug prices in Wisconsin. Building on that work, the Governor has previously introduced his "Less for Rx" plan and this budget continues that work to improve transparency and oversight in the prescription drug industry, prevent price gouging and protect consumers, and lower everyday, out-of-pocket costs. This includes, as previously mentioned in the document, eliminating the sales tax on over-the-counter medications.

Insulin is a life-saving necessity that must always be on hand for thousands of Wisconsinites. This fact often leaves families with no choice but to pay the unjustifiably inflated prices that insulin manufacturers set. Over the last 20 years, the prices of the most widely used insulin varieties have quintupled. To help

alleviate the effects of these increases, the Governor recommends capping copayments for a month's supply of insulin at \$35. The Governor also recommends establishing an Insulin Safety Net Program to ensure those with an urgent need for insulin as well as those with lower incomes and limited to no insurance coverage have access to affordable, life-saving insulin. To further reduce costs for diabetes medications in general, the Office of the Commissioner of Insurance is recommended to develop an innovative pilot program aimed at creating a value-based formulary to focus on what works and reduce spending waste.

The Governor also recommends requiring pharmacy benefit management brokers and consultants, pharmaceutical sales representatives, and pharmacy services administration organizations be licensed to operate in the state to ensure fair business practices are adhered to along the entire prescription drug supply chain. Pharmacy benefit managers would also owe a fiduciary duty to insurers and other payers with whom they contract. The new Office of Prescription Drug Affordability will oversee and regulate those entities, serve as a watchdog of the industry as a whole and publish reports and documents publicly disclosing price justifications for prescription drugs and emerging trends in prescription drug prices.

Prescription drug prices and spending are consistently much higher in the U.S. than in other high-income countries. Studies show Americans pay at least three times more for prescription drugs than residents in other high-income countries. To reduce rising prices of prescription drugs and create a more competitive prescription drug market in Wisconsin, the Governor recommends importing generic, off-brand drugs from Canada into Wisconsin. To be eligible, imported drugs must generate a significant savings to the state, have no more than three domestic competitors, and maintain federal safety requirements.

Being insured should not prevent people from choosing the most cost-effective medication option. That is why the Governor recommends requiring insurers to apply discounts received from drug companies for certain drugs toward a plan holder's deductible and out-of-pocket maximum so that individuals are not forced to choose between using a discount or making progress on their out-of-pocket spending.

The Governor also recommends creating a Prescription Drug Affordability Review Board to establish prescription drug price spending targets for public sector entities and establish price limits when necessary to control unjustifiable price increases and save taxpayer dollars from being funneled to drug companies. A study into creating a prescription drug purchasing entity is recommended to further identify areas where the state can save taxpayer dollars on prescription drug purchases.

The Governor further recommends ending discriminatory reimbursement practices against federal 340B drug discount program participants, specifically federally qualified health centers, critical access hospitals, and Ryan White HIV/AIDS programs, by requiring pharmacy benefit managers and other insurers to reimburse those entities the same amount that they would reimburse non-340B program participants. This ensures that costs aren't being passed onto some of our most vulnerable individuals.

In addition, the Governor's budget will fully fund the SeniorCare program. SeniorCare is a pharmacy benefit program available to any resident of our state age 65 years or older. In 2024, 101,087 individuals participated in the program, and participation is expected to increase over the biennium.

Improving Health Insurance Coverage and Effectiveness

Insurance companies requiring prior authorization for medical procedures is one of the most blatant inefficiencies in the healthcare industry today. Prior authorization allows insurers, who don't have any direct knowledge about a patient's medical needs or life circumstances, to decide whether a procedure recommended by a doctor is medically necessary. Prior authorizations have been proven to result in delayed care, wasted time, increased healthcare costs, and reduced health outcomes. It can be used as a roadblock, specifically designed to save insurers money, hoping that patients delay or even abandon care due to the hassle of getting it covered by insurance. Requirements resulting from prior authorization denials, such as step therapy, mandate ineffective initial treatments, requiring additional office visits and delays in immediate care needs that can result in emergency department visits and hospitalizations. This

can drastically increase the cost of care, impede on the judgement of healthcare providers, and waste valuable time in getting folks' the care they need to be well and live their best and fullest lives.

This budget provides a number of prior authorization requirement reforms to improve efficiency, expedite the process, and get individuals the care they need. Procedures and services that already receive approval rates above a certain percentage from providers would be automatically approved. If a procedure recommended by a doctor already receives a 95 percent approval rate from the insurer, there is no need to delay treatment. To further expedite services, insurers would be prohibited from requiring prior authorization for inpatient mental health services for kids and adults, ensuring that individuals get that critical care without delay. Insurers would also be required to list all covered services under each plan that require prior authorization so that the information is clearly disclosed to individuals before purchasing a plan.

To ensure that all Wisconsin residents receive the same health insurance issuance and coverage protections, the Governor proposes that the insurance marketplace guarantee the issuance of health insurance for individuals that apply for coverage regardless of sexual orientation, gender identity, health status, medical history, or preexisting conditions, among others, and be prohibited from charging greater premiums or out-of-pocket costs based on those factors. The Governor also recommends prohibiting health insurance providers from establishing annual or lifetime limits on health insurance plan benefits. The Governor further recommends requiring all health insurance plans to provide coverage for essential health benefits as determined by the commissioner, including the ten essential health benefits categories covered under the federal Affordable Care Act, and to provide coverage for certain preventive services at no cost to the plan holder. All of these provisions would also apply to short-term, limited duration plans, also known as junk plans, to improve their coverage quality.

Additionally, Governor Evers has fought tirelessly to make sure Wisconsin women have the freedom to make their reproductive healthcare decisions without interference from those who know nothing about their life, their faith, or their circumstances. The Governor's budget recognizes that reproductive healthcare is healthcare and that family planning is a deeply personal decision by expanding the availability of daily, over-the-counter oral contraceptives, such as the Opill, by requiring insurers to cover these safe, effective contraceptives without a prescription.

Additionally, the Governor's budget requires health insurance plans offered in the state to include coverage of the following:

- Infertility treatment and fertility preservation services;
- Services provided by qualified treatment trainees;
- Services provided by dental therapists; and
- Services provided by substance use disorder counselors.

Ensuring that certain services are covered under health insurance plans will go a long way to improving access to care. However, just because a service is covered does not guarantee that it is available within a reasonable distance. The Governor proposes establishing network adequacy standards to improve access to services by requiring in-network services be within set travel times and distances from the plan holder. The Governor also proposes exploring standards for appointment wait times, making sure that individuals get access to services within a reasonable number of business days.

Another crucial barrier to overcome before receiving care is affordability. In emergency situations, there is a high likelihood that individuals do not have the ability to choose what type of care they receive or where they receive it. Even if fully insured, receiving care in an out-of-network facility can result in astronomical, unreasonable medical bills. This lack of cost transparency has individuals less willing to utilize healthcare services that they may desperately need. This budget not only would codify federal law to curb surprise

billing for emergency services and reduce medical costs; it would further expand upon them to protect against receiving unreasonably high medical bills for ground ambulance services and certain behavioral health services received during a crisis to help ensure folks can focus on getting the care they need when they need it to stay safe and be well rather than worrying about the bill coming in the mail.

Additionally, as telehealth services have become more available, the Governor recommends expanding coverage protections and providing parity for those telehealth services to further expand their availability. This includes requiring insurance plans to cover telehealth services if an equivalent in-person service is covered, prohibiting insurers from charging a higher cost-sharing amount for the telehealth version of an equivalent in-person service, prohibiting annual or lifetime limits on telehealth services, and eliminating the need for prior authorization to receive telehealth services under an insurance plan, among others. Increasing access to telehealth visits is especially critical for reaching Wisconsinites who may live far away from the nearest healthcare facility.

Individuals who find themselves in unique life situations outside of the standard insurance open enrollment period near the end of the year can sign up for coverage through a special enrollment period. However, pregnancy is not a qualifier for a special enrollment period. The Governor recommends expanding the qualifications for health insurance special enrollment periods to include pregnancy to help continue the Governor's efforts to boost infant and maternal health outcomes.

Further, as part of the Governor's continued dedication to improving healthcare affordability, this budget recommends creating a state-run health insurance exchange, transitioning away from a federally facilitated exchange. This initiative reduces the cost of plans on the exchange, allows for more efficient administering, and gives the state more autonomy over creating an exchange that fits the unique needs of Wisconsinites while also isolating the state as much as possible from the chaotic federal administration.

States that run their own exchange experience lower average benchmark premiums than states that rely on the federal platform. In 2024, average benchmark premiums, which are the premiums for the second-lowest cost silver plans offered on the exchange, on state-based exchanges were \$25 less than those on federally facilitated exchanges. The state can also run its own exchange for less than what insurers are charged by the federal government, resulting in reduced costs for insurers as well as consumers. Further, running a state-based exchange would allow the state to establish its own open enrollment periods and enhance marketing, outreach, and enrollment assistance efforts to ensure greater access to affordable health insurance plans on the exchange.

Finally, the Governor also recommends taking the first steps toward offering a public health insurance option on the exchange. A public option will provide an affordable alternative for many Wisconsinites who struggle to pay their medical bills and cannot afford the copayments, deductibles, and other cost-sharing requirements of plans offered on the exchange. A public option will also foster greater competition in the marketplace and ultimately benefit all consumers. Since many promising public option models exist, the Governor's budget provides funding for the Office of the Commissioner of Insurance to conduct an analysis and determine the best approach for Wisconsin.

Improving Healthcare Ownership Transparency

According to the Harvard Medical School, higher prices and overall societal spending are correlated with healthcare ownership by private equity firms looking for a quick return on their investment at the cost to patients. In addition to higher costs, patients are more likely to fall, get new infections, and experience other forms of harm in hospitals that have been acquired by private equity firms. That's why the Governor is proposing oversight requirements for significant healthcare entity ownership changes. The state would decide whether those changes could go into effect, including requiring contingencies, which would be enforced. Additionally, this budget would shed light on often murky and complex healthcare entity ownership structures, mandating entities to report annually on ownership or investment interests, controlling interests, significant equity investors, and comprehensive financial reports, among others, to ensure transparency and understanding in who has control over certain healthcare entities in the state.

Additionally, the Governor recommends establishing disclosure requirements for healthcare providers and other creditors to notify individuals about medical bills and provide clarity on when it is due. Healthcare providers and other creditors would be prohibited from reporting to credit reporting agencies that medical debt has gone to collections status unless those disclosure requirements have been met.

Strengthening Emergency Medical Services

The Emergency Medical Services industry is currently facing numerous challenges from recruiting and retaining qualified staff to maintaining financial sustainability. To help the industry meet these challenges head on, the Governor's budget makes targeted investments and regulatory changes, such as:

- Providing \$50 million GPR to create a grant for municipalities to improve or expand emergency medical services;
- Providing \$50,000 GPR to expand the current Cardiac Arrest Registry to Enhance Survival module;
- Establishing statutory language that removes the barriers first responders with post-traumatic stress disorder face when seeking worker's compensation;
- Modifying the allocation methodology, financial reporting requirements, expenditure limits, and training and examination regulations for the Funding Assistance Program; and
- Ensuring ambulance service providers are reimbursed and helping to prevent patients from receiving surprise bills by requiring insurers to cover out-of-network emergency ambulance services for their plan holders.

Addressing Lead Hazards

Lead damages the brain and other bodily systems, and its effects can last a lifetime. As of 2023, at least 134,000 households are served by lead service lines across the state. Lead service lines, which run from the curb stop to the water meter, can unpredictably release lead into drinking water. No level of lead is considered safe for kids. According to the Centers for Disease Control and Prevention, even the smallest exposure to lead can have serious, long-term consequences and can even "reduce a child's learning capacity, ability to pay attention, and academic achievement." Additionally, a 2019 study of kids over several early grade levels found that even low-level lead exposure during early childhood can affect a kid's achievement, including reading and math scores. It also showed that even physically maturing and additional schooling "are not sufficient to offset the damage caused by early childhood exposure."

While lead can hurt anyone, the health effects of lead exposure are particularly damaging for kids under six years of age. Lead poisoning among kids is typically caused by swallowing or breathing in dust from lead-based paint in homes that were built before 1978. Over time, the percentage of tested children who have a blood lead level greater than or equal to 5 µg/dL has declined: In 2012, 6.2 percent of children who were tested for lead had a blood lead level greater than or equal to 5 µg/dL, compared to 3.2 percent in 2023. In the State of the State address the Governor announced approval of an emergency rule to strengthen standards to protect more kids from further lead exposure. The emergency rule lowers Wisconsin's lead poisoning threshold from 5 to 3.5 µg/dL to align with the U.S. Centers for Disease Control and Prevention recommendations. This change will allow more kids and their families to be eligible for services to identify sources of lead exposure through an environmental investigation of the child's home, as well as other nursing and medical follow-up actions. In 2023, 6.3 percent of children who were tested for lead had a blood lead level greater than or equal to 3.5 µg/dL. In addition to actions to address lead service lines addressed elsewhere in this document, the Governor's budget makes a critical investment to continue to lower the incidence of childhood lead poisoning in Wisconsin by providing more than \$6.2 million GPR over the biennium to local health departments to support additional lead hazard investigations for kids.

Recently, the City of Milwaukee Health Department identified dangerous levels of lead contamination in multiple Milwaukee Public Schools buildings. Failure to act swiftly and effectively will place children at serious risk of lead poisoning, developmental delays, and other possible health complications. To begin addressing lead hazards like those present in Milwaukee Public Schools, the Governor's budget will provide \$100 million GPR in one-time funding to restart the Windows Plus Program, which will provide lead-safe renovation to schools, homes, and childcare centers. The Governor is also proposing over \$7 million GPR to assist in-home childcare facilities with remediating lead in their water to further protect Wisconsin kids.

While municipalities have sought to eliminate lead from drinking water by replacing their old water mains, lead service lines still connect water mains to household faucets and other plumbing fixtures. According to a 2023 report from the Wisconsin Policy Forum, more than 37,000 lead service lines have been replaced or turned off since 2018, which is more lines replaced or turned off in just five years than in the previous two decades. Additionally, utilizing federal Bipartisan Infrastructure Law funds, the state has been able to continue this positive progress. However, there are more than 150,000 lead service lines in the state, so the budget will build on the success of the Bipartisan Infrastructure Law to ensure Wisconsin addresses this critical issue, providing \$200 million GPR to continue and accelerate efforts to replace lead service laterals in communities throughout the state.

C. BUILDING SAFE AND STRONG COMMUNITIES

BUILDING A 21ST-CENTURY INFRASTRUCTURE TO SUPPORT A 21ST-CENTURY ECONOMY

Delivering Broadband Internet Access to Every Corner of Wisconsin

Nearly every aspect of our economy, our workforce, and our modern way of life depends on access to high-speed internet service. From parents to small business owners, to farmers and healthcare professionals, Wisconsinites depend on high-speed internet for economic development, rural prosperity, and community-building. While Wisconsin has made significant progress in expanding access to adequate broadband infrastructure over the past six years, Governor Evers recognizes the importance of fully bridging the digital divide. That's why the Governor declared 2021 the Year of Broadband Access and established the Governor's Task Force on Broadband Access, comprised of a diverse group of members with unique perspectives, dedicated to the expansion of adequate and affordable high-speed internet service throughout Wisconsin.

Since taking office, Governor Evers has remained committed to leveraging state and federal funds to make significant progress toward the goal of connecting every Wisconsinite to high-speed broadband internet. Under the Evers Administration, the Public Service Commission has awarded 387 broadband infrastructure grants with more than \$345 million in state and federal funds, providing new or improved broadband infrastructure to over 410,000 homes and businesses across Wisconsin. However, thousands of Wisconsinites still lack access to reliable, affordable high-speed internet, which is a necessity, not a luxury, in the 21st Century.

According to the Governor's Task Force on Broadband Access 2024 Report, there are 108,100 homes and businesses throughout Wisconsin lacking access to internet speeds of at least 25 megabits per second (mbps) download and 3 mbps upload. An additional 195,200 homes and businesses lack access to speeds at least 100 mbps download and 20 mbps upload from a wired or fixed wireless service. The Governor understands that reliable access to broadband internet service is crucial for many aspects of today's society, including connecting business and schools to the world, linking job seekers with employment opportunities, and accessing telehealth services. For too many areas throughout the state, inadequate internet access limits economic development as well as recreational, educational, health, and work opportunities.

Over the last six years, the Governor invested over \$200 million in state funds for the Broadband Expansion Grant program. This historic investment has supported 262 broadband grants, which have provided or will provide broadband infrastructure to over 344,000 homes and businesses throughout Wisconsin. Additionally, during Governor Evers' tenure, the Public Service Commission has awarded over \$148 million in federal broadband infrastructure grant funding allocated to Wisconsin by the CARES Act and the American Rescue Plan Act, supporting 125 grants that have provided or will provide broadband infrastructure to over 66,000 homes and businesses. Moreover, in December 2023, Governor Evers signed a bipartisan bill that strengthens the Broadband Expansion Grant program by increasing the minimum statutory broadband speed threshold to 100/20 mbps, adjusts the criteria by which the commission may award grants, and establishes a grant applicant challenge process. Though these historic investments have connected thousands of Wisconsinites to high-speed internet, Governor Evers recognizes that there is still more work to do to connect every Wisconsinite to high-speed broadband internet.

The state is expected to receive over \$1 billion in federal funding authorized under the Bipartisan Infrastructure Law during the 2025-27 biennium to award broadband infrastructure grants in areas currently lacking 100/20 mbps service. While this unprecedented amount of federal funding will support the construction of modern broadband infrastructure to thousands of homes and businesses, due to the programmatic limitations of this and other fund sources, the state must step up as a partner in this work, as Governor Evers has consistently proposed doing. In the last budget, Governor Evers proposed a more than \$750 million investment to close the digital divide in Wisconsin. Unfortunately, Legislative Republicans provided \$0 new investment in expanding broadband infrastructure, citing federal funding available through President Biden's Bipartisan Infrastructure Law. Now, with federal funding in peril due to the actions of President Trump, it is more important than ever that the state invest in broadband expansion efforts to ensure all Wisconsinites have access to high-speed broadband service. Additionally, if federal funding is available, some broadband infrastructure providers may not participate in the federal grant program or the cost to provide adequate service may be too expensive to qualify for federal funding. Recognizing the importance of this infrastructure to nearly every facet of modern life, regardless of where somebody resides, the Governor is recommending an investment in the state-funded Broadband Expansion Grant program of \$400 million GPR. This funding will deploy fiber or high-speed fixed wireless infrastructure to approximately 31,000 homes and businesses primarily located in remote and difficult-to-serve areas with current broadband speeds less than the modern threshold of 100/20 mbps that may not be served through federal funding.

Under Governor Evers' leadership, the Public Service Commission has supplemented the grant funding provided for broadband infrastructure with additional federal grant funding to support digital equity initiatives, the deployment of computing devices and Wi-Fi equipment, and the expansion of digital navigation services. In September 2024, the commission awarded nearly \$28 million in federal grant funding provided under the American Rescue Plan Act's Digital Connectivity and Navigators Program, supporting 11 grants that will provide Wi-Fi services and digital devices benefitting over 86,000 households. Additionally, in late 2024, the federal government approved the commission's plan to utilize over \$13 million provided to the state under the Bipartisan Infrastructure Law's State Digital Equity Capacity Grant Program to award grants to expand and support digital navigator programs and to establish a digital navigator pilot program for incarcerated individuals to increase digital skills.

In addition to supporting the development of additional broadband infrastructure, the Governor's budget includes a provision to improve the quality and reliability of current broadband service. State law does not currently provide the same level of consumer protection for broadband services as it does for other telecommunications and video services. For example, there are no specific regulations that address consumer access to broadband service, consistent speed delivery, or service interruptions. The Bureau of Consumer Protection within the Department of Agriculture, Trade and Consumer Protection receives more than 600 consumer complaints annually related to electronic communication services, and many of these complaints pertain to broadband issues. Without specific regulatory authority, the department must mediate the complaints without any specific enforcement powers. The Governor recommends modifying current law to protect broadband customers by requiring broadband service providers to meet certain service requirements, including prohibiting a broadband service provider from denying service to

residential customers on the basis of race or income and requiring providers to award credits to customer's internet bills if their service is interrupted for extended periods of time. These new consumer protection regulations for broadband providers will mirror the existing statutory consumer protection regulations governing cable, satellite, and multichannel video services.

With these proposals, Governor Evers continues to demonstrate his commitment to expanding broadband access to all corners of the state. He understands that access to high-speed internet is not a luxury—it is a necessity.

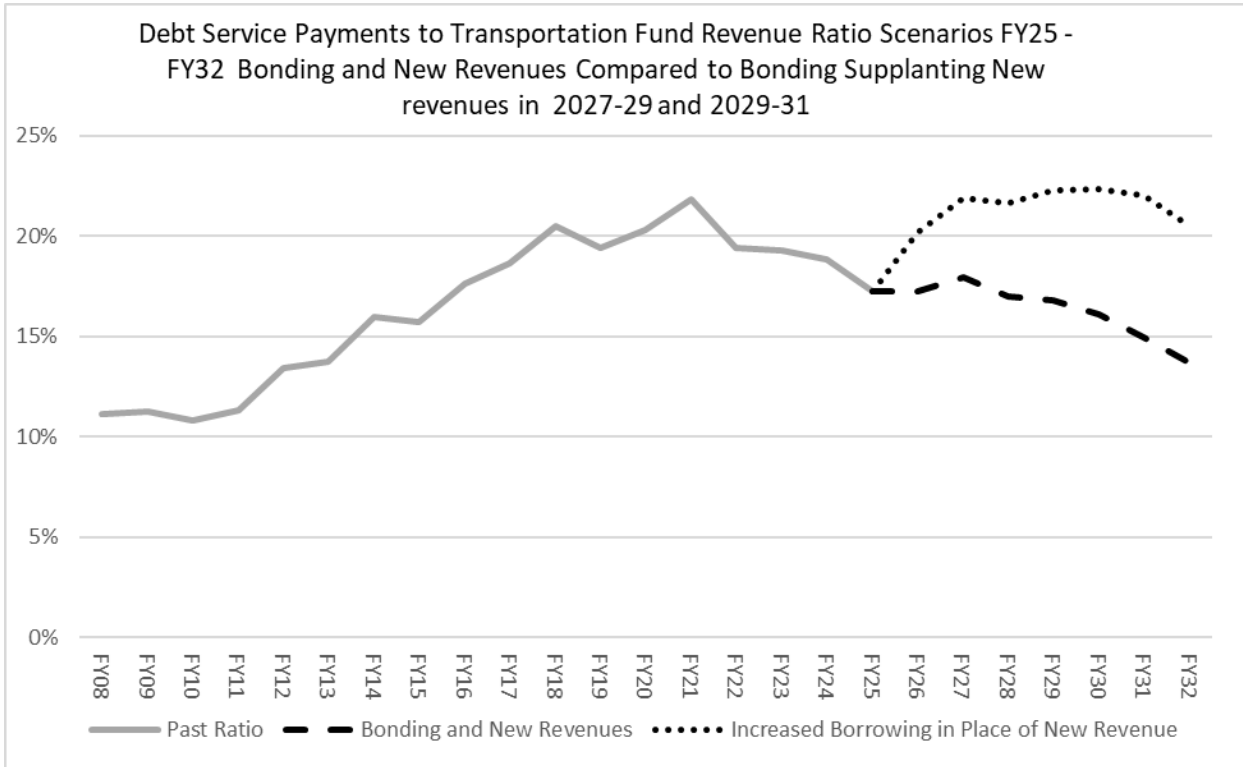
Fixing Our Roads and Bridges and Investing in Wisconsin's Infrastructure

Governor Evers has made fixing Wisconsin's roads and ensuring Wisconsinites have the 21st-century infrastructure that they expect and deserve and that is needed to support a 21st-century economy a top priority over the past three budgets. The Governor has also made it a priority to do so while keeping borrowing low. This budget continues those commitments. By including a transfer to the Transportation Fund calculated based on the sales tax generated purchases needed to keep older vehicles on the road and increasing the vehicle title fee, the Governor's budget safeguards the efforts of recent budgets to keep borrowing low and deliver more sustainable funding for the Transportation Fund. By keeping borrowing ratios steady, revenue generated by users of our transportation system is spent on today's projects, not on debt payments for yesterday's projects. The budget allocates increased funding to programs to improve transportation infrastructure across the state, increases revenue to the Transportation Fund, and borrows in responsible amounts for projects that will last decades.

This budget increases ongoing revenue to the Transportation Fund in two ways to keep borrowing at responsible levels and construction project timelines on track. The first revenue increase is a transfer of a portion of the state's sales tax on the sale of automobile parts, tires, and repair services benchmarked to 2020. The amounts transferred to the Transportation Fund are over \$62 million in fiscal year 2025-26 and over \$67 million in fiscal year 2026-27. The second revenue source is an increase of the title fee by \$120. This increase allows residents of Wisconsin who are owners of vehicles to prepay for the roadways that they will use over the ownership period of that vehicle. By raising the title fee, more than \$122 million in fiscal year 2025-26 and over \$160 million in fiscal year 2026-27 will be deposited in the Transportation Fund. With these new ongoing revenue sources, an additional \$411.8 million over the biennium will be included in the Transportation Fund, providing continuing funding for maintaining our roads today and in the future.

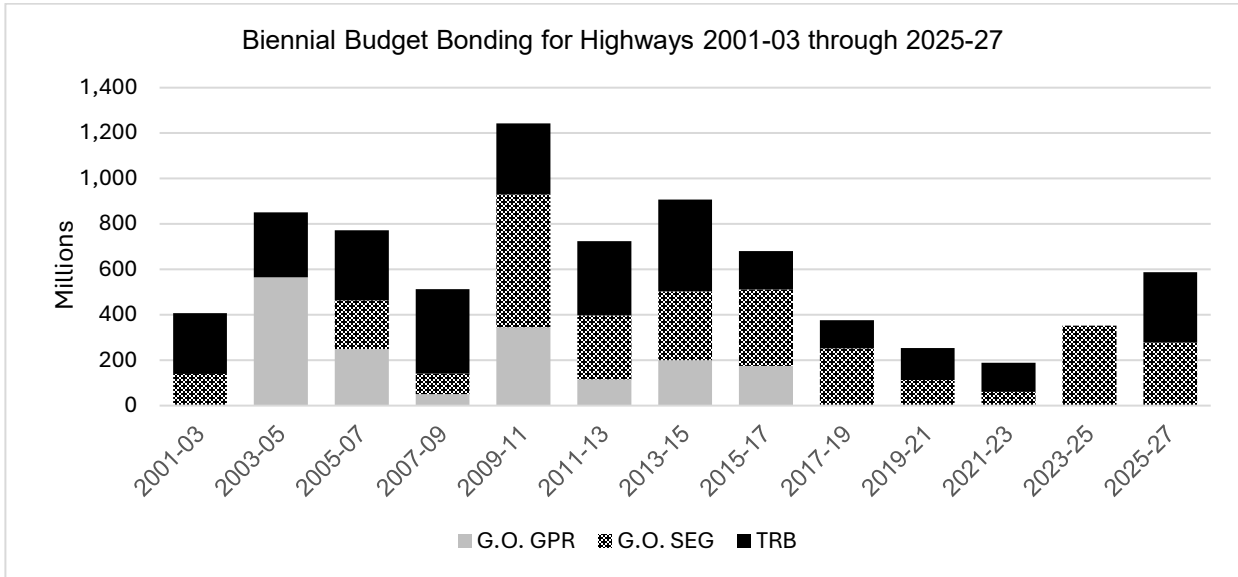
This budget also makes generational investments in Wisconsin roadways with funding for significant projects, including the I-94 East/West project, I-41 expansion, and the enumeration of I-39-90-94 project. Due to the Governor's work to move forward more critical transportation projects, the need for bonding has grown, but the Governor has continued to prioritize ensuring the future of Wisconsin's Transportation Fund by ensuring new revenues are available to pay the debt service on borrowing during this biennium and keep the state's debt service to Transportation Fund revenue ratio stable.

CHART 22: KEEPING DEBT SERVICE COSTS STABLE IN THE TRANSPORTATION FUND



The expansion of I-41, I-39-90-94, and I-94 East/West will address congestion concerns on highway corridors that serve the three largest population centers in the state. This budget uses borrowing in the way it is intended – to build generational transportation projects in a timely fashion. The rest of Wisconsin’s highway network is also supported by the state highway rehabilitation program funding levels that are the highest in state history. The state highway rehabilitation program is the largest single program administered by the Department of Transportation. This budget allocates more than \$2.6 billion all funds in the biennium, an increase of \$397 million all funds compared to the previous biennium. The state highway rehabilitation program maintains the pavement condition for the vast majority of lane miles on the state of Wisconsin’s highway network. The program supports the replacement of overpasses, pavement overlays, and full reconstruction of portions of Wisconsin highways. This budget leverages \$65 million in borrowing for state highway rehabilitation project funding that will build projects that will last decades. This commitment to allocate the necessary amounts in this vital program will maintain Wisconsin’s highways at their current condition.

CHART 23: HIGHWAY BONDING AT SUSTAINABLE LEVELS



Support of all local roads is also included in this budget with an increase of 3 percent in each year for the general transportation aids program. Thanks to Governor Evers previous investments the amount of funding in this program is the highest on record. Every town, village, city, and county in the state receives funding from this program, and this budget supports their efforts to give users safe trips and smooth rides. The budget also increases aids to mass transit providers in the state. This budget supports all transit agencies and provides funds so that no mass transit provider's funding will be negatively impacted by its reclassification due to the 2020 Census. The budget further increases mass transit operating aids by 3 percent in calendar year 2026 and calendar 2027 for all agencies. Counties with forest roads will also see an increase in funding totaling 3 percent in each calendar year. In addition, the budget funds contracts that will reimburse the removal of deer carcasses from the state's highways.

Local support for important corridors is further bolstered by allocation of federal funds to local programs that rebuild roads and increase the safety of nonmotorized users. Federal funds allocated to the transportation alternative program will assist communities in building bike lanes and additional pedestrian infrastructure. The budget further funds popular local grant programs, such as an additional \$100 million over the biennium GPR for the supplemental local road improvement program, which allows communities to rebuild specific road projects in their communities. The agricultural road improvement program, created by Governor Evers in the last budget and through subsequent legislation, is allocated \$50 million over the biennium to support rural roads, bridges, and corridors that support Wisconsin's farmers, producers, and agricultural and forestry industries. Additionally, both of these programs have been updated to incorporate consideration of the findings of a culvert and bridge study funded in the 2023-25 biennium in project selection. These investments provide critical resources needed by local communities to address outdated and dangerous bridges and culverts that provide vital access to all parts of Wisconsin.

The budget allocates \$60 million GPR over the biennium for communities to implement street designs for traffic calming to slow reckless drivers. In addition, certain powers are restored to municipalities to support all users, increase transportation options, and improve safety. Further, the budget establishes eminent domain authority to acquire property for nonmotorized path construction, and requiring the inclusion of design standards known as "complete streets" that will allow for comprehensive roadway corridors to be constructed in a manner that values and keeps safe motorized and nonmotorized users alike. Regional transit authorities are authorized in the budget to allow comprehensive transit systems to service interconnected communities. Also, a transit capital assistance grant program is established to assist in the replacement of buses, vans, and other capital needed to operate the agencies. The success of the newly-launched Borealis passenger rail route is built on as additional funds are allocated to support passenger rail operations in the state as well as continue corridor studies to potentially expand passenger

rail routes to new communities and connect more Wisconsinites. The budget further supports the needs of all Wisconsin residents, funding programs that assist populations with specialized transit needs and job access have been increased.

Wisconsin's waterways also play a critical role in the state's commerce and building a global 21st-century economy. Therefore, the budget also supports Wisconsin's harbors by including \$33 million in total funding for the harbor assistance program. Of the \$33 million, up to \$15 million is included to dredge the Menominee River to maintain navigability to support critical businesses and up to \$3 million is included to construct an educational facility in Sheboygan. Funding is also provided to the freight rail preservation program to rehabilitate rail lines and maintain access to rail service.

The Governor's investments in this budget are not only focused on the efficiency and quality of Wisconsin's roads but it also puts safety front and center. Funding is provided to allow the state to pay for the increased cost of roadway salt for winter driving while also funding new, more readable roadway markings. A wrong-way driver mitigation program is funded to address this dangerous problem on Wisconsin's divided highways. Expressway policing aids are increased to support Milwaukee County's efforts to better address reckless driving behaviors in Wisconsin's most populous county. Also, a funding source change to continue the driver's education grant program ensures this popular program can continue to connect young Wisconsinites to driver's education courses and emphasizes that responsible driving starts in the classroom. Further, the budget keeps those who have sworn an oath to protect within the Division of State Patrol safe. Funding increases for tasers, body cameras, in-squad camera footage storage, and improvements to the state's emergency wireless network are included. Additional positions are also included to respond to the anticipated increases in public record requests for body-worn and in-squad camera recordings. Finally, the administrative attachment for the Office of the Commissioner of Railroads is transferred from the Public Service Commission to the Department of Transportation and the Office is allocated additional staff and funding to better coordinate the inspection and improvement of railroad crossings.

The Division of Motor Vehicles is also supported in the budget to update and modernize its systems. The funding provided will continue the work to replace outdated, legacy systems. Critical investments in these systems will prevent outages or even worse, as similar systems have collapsed in other states, leaving users unable to accomplish the most basic tasks like renewing a vehicle's registration. The budget also authorizes the Division of Motor Vehicles to provide Driver's Licenses to All, increasing safety for all Wisconsin drivers. Further, the budget funds the replacement of license plates that have reached the end of their lifespan and complies with a law requiring the replacement of all plates that are 10 years and older by 2032. Funding for the development of two new specialty license plates, one that resembles butter (a yellow background) and the other a blackout plate (black with white letters) are also included in the budget.

Reducing crime and preventing violence statewide, supporting crime victims and survivors, and intervening in cycles of violence

Over the last six years, Governor Evers has worked with dedicated advocates and organizations across the state to address the root causes of violence. While major categories of violent crime have decreased and the state saw about a 21 percent decrease in homicide, a nearly 30 percent decrease in burglary, and an almost 50 percent decrease in motor vehicle theft in recent years, the rate of gun deaths in Wisconsin is trending in the opposite direction. According to Everytown for Gun Safety, the rate of gun deaths has increased 54 percent from 2014 to 2023 in Wisconsin, compared to a 33 percent increase nationwide over that same time period.

Governor Evers remains committed to reducing crime, preventing violence, including gun violence, and keeping kids, families, and communities safe. For this reason, the Governor established the Office of Violence Prevention through Executive Order #254 earlier this year to connect local and state agencies for a comprehensive approach to violence, providing assistance to local violence prevention efforts, developing public education campaigns and finding ways to improve statewide violence prevention

regulations. Additionally, the office will work in schools to provide mentoring programs and suicide prevention and provide assistance to crime victims.

The Governor' budget provides permanent funding and position authority to ensure the office has adequate resources to continue this essential and valuable work. The Governor's budget provides \$5 million starting in fiscal year 2026-27 to administer grants to eligible entities, including school districts, law enforcement agencies, nonprofits, firearm dealers, and government agencies to support violence and gun violence reduction initiatives. Under the program, eligible entities will be able to apply to receive funding for eligible expenses and initiatives aimed at interrupting, reducing and preventing violence, and promoting community safety, including:

- Supporting multiagency law enforcement investigations;
- Using crime gun intelligence tools;
- Implementing suicide prevention education to identify individuals in crisis, including at the point of sale for firearms;
- Implementing or improving threat assessment training;
- Promoting and administering safe storage and gun buyback programs;
- Providing technical assistance and support to help design, implement, and/or staff evidence-based community policing, crime reduction initiatives, and gun violence crisis response teams;
- Implementing or enhancing domestic violence prevention programs;
- Implementing school-based programming, including suicide prevention and firearm safety training; and
- Supporting mentoring and after-school programs and other efforts aimed at keeping kids out of trouble and out of harm's way.

Further, the Governor recommends providing \$1 million GPR over the biennium for suicide prevention grants to organizations or coalitions of organizations, which may include local units of government, or federally recognized Tribal Nations or Bands, for any of the following purposes: (a) to train staff at a firearm retailer or firearm range on how to recognize a person who may be considering suicide; (b) to provide suicide prevention materials for distribution at a firearm retailer or firearm range; and (c) to provide voluntary, temporary firearm storage. Additionally, funding and position authority is provided to support a suicide prevention coordinator.

Additionally, the Governor's budget will include a \$66 million investment over the biennium to support services for crime victims statewide and help critical victim service providers stay afloat after seeing significant recent reductions in federal funding under the federal Victims of Crime Act (VOCA).

The budget provides \$6 million GPR over the biennium for grants to federally recognized Tribal Nations or Bands in this state and organizations affiliated with Tribes relating to missing and murdered Indigenous women. The grants will provide assistance for Tribal citizens and law enforcement; support the provision of certain services to crime victims, their families, witnesses, and others who are citizens of a Tribe; and support training, including search, rescue, and response training. In addition, the office would coordinate with the Wisconsin Missing and Murdered Indigenous Women Task Force at the Department of Justice. Finally, the budget creates a new Task Force on Missing and Murdered African American Women to shine a spotlight on these issues as well.

Firearm Safety

Further, data from the Centers for Disease Control and Prevention show that, as of 2020, firearms have been the leading cause of death for kids in America—surpassing car accidents and cancer—with gun death rates in this age group increasing by 106 percent over the last 11 years. So, in addition to creating the Wisconsin Office of Violence Prevention, during the Year of the Kid, Governor Evers is also proposing his most robust, sweeping package of comprehensive, commonsense gun safety reform initiatives to date.

Once again, the Governor's budget includes requiring, with certain exceptions, that any firearm transfers be done through a federally licensed firearm dealer, ensuring universal background checks are conducted on all purchasers. Additionally, the Governor is also proposing the creation of an extreme risk protection injunction procedure, known as "red flag" laws, where a court, after a hearing, may order an individual to refrain from possessing a firearm if it finds by clear and convincing evidence that they are substantially likely to injure themselves or another by possessing a firearm. The goal of "red flag" laws is to give loved ones and law enforcement the tools they need to prevent gun violence by intervening before an individual harms themselves or others. According to a Marquette Law School Poll, 81 percent of Wisconsin voters, including gun owners, support comprehensive gun safety reforms, such as "red flag" laws and universal background checks for all firearm purchases.

End Domestic Abuse Wisconsin also found that, in 2023, Wisconsin saw the second highest rates of domestic violence deaths in the state since they began tracking this data more than 20 years ago, 78 percent of which involved firearms. Governor Evers' proposal seeks to prevent domestic abusers from being able to possess firearms by closing a loophole in Wisconsin state statutes.

Additionally, according to the Giffords Law Center, about 380,000 firearms are stolen nationwide annually; nearly half of the guns lost or stolen in the United States are never reported to law enforcement; and more than 23,000 stolen firearms recovered by police between 2010 and 2016 were recovered in connection with crimes, including more than 1,500 violent acts such as murder, kidnapping, and armed robbery.

The Governor's safe storage proposals will include:

- Creating a sales tax and use exemption for sales of gun safes, trigger locks, and gun barrel locks, requiring an individual who owns one or more firearms to secure their firearms in a locked container, in a locked location, or with a trigger lock engaged if they reside with an individual who is prohibited from possessing a firearm;
- Updating current law to require that any firearm is stored in a locked container, in a locked location, or with a trigger lock engaged if children are present;
- Requiring commercial firearm sellers to provide buyers with a lockable container or trigger lock for the firearm;
- Requiring retail businesses that sell firearms to secure all firearms when the business is unattended using one of certain specified methods, including locked safes, cabinets or vaults, reinforced display cases, hardened steel rods or cables, a windowless room with a steel security door, or behind a steel roll-down or security gate;
- Requiring a firearm owner to report within 24 hours to law enforcement when a firearm is missing or stolen, creating criminal penalties for noncompliance, and requiring commercial firearm sellers to provide written notice to the buyer of this requirement and penalty; and
- Restoring the state's 48-hour waiting period to purchase a handgun, which existed from 1976 to 2015.

In 2022, there were more than 48,000 firearm-related deaths in America, which is the second-highest year on record, with more than half of those deaths being suicide. That's true here in Wisconsin, too, where nearly 60 percent of all suicide deaths are firearm related. Therefore the Governor is proposing commonsense solutions to help keep folks safe, including creating a Self-Assigned Firearm Exclusion, or SAFE, procedure for individuals who feel they are a threat to themselves or others to be able to voluntarily notify the Department of Justice that they would like to be added to a database that would prohibit them from purchasing a firearm for a period of one year, five years, or 20 years, based on their preference.

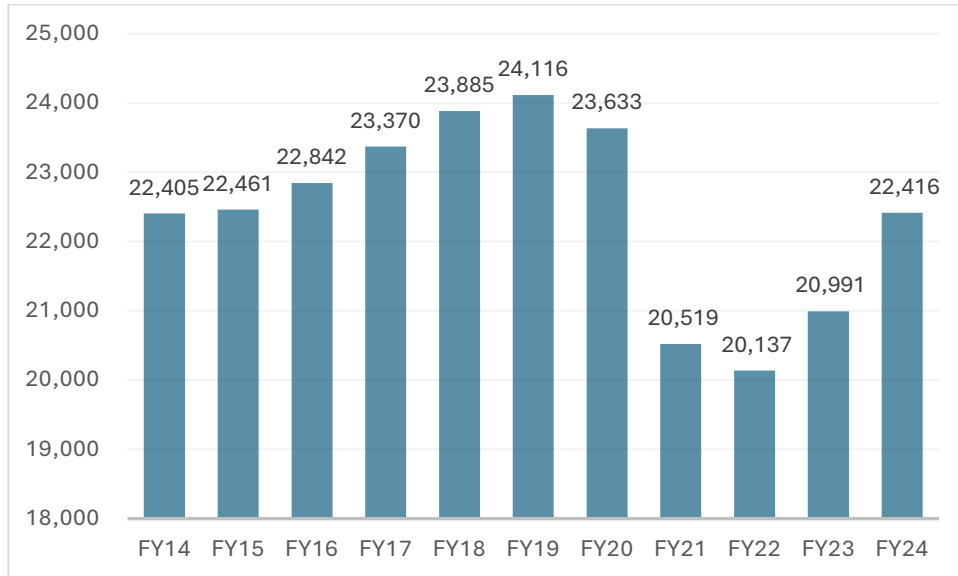
Untraceable guns, also known as "ghost guns," are firearms that are assembled by purchasing separate pieces or a kit to be fully functional firearms that do not have a serial number, making them untraceable and unregulated. The Governor's budget will effectively ban ghost guns in Wisconsin by criminalizing the manufacturing, transportation, sale, possession, and carrying of firearms that cannot be detected; the sale, posting, providing, or possession of plans to manufacture an undetectable firearm; and the possession of a frame or receiver of a firearm that is not marked with a serial number.

A "bump stock" is a firearm modification device that is used to replace a semiautomatic rifle's standard shoulder stock and allows a rifle to fire at nearly the rate of a fully automatic firearm without actually converting the weapon to a fully automatic firearm. The Governor's budget will propose banning "bump stocks" by criminalizing the sale, importation, or possession of a device or part that is added post-manufacture to a semiautomatic firearm to accelerate its rate of fire.

Modernizing Wisconsin's Justice and Correctional Systems

Wisconsin's prison population is projected to reach over 24,000 at the end of the 2025-27 biennium. Without meaningful reform, programmatic investments, and capital projects, Wisconsin will continue to see expensive population increases without a corresponding impact on outcome. The Governor's budget recommends a series of capital projects, coupled with common-sense reform policies, that will stabilize the state's skyrocketing prison population and improve services and vocational training to ensure folks' can reenter communities safely and successfully while making the state's facilities safer and saving taxpayer dollars. The Governor's budget includes a comprehensive plan to close Wisconsin's second oldest prison, Green Bay Correctional Institution, and reopening Lincoln Hills and Copper Lake Schools as Lincoln Correctional Institution for adults.

CHART 24: ADULT INSTITUTIONS AVERAGE DAILY POPULATION HISTORY



The Governor's budget also provides additional resources to the criminal justice system to promote evidence-based practices that reduce recidivism while investing in the employees working throughout the justice system. By giving offenders the proper tools to succeed, all communities become safer. Once again, the budget proposes the creation of an earned release program for vocational training and the creation of an earned compliance credit. The budget also proposes the creation of a mother-young child earned release program. The program would provide nonviolent, incarcerated mothers with the tools that they need to take care of their children and allow them to transition to extended supervision.

Additionally, the budget will transform the Treatment, Alternatives and Diversion (TAD) program, currently housed at the Department of Justice, broadening it to help Wisconsinites throughout the state. For nearly two decades, TAD has operated as a competitive grant program to incentivize counties to offer alternatives to incarceration through evidence-based practices. No longer an experiment or a pilot, the TAD program has shown its effectiveness and it's time to move it to the next phase. Under the budget, the program will shift to the Director of State Courts Office and will no longer be a competitive grant program. Instead, counties will be expected to offer treatment, alternatives and diversion programming. Operation of such programs would entitle counties to an additional \$70 million GPR annually in funding for circuit court operations. While the vast majority of counties already offer such programming, this provision will ensure programming is offered statewide.

Governor Evers continues to support commonsense, evidence-based solutions to overhaul the state's juvenile justice system. These efforts focus on enhancing rehabilitation, considering the developmental differences between juveniles and adults, and reducing youth incarceration in the first place.

Governor Evers has remained steadfast in his commitment to close Lincoln Hills and Copper Lake to move kids closer to their homes and communities. Unfortunately, for years, Republicans in the Legislature have repeatedly ignored, delayed, and obstructed these efforts. With the expansion of the Mendota Juvenile Treatment Center in Madison and the opening of a new Type 1 facility in Milwaukee, the long overdue closure of Lincoln Hills School and Copper Lake School can finally happen. Governor Evers' capital budget recommendations will also propose building a second Type 1 facility in Dane County and include planning dollars for a third facility in northern Wisconsin.

Opening new facilities is just one piece of the puzzle. Wisconsin is one of only four states in the nation that automatically treat 17-year-olds as adults for the purposes of criminal prosecution. The Governor again recommends returning 17-year-olds to the juvenile justice system and to show his commitment that counties will not be left with an unfunded mandate as a result of this important policy change, the Governor's budget includes a GPR sum sufficient appropriation to pay for these costs in this biennium. The Governor's budget also creates a Youth Justice Review Committee to study and provide recommendations for juvenile justice reforms, including jurisdictional and sentencing changes.

Commitment to Veterans

The Wisconsin Veterans Homes are one of the longest running services the state provides to veterans. The Wisconsin Veterans Home at King was first established in 1887. The Wisconsin Veterans Home at Union Grove opened in 2001, and the Wisconsin Veterans Home at Chippewa Falls opened in 2012. Ensuring that the care and services provided to veterans in the State Veterans Homes are of the highest quality is a top priority of the Governor and the Department of Veterans Affairs. To maintain the high quality of care veterans deserve and have earned through their service to the nation, the Governor recommends transferring \$7.1 million GPR in fiscal year 2025-26 and \$14.8 million GPR in fiscal year 2026-27 to the state veterans homes program revenue appropriation due to revenue shortfalls related to a declining population in the homes.

The Department of Veterans Affairs operates the Veterans Outreach and Recovery Program, which provides comprehensive mental health, substance use disorder treatment, housing assistance, and other services to Wisconsin veterans. This critical program provides services to all individuals who served in any component of the U.S. armed forces, including those that have previously served and continue to serve in the National Guard and Reserve. The Governor recommends providing \$512,900 SEG in fiscal

year 2025-26, \$602,800 SEG in fiscal year 2026-27, and 7.0 FTE SEG positions to expand the Veterans Outreach and Recovery Program.

The Department of Veterans Affairs also operates the Veteran Housing and Recovery Program through partnerships with federal, state, and local governments, county veteran services offices, and local stakeholders. The program helps veterans receive the job training, education, counseling, and rehabilitative services needed to obtain steady employment, affordable housing, and skills to sustain a productive lifestyle. Veterans can stay at a program facility for up to 24 months, although many veterans complete the program in 6 to 10 months. The department operates the program out of locations in three cities: Chippewa Falls, Green Bay, and Union Grove. The Governor recommends increasing funding for the Veterans Housing and Recovery Program to maintain existing program services.

The Governor also recommends expanding the Assistance for Needy Veterans Grant Program by allowing for the payment of medical devices and increasing the 12-month maximum grant award from \$3,000 to \$5,000 per recipient and the lifetime maximum grant award from \$7,500 to \$10,000. This will allow for more expenditures to qualify for reimbursement under the program and will increase utilization of this grant program and provide a valuable benefit to veterans.

The Veterans Mental Health Grant Program Initiative was established in December 2022 to provide funding to mental health providers serving veterans. The Governor recommends providing \$5 million all funds in fiscal year 2025-26 to fund these three grant programs:

- Veterans Mental Health Community-Based Organization Grant, which is awarded to nonprofit organizations that promote positive mental health through activities, programs and services that enhance the emotional, psychological, and social well-being of Wisconsin veterans.
- Emergency Crisis Mental Health Treatment Program Grant, which is awarded to mental health providers administering emergency or crisis mental health treatment for Wisconsin veterans.
- Veteran Mental Health Ancillary Treatment Program Grant, which is awarded to certified mental health providers who provide ancillary veteran mental health treatment programs for Wisconsin veterans.

Finally, the Governor recommends increasing the annual grant to Camp American Legion. Located in Wisconsin's Northwoods, Camp American Legion is a place for Wisconsin veterans, military, and their families to come together in a safe place with others who may have shared life experiences. The camp strives to help veterans heal, connect with family, and improve their quality of life.

Recognizing the importance of veterans service offices in each county to connect veterans to the benefits they have earned, the Governor recommends a 5 percent increase to grants to counties and the governing bodies of federally recognized Tribal Nations and Bands in support of the costs of maintaining veterans service offices. The Governor also recommends eliminating the distinction between counties with full-time and part-time veterans service officer positions, allowing communities with part-time staff to be eligible for greater reimbursement than current law.

The Governor also recommends improving the capacity of the Department of Veterans Affairs to provide a final resting place for eligible veterans, spouses and dependents by providing position and expenditure authority to each of the state's veterans cemeteries.

Expanding Access to Affordable Housing and Addressing Housing Insecurity and Instability

Affordable, quality housing is a critical part of supporting kids and families, bolstering the state's workforce and economy, and ensuring communities continue to grow and thrive. When Wisconsinites have access to affordable housing, kids can focus on their studies and not where they're going to sleep at night,

employers can recruit and retain talented workers, and individuals have safe, reliable places to recover from substance use disorders, overcome mental health challenges, and reenter our communities.

There are many reasons for the lack of affordable housing in the state, ranging from increasing construction costs and shortage of skilled workforce to restrictive zoning, and no single solution will solve it. In addition to increasing incentives for developers to build affordable housing in locations of the state that need it, it is also necessary to remove barriers that may hinder the progression of development in the state.

In the 2023-25 biennial budget, Governor Evers signed into law one of the largest investments in affordable housing in state history with a historic \$525 million investment, and the Wisconsin Housing and Economic Development Authority has been working to distribute these funds to help address this problem in communities across the state through three vital programs: the Infrastructure Access Loan Program, the Restore Mainstreet Loan Program, and the Vacancy to Vitality loan program. The Infrastructure Access Loan program assists developers in paying for the costs of installing, replacing, upgrading, or improving public infrastructure related to workforce housing or senior housing. The Restore Mainstreet Loan program allows an owner of rental housing to apply for a loan to cover the costs to improve housing located on the second or third floors of an existing building with commercial space on the ground level. And the Vacancy to Vitality loan program provides developers with loan opportunities to help cover the cost of converting a vacant commercial building to workforce housing or senior housing.

While these programs were a significant investment, it is clear that more needs to be done to address this long-term need. The Governor recommends the following changes to help meet the urgent need for more affordable housing in the state.

The budget makes several modifications to the Infrastructure Access Loan program, the Restore Mainstreet Loan program, and the Vacancy to Vitality Loan program to encourage greater use by local units of government and Tribal Nations, improving the effectiveness of the programs and making it easier to ensure the housing investments made last session are put to the best use in our communities.

WHEDA's State Housing Tax Credit Program will be increased from \$42 million to \$100 million of tax credits that may be authorized annually. In addition, current financing requirements for developments will be modified to allow the authority to continue to allocate state housing tax credits even if the federal private activity tax-exempt bond volume cap limit is reached.

The Governor recommends establishing a new \$20 million GPR zoning incentive pilot program at the Department of Administration in fiscal year 2025-26. The funds would be granted to municipalities and Tribal Nations that adopt one or more of the following policy initiatives to eliminate zoning barriers for the creation or expansion of affordable housing:

- Reduce minimum lot sizes and widths.
- Reduce setback requirements to allow greater use of existing lots.
- Increase allowed lot coverages to match historic patterns.
- Adoption of a traditional neighborhood development ordinance.
- Allow accessory dwelling units.

In addition, the Governor recommends \$1 million GPR in fiscal year 2025-26 for the creation of a grant program to local units of government, school districts, and businesses for the start-up of programs that focus on the development of the skilled workforce through the building or rehabilitation of affordable housing in their communities.

The Governor recommends modifying tax incremental finance policies to support the development of workforce housing by increasing the amount of a tax incremental finance district's area that can be comprised of newly platted residential developments to 60 percent instead of the current law 35 percent if that additional amount is used solely for workforce housing. The Governor also recommends allowing municipalities to extend the life of a tax incremental finance district from one to three years, if the municipality adopts a resolution specifying how the municipality will increase the number of affordable or workforce housing units. The Governor further recommends that municipalities may adopt workforce housing initiatives by implementing one or more of several enumerated policies aimed at improving the availability of workforce housing and that implementing three or more of these enumerated policies shall give those municipalities priority in housing grants from state agencies responsible for such grants. In addition, the Governor recommends that workforce housing for the purposes of these provisions be defined to mean housing that costs a household no more than 30 percent of the household's gross median income and housing that comprises residential units for initial occupancy by individuals whose household income is no more than 120 percent of the county's gross median income.

The budget again restores the ability of local units of government to regulate the rental industry within their own communities and modifies statutory language related to landlord-tenant responsibilities that were enacted over the past decade to provide a better balance of rights and protections for landlords and tenants. In addition, the Governor's budget includes statutory language that would prohibit discrimination on the basis of the receipt of rental or housing assistance to ensure all renters have fair access to housing, no matter their financial situation.

The Governor's budget also makes additional recommendations to protect homeowners and improve transparency in real estate sales and rental agreements to further improve consumer protections. Real estate agents and other property sellers would be required to disclose more detailed flood-related information about the property, such as its flood insurance coverage status, any flood-related claims, financial support history for flood damage, and specific information about the floodplain location. Landlords would also be required to disclose if a rental property is in a floodplain so that prospective renters are not caught off guard.

Further, the Governor recommends allowing catastrophe savings accounts to be opened through financial institutions to allow for individuals to save pretax funds in case of a catastrophic event that results in property damage.

The Governor's budget also prioritizes the need for investments in addressing homelessness in the state. According to the U.S. Department of Housing and Urban Development, 5,049 people were homeless in Wisconsin in 2024, a majority of whom reside in a shelter. This represented a 3.9 percent increase from 2023. Additionally, based on a 2021 nationwide study, the annual cost of maintaining a bed, with few, if any, additional services, for homeless shelters was \$14,000 for individuals and \$17,700 for families.

Unfortunately, the Legislature has largely continued to disregard investments included in the Governor's last three Executive Budgets for homelessness efforts, despite the clear and continuing need for these resources.

The Governor's budget once again includes funding to help address this problem through the following initiatives:

- \$15.2 million GPR over the biennium for the Housing Assistance program, which provides grants to operate housing and associated support services for the homeless across the state;
- \$4 million GPR over the biennium to create a new Housing Quality Standards Grant program that will provide small grants to landlord to address housing deficiencies;
- \$2 million GPR over the biennium for the Homelessness Prevention program, which provides assistance to homeless families and individuals to help defray housing costs;

- \$1.4 million GPR over the biennium for the State Shelter Subsidy Grant program to renovate or expand shelter facilities;
- \$1 million TANF over the biennium for the Homeless Case Management Grant program for those living in emergency shelters; and
- \$500,000 GPR over the biennium for the Skills Enhancement Grant program at the Department of Children and Families, which helps low-income parents overcome barriers to employment.

To help support families in crisis, the budget also provides funding to the Housing First program in Milwaukee County, which works to provide permanent housing to individuals and families experiencing homelessness quickly. In addition, the Governor recommends expanding the legal assistance program at the Department of Children and Families and creating a Civil Legal Assistance program at the Department of Administration providing services to families when they need it most.

In total, these programs and funding will significantly increase the state's current investment in housing assistance for people who are currently, or in danger of becoming, homeless.

D. PROTECTING & CONSERVING OUR NATURAL RESOURCES

Addressing PFAS and Other Contaminants

Every Wisconsinite should be able to trust the water from their tap, and during the Year of the Kid, Governor Evers recognizes that in order for kids to bring their best and full selves to the classroom and prepare for their futures, kids and families must have access to clean, safe drinking water that is free of harmful contaminants like per- and polyfluoroalkyl substances (PFAS) and lead.

PFAS are a group of human-made chemicals used for decades in numerous consumer and industrial products. PFAS are found in everything from nonstick cookware and fast-food wrappers to stain-resistant sprays and firefighting foam. While they offer useful benefits in consumer goods and industrial applications, their persistence in the environment and potential harm to human health has caused growing alarm. PFAS are often referred to as "forever chemicals" because they are highly resistant to breaking down in the environment and in human bodies, leading to long-term persistence and accumulation. A number of PFAS compounds are known to pose a risk to human and animal health, bioaccumulating in tissue over time and causing adverse human health effects, including increased serum cholesterol, immune dysregulation, pregnancy induced hypertension, liver damage, and kidney and testicular cancers.

Now found in dozens of communities across the state, PFAS contamination is a statewide problem that requires urgent, meaningful state action and investment. That is why the Governor proposes providing \$145 million all funds over the biennium to fight PFAS contamination. The bulk of this funding will come in the form of a community grant program designed to be flexible so that local communities have access to the resources they need to respond to PFAS at whatever stage in the response the community is in. A similar program was proposed by the Department of Natural Resources via a s. 13.10 request to the Joint Committee on Finance using the \$125 million approved in the 2023-25 state budget, but the Committee has refused to release this funding to the department, leaving it untouched for nearly two years. Seeking a compromise, the department submitted a revised request in February of 2024, which was also ignored. Had the Legislature acted, these previously allocated funds would already be in the affected communities helping to remediate the damage. While PFAS might be forever chemicals, Wisconsinites shouldn't have to wait forever for the Legislature to finally take action.

Additionally, monitoring and remediation work cannot be carried out without proper resources, so this budget provides the Department of Natural Resources with 10.0 FTE GPR positions that will focus on establishing standards and testing methodologies for PFAS contamination as well as develop plans for

the remediation of PFAS contamination. The new staff will also work with staff from the Department of Health Services to develop standards and guidelines for PFAS.

The Governor also recommends providing substantial additional assistance and resources to local communities that are impacted by PFAS contamination. Currently, the Department of Natural Resources is providing emergency drinking water assistance, such as bottled water, to homes whose private water supplies have been contaminated by PFAS. The Governor's budget provides an additional \$1.8 million SEG over the biennium to continue this critical emergency service for Wisconsin residents. The Governor's proposal will also protect innocent landowners, like farmers who unknowingly allowed the spreading of biosolids containing PFAS on their land, from having to cover the cost of cleaning up the PFAS contamination. The Governor also proposes to increase biosolid sampling, testing, and remediation for PFAS in biosolids and allocates \$7 million all funds in new funding to help innocent landowners and farmers remediate PFAS contamination. The Governor is also recommending the creation of a County PFAS Well Testing grant program to assist private well owners in sampling their water for PFAS. Finally, the Governor is proposing adopting major policies from the CLEAR Act, including establishing a REINS Act exemption for administrative rulemaking that seeks to set enforceable standards for PFAS in Wisconsin waters.

The budget also increases funding for the state well compensation program by \$5 million SEG over the biennium to help more private well owners replace, reconstruct, treat, or abandon their contaminated wells and increase access to clean drinking water. Building off of the success of the ARPA-funded well compensation program created by Governor Evers in 2022, the Governor recommends amending the well compensation program position to bring the program's contamination criteria in line with federal water quality standards and address emerging contaminants like PFAS. The budget will also update the program's woefully out-of-date financial qualifications to allow the program to serve more Wisconsin residents. Finally, the budget will expand the program to include owners of transient noncommunity public water systems, such as restaurants, churches, and daycare centers. These programmatic changes have been proposed in the past three budgets, yet the Legislature has continually failed to act. These programmatic changes are much needed and long overdue to ensure the state well compensation program is viable and effective moving forward.

Finally, the budget will address nonpoint pollution, which is the top cause of water pollution in the state. Nonpoint pollution does not come from a single, identifiable source. Unlike point-source pollution, which originates from specific outlets like factories or sewage treatment plants, nonpoint pollution is diffuse and hard to regulate. The Governor's budget continues to invest in nonpoint pollution abatement. The Department of Agriculture, Trade and Consumer protection will receive an additional \$10 million in bonding for grants to counties for the implementation of land and water resource management plans, including cost-share grants to landowners through the Soil and Water Resource Management Program. The Department of Natural Resources will receive an additional \$10 million in bonding for grants to counties for capital projects that implement land and water resource management plans under the Targeted Runoff Management Program. The Targeted Runoff Management Program will also receive \$400,000 SEG over the biennium for noncapital projects.

Addressing the Climate Crisis and Advancing a Clean Energy Economy

From flooding and more severe weather events to droughts and lack of snow in the winter, Governor Evers recognizes that climate change is an imminent threat to our state, economy, and our kids' future and has been working to tackle the climate crisis head on. In his first year in office, Governor Evers joined the U.S. Climate Alliance, of which he is now the first Midwest Governor to serve as an executive board member. The Governor, along with his fellow U.S. Climate Alliance governors, is committed to collectively achieving the goals of the 2015 Paris Agreement to combat climate change and has established an ambitious goal of ensuring 100 percent carbon-free electricity consumption in Wisconsin by 2050. Also in his first year, he created the Governor's Task Force on Climate Change which ultimately put forth 55 climate solutions across nine sectors. This has laid the foundation for the state to better adapt to and mitigate the effects of climate change while also seeking environmental justice and economic opportunities in renewable energy and conservation.

Governor Evers knows that the state doesn't have to choose between mitigating climate change and protecting the environment and good-paying jobs and economic development—Wisconsin can and will do both, and the Governor's budget includes the following key recommendations to assist the state in doing just that:

- Provide more than \$10 million over the biennium and a 1.0 FTE GPR position to create a community climate action grant program to assist local governments in preparing climate risk assessments and to help local governments implement emission-reducing and climate action projects.
- Provide over \$1.3 million over the biennium and a 1.0 FTE GPR position to administer a program to promote community engagement on climate and clean energy needs including grants to local nonprofits for this purpose.
- Provide \$20 million GPR in fiscal year 2025-26 to support the continuation of the Energy Innovation Grant program at the Public Service Commission to ensure organizations from different sectors can invest in projects related to energy efficiency, renewable energy, energy storage, and energy planning.
- Double the required utility contribution for the Focus on Energy program from 1.2 percent to 2.4 percent of annual operating revenues, which will generate an additional \$100 million in annual funding for the program as well as modify current law to allow energy storage projects for residential customers to qualify for the Focus on Energy program.
- Create a pilot program at the Public Service Commission funded with \$1 million GPR in fiscal year 2025-26 to assist developers and electric providers with the cost of developing renewable energy infrastructure on brownfield sites.
- Provide \$1 million GPR in fiscal year 2025-26 to conduct a nuclear power plant feasibility study.
- Require electric utilities to submit integrated resource plans to the Public Service Commission outlining the utility's resource needs to meet expected electricity demand over a long-term time horizon.
- Allow utilities to offer financing programs for energy improvement projects for Wisconsin homes that enable "on-bill financing" where a homeowner can pay for these improvements over time via a surcharge on their monthly energy bill. This type of financing makes energy improvement projects much more accessible for Wisconsinites by allowing smaller payments over time instead of requiring a large, up-front investment.
- Provide \$50 million GPR in fiscal year 2025-26 to increase support to the Green Innovation Fund, which will increase lending and investment activities in the renewable energy sector.

Bolstering our State Parks, Conservation, and Outdoor Recreation

From hunting to fishing, boating to birding, conservation and the preservation of the state's land and water is core to what it means to be a Wisconsinite. For over 30 years, the Warren Knowles-Gaylord Nelson Stewardship Program has played a critical role in the state's efforts to partner with local leaders, nonprofits, and land trusts to protect Wisconsin's vast and valuable land and water resources, as well as Wisconsinites' way of life. Until recently, this program has historically received bipartisan support in the spirit of the Wisconsin leaders for whom it was named. As shown in the chart below, the Governor is recommending a historic investment in Wisconsin's future by committing \$100 million per year to the Warren Knowles-Gaylord Nelson Stewardship Program over 10 years. While still providing funds for land acquisition, the budget will refocus the program on land development such as local parks and trails

projects in communities across the state. It will also create new programs for motorized recreation, habitat management, and Tribal co-management.

CHART 25: TOTAL STEWARDSHIP PROGRAM AUTHORITY

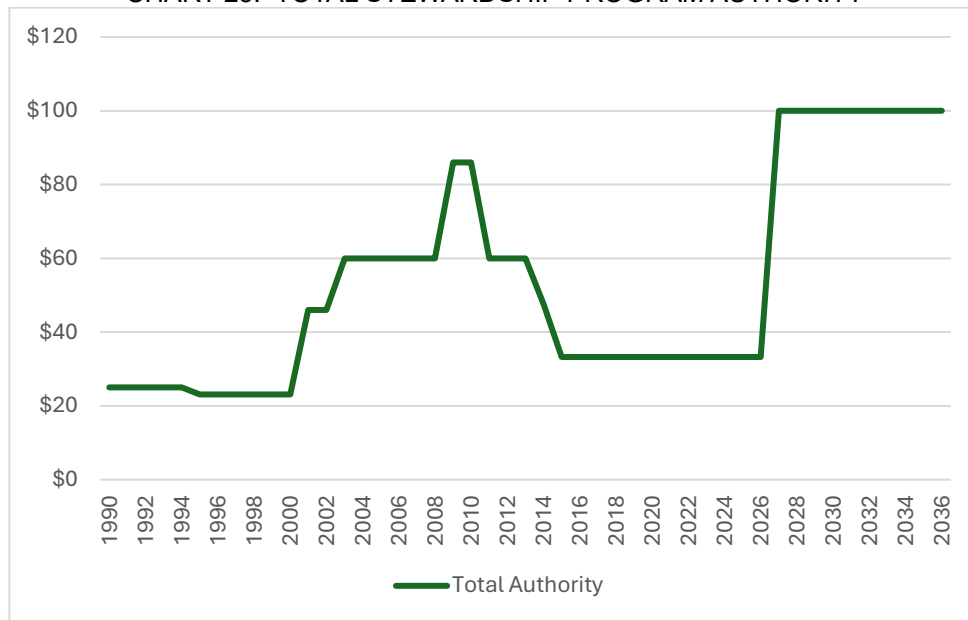
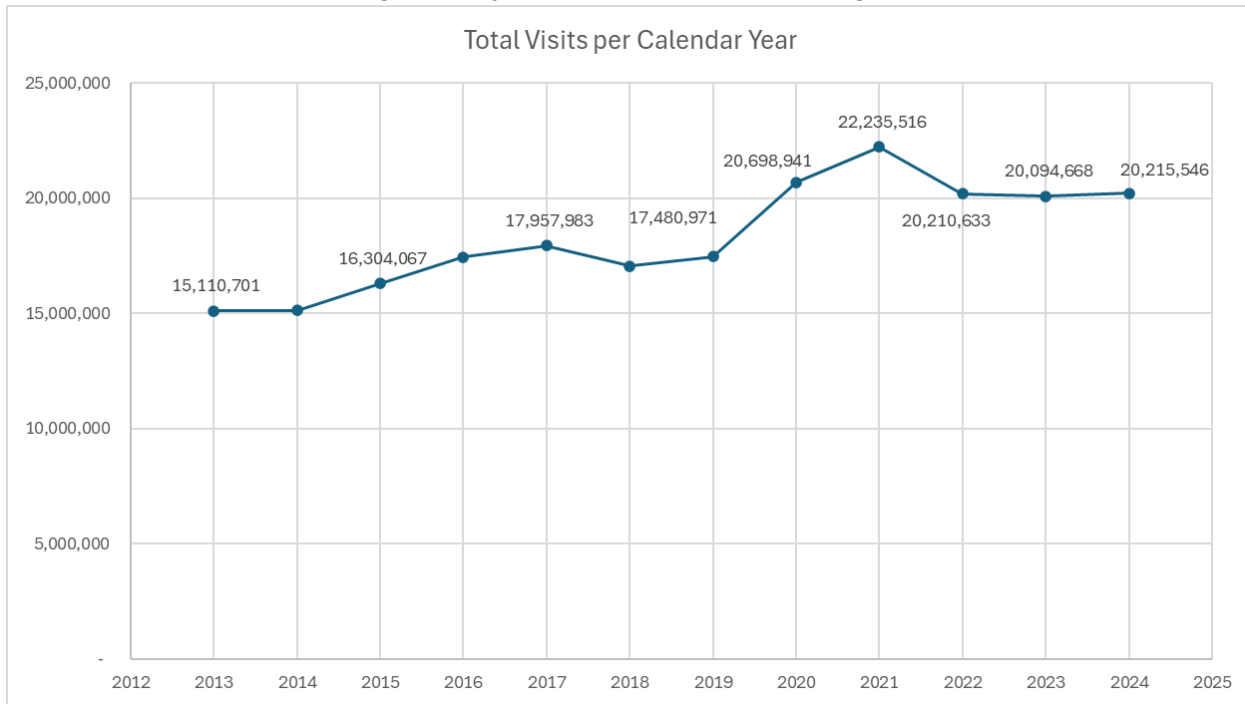


TABLE 9: GOVERNOR'S RECOMMENDED STEWARDSHIP ALLOTMENTS

Warren Knowles - Gaylord Nelson Stewardship Program	
	Annual Allotment
Property Development: Local Parks and Recreation	\$36.05 million
Property Development: Local Recreation Boat Facilities	\$9 million
Property Development: State Property Maintenance and Development	\$15.45 million
Property Development: Grants to Friends of WI State Parks	\$2.5 million
Property Development: NCO Assistance	\$5 million
Property Development: Tribal Co-Management	\$3 million
Land Acquisition: NCO Land Acquisition	\$14 million
Land Acquisition: County Forest Land Acquisition	\$3 million
Land Acquisition: DNR Land Acquisition	\$7 million
Land Acquisition: Motorized Recreation	\$5 million
Total Annual Stewardship Funding	\$100 million

Wisconsin's vast and valuable natural resources and outdoor recreation opportunities are important to not only Wisconsinites but to the millions of visitors that come to fish in the state's waters, hike the state's trails, and camp at one of the state's outstanding state parks. In fact, outdoor recreation is a more than \$11 billion industry in the state and has seen two consecutive record-breaking years. A major contributing factor to that success is the Wisconsin State Park System, which is renowned as one of the finest park systems and as noted below, has seen increased attendance.

CHART 26: STATE PARKS ATTENDANCE



The Governor's budget proposes additional supply funding for state parks of more than \$3.2 million SEG in fiscal year 2025-26 and more than \$3.1 million SEG in fiscal year 2026-27 to account for continued high levels of attendance at state parks. The budget also includes more than \$7.8 million all funds annually for capital development and property maintenance projects in the state park system.

Ensuring that Wisconsin's state parks are not only well maintained, but also accessible for folks and families of all ages and abilities is critical. Therefore, the budget will provide \$946,200 SEG over the biennium to expand accessible outdoor recreation opportunities in the state park system through the Open the Outdoors initiative. The budget will also provide state park annual fee waivers for the families of fourth graders learning about the state of Wisconsin and for citizens of the Tribal Nations in Wisconsin. Further, the Governor recommends providing fee waivers for state campground reservations for Tribal citizens as well.

Enhancing Conservation and Supporting Wildlife

Wisconsin's hunting, fish, and trapping history runs deep, and the Governor is proposing multiple initiatives to support our outdoor sporting heritage. First, the Governor is proposing increasing hunting, fishing, and trapping license fees, as well as some wildlife stamp fees which is expected to generate \$75 million over the biennium in additional revenue for critical conservation and wildlife projects and programs. These actions will ensure Wisconsin has thriving wildlife and can adapt to changing needs to protect our sporting heritage. The Governor is also recommending additional funding for state fish hatcheries and creel surveys, as well as new funding to support Tribally-owned and operated fish hatcheries. In addition, the Governor is recommending \$3.7 million to increase activities that reduce wolf-related conflicts for Wisconsin farmers and help collect data on Wisconsin's wolf population. Finally, the Governor is recommending funding for more disposal sites for deer infected with Chronic Wasting Disease to help prevent the spread of the disease.

Strengthening Wisconsin's Forests and Forestry Industries

The forest product and papermaking industries have been crucial to Wisconsin's economy for generations. This budget proposal will increase the state's efforts to support these industries by providing

funding to workforce development and education programs that support the forestry industry such as the University of Wisconsin-Stevens Point's Learning, Experiences & Activities in Forestry (LEAF) program and the Wisconsin Forestry Careers Pathway Program. The Governor is once again recommending funding to complete a Forestry Industrywide Strategic Plan and Roadmap, first recommended in the Governor's Blue Ribbon Commission on Rural Prosperity. And the Governor is recommending increased funding for key forestry-related grant programs, such as the County Forest Administrator Grant program, the Sustainable Forestry Grant program, the County Forest Wildlife Habitat Grant program, and the Wisconsin Forest Landowner Grant program.

Economic Assumptions and Revenue Estimates

V. ECONOMIC ASSUMPTIONS AND REVENUE ESTIMATES

NATIONAL ECONOMY

The Legislative Fiscal Bureau's 2025-27 revenue estimates are based on the January 2025 national economic forecast from S&P Global. IHS Markit forecasts slowing, moderate economic growth throughout 2025, 2026 and 2027. Inflation is expected to remain relatively high due to policy assumptions related to the imposition of tariffs on a broad set of imported goods and employment growth is expected to moderate substantially due to stagnation in the working age population.

- Real Output Growth. Real Gross Domestic Product (GDP) is projected to increase by 2.0 percent in 2025, 1.7 percent in 2026 and 1.6 percent in 2027. This follows 2.8 percent growth in real GDP in 2024.
- Employment. Employment growth is expected to stagnate over the next few years with growth in total nonfarm payrolls of 0.9 percent in 2025, followed by declines of 0.1 percent in each of 2026 and 2027. This period of moderation follows 1.6 percent growth in 2024, which accompanied unemployment that averaged 4.0 percent throughout the year.
- Inflation. Inflation is projected to remain somewhat elevated before receding, with growth rates in consumer prices of 2.9 percent in 2025, 3.3 percent in 2026 and 2.2 percent in 2027. This follows inflation of 3.0 percent in 2024.
- Profits. Corporate profits are expected to remain approximately steady over the next few years after a sharp pace of growth shortly after the COVID-19 global pandemic. Economic profits are expected to decline 0.7 percent and 3.2 percent in 2025 and 2026, respectively, before returning to growth of 1.8 percent in 2027. This follows growth of 6.5 percent in 2024.
- Incomes. Personal income growth is projected to be moderate over the next few years at a steady rate. Nominal personal income is projected to grow by 5.1 percent in 2025, 5.5 percent in 2026 and 4.8 percent in 2027 following similar growth of 5.5 percent in 2024.
- Retail Sales. Retail sales growth is expected to remain at a steady and moderate pace over the next few years. Retail sales are projected to grow by 2.9 percent in 2025, 2.6 percent in 2026 and 3.0 percent in 2027. This follows growth of 2.3 percent in 2024.

TABLE 10: SUMMARY OF THE NATIONAL ECONOMIC OUTLOOK

Economic Indicators	Actual		Forecast		
	2023	2024	2025	2026	2027
Gross Domestic Product					
Nominal GDP	6.6	5.3	5.1	5.1	3.8
Real GDP	2.9	2.8	2.0	1.7	1.6
Prices and Wages					
GDP Deflator	3.6	2.4	3.0	3.3	2.1
Consumer Price Index	4.1	3.0	2.9	3.3	2.2
Compensation Per Hour	4.4	3.9	4.5	5.8	3.6
Production and Other Measures					
Total Nonfarm Employment	2.3	1.6	0.9	-0.1	-0.1
Industrial Production	0.2	-0.4	0.5	1.2	1.2
Housing Starts (Millions)	1.421	1.347	1.307	1.261	1.257
Light Vehicle Sales (Millions)	15.50	15.79	16.18	16.39	16.56
Retail Sales	3.6	2.3	2.9	2.6	3.0
Profits and Income					
Corporate Profits Before Tax	6.9	6.5	-0.7	-3.2	1.8
Personal Income	5.9	5.5	5.1	5.5	4.8

All numbers are annual percent change except as noted.

REVENUE ESTIMATES

TABLE 11: GENERAL PURPOSE TAX REVENUE ESTIMATES
(\$ in millions)

	Actual	Estimate	Estimate	Estimate
<u>Current Law Estimates</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>FY27</u>
Individual Income	\$9,717.6	\$10,420.0	\$11,140.0	\$11,880.0
General Sales and Use	\$7,587.5	\$7,760.0	\$8,140.0	\$8,375.0
Corporation Franchise and Income	\$2,702.1	\$2,770.0	\$2,415.0	\$1,785.0
Public Utility	\$399.5	\$384.0	\$404.0	\$394.0
Excise				
Cigarette	\$402.7	\$371.0	\$348.0	\$326.0
Tobacco Products	\$85.7	\$86.0	\$85.0	\$84.0
Vapor Products	\$7.1	\$7.1	\$7.2	\$7.3
Liquor and Wine	\$68.3	\$73.0	\$74.0	\$76.0
Beer	\$8.0	\$8.2	\$8.2	\$8.1
Insurance Companies	\$242.6	\$263.0	\$270.0	\$275.0
Miscellaneous	<u>\$108.5</u>	<u>\$110.0</u>	<u>\$121.0</u>	<u>\$129.0</u>
Total GPR Taxes	\$21,329.6	\$22,252.3	\$23,012.4	\$23,339.4
Change Over Prior Year				
Amount		\$922.7	\$760.1	\$327.0
Percent		4.3%	3.4%	1.4%

TABLE 12: GENERAL PURPOSE REVENUE ESTIMATES UNDER GOVERNOR'S
RECOMMENDATIONS
(\$ in millions)

<u>Current Law Estimates</u>	<u>Actual FY24</u>	<u>Estimate FY25</u>	<u>Estimate FY26</u>	<u>Estimate FY27</u>
Individual Income	\$9,717.6	\$10,420.0	\$12,391.6	\$12,882.8
General Sales and Use	\$7,587.5	\$7,760.0	\$8,047.5	\$8,223.3
Corporation Franchise and Income	\$2,702.1	\$2,770.0	\$2,742.2	\$2,114.1
Public Utility	\$399.5	\$384.0	\$404.0	\$392.5
Excise				
Cigarette	\$402.7	\$371.0	\$350.1	\$328.9
Tobacco Products	\$85.7	\$86.0	\$85.0	\$84.0
Vapor Products	\$7.1	\$7.1	\$22.3	\$33.6
Liquor and Wine	\$68.3	\$73.0	\$74.0	\$76.0
Beer	\$8.0	\$8.2	\$8.2	\$8.1
Marijuana	\$0.0	\$0.0	\$0.0	\$56.7
Insurance Companies	\$242.6	\$263.0	\$270.0	\$275.0
Miscellaneous	<u>\$108.5</u>	<u>\$110.0</u>	<u>\$121.0</u>	<u>\$129.0</u>
Total GPR Taxes	\$21,329.6	\$22,252.3	\$24,515.9	\$24,604.0
Change Over Prior Year				
Amount		\$922.7	\$2,263.6	\$88.1
Percent		4.3%	10.2%	0.4%

TABLE 13: GENERAL FUND TAX CHANGES
(\$ in millions)

<u>Provision</u>	<u>FY26</u>	<u>FY27</u>
<u>Tax Relief Measures</u>		
Personal Exemption Increase - \$500 (\$700 to \$1,200)	\$112.4	\$113.5
Homestead Credit Expansion and Indexing	71.6	\$76.2
EITC Expansion	58.4	\$58.5
Veterans and Surviving Spouses Credit Eligibility Expansion	31.4	\$35.1
Veterans and Surviving Spouses Credit for Renters	10.9	\$12.1
Sales Tax Exemption for Over-the-Counter Medicine	29.8	\$40.8
Sales Tax Exemption for Residential Electricity	49.7	\$105.9
Disability Income Subtraction Increase	0.3	\$0.3
Adoption Deduction Increase	0.1	\$0.1
State Housing Tax Credit	1.5	\$7.3
Cash Tips Exemption	6.7	\$6.9
WHEFA Working Capital Bonds	Minimal	Minimal
Disaster Savings Accounts	Minimal	Minimal
Credit for Universal Changing Stations	5.3	\$10.6
Flood Insurance Premiums Credit	0.4	\$0.4
Telecom Tower Exemption	-	\$1.5
Prairie or Wetland Planning Services	0.5	\$0.7
Battery Storage for Renewable Energy Systems	3.2	\$4.5
Breast Pump Sales Tax Exemption	0.6	\$0.8
Gun Safe Exemption	0.5	\$0.7
Diapers, Feminine Hygiene and Incontinence Products	<u>14.9</u>	<u>\$20.4</u>
Total Reductions	\$398.0	\$496.2
<u>Revenue Enhancement Measures</u>		
9.8% Rate For \$1+ Million Filers	\$719.3	\$578.4
Internal Revenue Code Update - Ex R&D Amortization	\$237.4	\$250.4
Manufacturing Credit Limitation (\$300k QPAI)	\$418.5	\$373.8
Capital Gains Exclusion Limits (Prohibited above \$400k/\$533k)	\$242.5	\$177.6
Dividends Received Deduction Limitation	\$3.2	\$3.2
Limitation on Private School Tuition Subtraction	\$6.5	\$6.5
Brown Cigarettes/Little Cigars	\$2.1	\$2.9
Vapor Products Tax	\$15.1	\$26.3
Sales and Use Tax Exemption Repeal - Farm-Raised Deer	\$0.1	\$0.1
Marijuana Excise Taxes	\$0.0	\$47.2
Marijuana Sales Tax Effect	\$0.0	\$10.9
Delta-8 Excise Taxes	\$0.0	\$9.5
Delta-8 Sales Taxes	\$0.0	\$2.4
Interactive Effects	\$52.0	\$46.3
Revenue Agents Project to Permanent Positions	<u>\$32.5</u>	<u>\$43.3</u>
Total Revenue Enhancements	\$1,729.2	\$1,578.8
Net Change	\$1,331.2	\$1,082.7
Net Change Excluding Tax Enforcement	\$1,298.7	\$1,039.4

Reference Section

VI. REFERENCE SECTION

Glossary of Terms and Abbreviations

Adjusted Base Year: The legislatively authorized total level of funding in the second year of a biennium for an appropriation, program or agency, which becomes the base and starting point for funding changes in the upcoming budget.

Aids to Individuals and Organizations: State payments made directly to or on behalf of an individual or private organization.

Annual Appropriations: Authorization for expenditures only up to the amount shown in the Chapter 20 appropriations schedule and only for the fiscal year for which they are appropriated. Unused funds in annual appropriations lapse to the fund of origin at the close of each fiscal year.

Base Level Reallocations: A means of transferring existing budgeted dollars from lower to higher priority activities.

Base Year Reconciliation: The documentation of adjustments to agency budgets at the appropriation level throughout the current biennium which have an effect on the base year (the second year of the current biennium).

Biennial Appropriations: Authorization for expenditures for the biennium for which they are appropriated. Dollar amounts shown in the Chapter 20 appropriations schedule represent the most reliable estimates of the amounts which will be expended in each fiscal year. Amounts can be expended in any fashion between the two years of the biennium.

Bond Revenue: Monies resulting from the contracting of public debt as authorized by the Legislature for specific purposes.

Continuing Appropriations: Authorization for expenditures from an appropriation until the appropriation is fully depleted or repealed by subsequent action of the Legislature. The appropriation for any given year consists of the previous fiscal year ending balance together with the new Chapter 20 appropriation authority granted during the current fiscal year.

Fiscal Year (FY): The year between July 1 and the following June 30 which corresponds to the state's budget and accounting period. A fiscal year is usually expressed as FY26 for fiscal year 2025-26, for example.

Full-Time Equivalent (FTE) Position: Designates the number (down to 0.1) of authorized positions affected by an action. A 1.0 FTE position represents full-time authority for 2,080 hours of employment, 0.5 FTE position represents 1,040 hours, etc.

General Purpose Revenue (GPR): Monies consisting of general taxes (sales, income, excise, etc.), miscellaneous receipts and revenues collected by state agencies which are paid into the general fund, lose their identity and are then available for appropriation for any purpose by the Legislature.

General Purpose Revenue-Earned (GPR-E): Miscellaneous revenues collected by agencies that are deposited in the general fund and interest earnings on general fund balances.

Lapse: For annual appropriations, any budgeted funds that remain unspent at the end of each fiscal year revert or lapse back to the fund (general fund, transportation fund, conservation fund, etc.) from which they were appropriated. For biennial appropriations, a lapse occurs only in the second fiscal year of each biennium. There is no lapse from continuing appropriations.

Limited Term Employee (LTE): Individuals employed by the state for temporary positions, which are limited by law to 1,040 hours per 26 consecutive pay periods and are not part of the state's civil service system.

Local Assistance: Appropriations made to or on behalf of units of local government in Wisconsin to help pay costs which would otherwise be borne by local governments.

Mission Statement: The overall purpose of a governmental organization. In many cases specific legislative direction is given to an agency and serves as the principal purpose of the agency.

One-Time Financing: The provision of funds for a cost that will not recur in future years.

Permanent Positions: All positions, classified and unclassified, which are not LTE or project positions and which do not have a termination date. Most position numbers are expressed as full-time equivalent (FTE). This would represent one person working full-time as one FTE position and two persons each working half-time as one FTE position.

Program Goal: A broadly based statement of anticipated results.

Program Revenue – Federal (PR-F): Monies received from the federal government and deposited as program revenues in the general fund.

Program Revenue – Other (PR or PR-O): Monies credited by law to a specific general fund appropriation to finance a particular agency, program or activity. They generally represent monies from user charges such as license and inspection fees, receipts from product sales or reimbursement for the cost of services provided to an individual or organization which is not another state agency.

Program Revenue – Service (PR-S): Monies credited by law to a specific general fund appropriation to finance a particular agency, program or activity when the service is provided to another state agency or the funding is received from another state agency.

Program Structure: The building blocks of an agency's budget are as follows:

Program: A broad category of similar services for an identifiable group or segment of the population for a specific purpose.

Subprogram: A breakdown of a program into units which identify more specific services or a more specific segment of the population.

Program Element: A breakdown of a subprogram into units which further program objectives by contributing to a specific output or group of related outputs described by a service or target group.

Program Summary: The same information as the department summary but at the program and subprogram levels.

Project Positions: A position with a fixed termination date and with a maximum duration of four years.

Segregated Revenue – Federal (SEG-F): Monies received from the federal government and deposited as revenues in a segregated fund.

Segregated Revenue – Local (SEG-L): Monies received from local governments which are used in conjunction with state and/or federal funds on transportation projects with a local component.

Segregated Revenue – Other (SEG or SEG-O): Monies which, by law, are deposited into funds other than the general fund. The funds retain their interest earnings and are available for predesignated purposes.

Segregated Revenue – Service (SEG-S): Monies which are credited by law to a specific segregated fund appropriation to finance a particular agency, program or activity when the service is provided to another state agency.

Standard Budget Adjustments: Technical adjustments to the base which are needed to accurately reflect the current level of funding on an annualized basis.

State Operations: Expenditures which are not local assistance or aids to individuals that fund the administrative operations of state agencies and the University of Wisconsin.

Sum Certain Appropriations: Authorization for expenditures from the indicated source in the specific amounts appropriated in the Chapter 20 schedule.

Sum Sufficient Appropriations: Authorization for expenditures from the indicated source in the amounts necessary to accomplish the purpose specified. Dollar amounts shown in the Chapter 20 appropriation schedule represent the most reliable estimate of the amounts which will be needed; however, they are not controlling.

Turnover: A reduction to the salary budget to reflect the savings realized when positions become vacant and when experienced employees are replaced with those who earn only the minimum salary in their classification.

Unclassified Positions: Permanent positions which are not filled through the civil service and which have no civil service protection.

Appendices

Summary of All Funds Appropriations Governor's Recommendations - FY26

	FY25 Base	FY26 Recommended	Change From Base (Amt)	Change Percent
Administration	978,027,100	1,296,346,300	318,319,200	32.5
Aging and Long-Term Care, Board on	4,244,500	5,071,000	826,500	19.5
Agriculture, Trade and Consumer Protection	117,536,100	170,862,600	53,326,500	45.4
Building Commission	46,620,000	64,779,500	18,159,500	39.0
Child Abuse and Neglect Prevention Board	4,435,900	9,251,700	4,815,800	108.6
Children and Families	1,559,703,000	1,975,019,500	415,316,500	26.6
Circuit Courts	126,155,000	146,607,200	20,452,200	16.2
Corrections	1,725,014,800	1,981,792,400	256,777,600	14.9
Court of Appeals	13,182,600	12,936,600	-246,000	-1.9
District Attorneys	71,567,500	86,593,700	15,026,200	21.0
Educational Communications Board	22,410,500	22,052,100	-358,400	-1.6
Elections Commission	6,886,800	9,386,500	2,499,700	36.3
Employee Trust Funds	64,130,100	78,963,000	14,832,900	23.1
Employment Relations Commission	1,104,400	1,127,800	23,400	2.1
Environmental Improvement Program	11,199,000	210,665,000	199,466,000	1,781.1
Ethics Commission	1,577,100	4,456,400	2,879,300	182.6
Financial Institutions	21,957,300	24,335,300	2,378,000	10.8
Fox River Navigational System Authority	125,400	131,700	6,300	5.0
Governor, Office of the	4,726,300	4,834,400	108,100	2.3
Health and Educational Facilities Authority	0	0	0	0.0
Health Services	16,696,172,900	20,832,862,800	4,136,689,900	24.8
Higher Educational Aids Board	144,695,900	175,670,900	30,975,000	21.4
Historical Society	42,724,500	46,608,800	3,884,300	9.1
Insurance, Office of the Commissioner of	316,179,100	322,908,000	6,728,900	2.1
Investment Board	102,814,700	102,814,700	0	0.0
Judicial Commission	363,500	379,300	15,800	4.3
Judicial Council	0	0	0	0.0
Justice	203,092,700	189,004,100	-14,088,600	-6.9
Kickapoo Reserve Management Board	1,158,800	1,149,800	-9,000	-0.8
Labor and Industry Review Commission	3,179,700	3,212,500	32,800	1.0
Legislature	100,590,500	101,603,900	1,013,400	1.0
Lieutenant Governor, Office of the	521,000	492,800	-28,200	-5.4
Lower Wisconsin State Riverway Board	276,100	284,000	7,900	2.9
Medical College of Wisconsin	13,850,500	15,903,100	2,052,600	14.8
Military Affairs	205,647,400	331,678,900	126,031,500	61.3
Miscellaneous Appropriations	228,892,000	249,805,300	20,913,300	9.1
Natural Resources	602,652,800	824,358,200	221,705,400	36.8
People with Developmental Disabilities, Board	1,700,000	1,885,500	185,500	10.9
Program Supplements	332,100	4,035,100	3,703,000	1,115.0
Public Defender Board	134,278,100	140,509,500	6,231,400	4.6
Public Instruction	8,892,647,700	10,403,517,100	1,510,869,400	17.0
Public Lands, Board of Commissioners of	1,740,000	2,391,900	651,900	37.5
Public Service Commission	35,254,900	460,984,200	425,729,300	1,207.6
Revenue	261,406,700	269,943,000	8,536,300	3.3
Safety and Professional Services	75,543,400	81,990,900	6,447,500	8.5
Secretary of State	291,800	704,900	413,100	141.6
Shared Revenue and Tax Relief	3,766,402,700	4,335,018,200	568,615,500	15.1
State Fair Park Board	23,336,800	40,834,800	17,498,000	75.0
Supreme Court	38,150,000	41,455,200	3,305,200	8.7
Technical College System Board	625,627,300	656,695,000	31,067,700	5.0
Tourism	19,990,200	53,374,300	33,384,100	167.0
Transportation	3,569,041,200	4,299,345,300	730,304,100	20.5
Treasurer, State	133,000	225,300	92,300	69.4
University of Wisconsin System	7,944,851,700	8,300,269,900	355,418,200	4.5
Veterans Affairs	158,875,100	179,919,800	21,044,700	13.2
Wisconsin Economic Development Corporation	45,870,000	191,995,000	146,125,000	318.6
Wisconsin Housing and Economic Workforce Development	0	0	0	0.0
	401,167,700	591,220,200	190,052,500	47.4
TOTALS	49,440,055,900	59,360,264,900	9,920,209,000	20.1

Summary of All Funds Appropriations Governor's Recommendations - FY27

	FY26 Recommended	FY27 Recommended	Change From FY26 (Amt)	Change Percent
Administration	1,296,346,300	1,014,199,600	-282,146,700	-21.8
Aging and Long-Term Care, Board on	5,071,000	5,126,200	55,200	1.1
Agriculture, Trade and Consumer Protection	170,862,600	144,031,900	-26,830,700	-15.7
Building Commission	64,779,500	76,167,000	11,387,500	17.6
Child Abuse and Neglect Prevention Board	9,251,700	9,251,700	0	0.0
Children and Families	1,975,019,500	2,033,063,800	58,044,300	2.9
Circuit Courts	146,607,200	192,813,800	46,206,600	31.5
Corrections	1,981,792,400	1,987,332,100	5,539,700	0.3
Court of Appeals	12,936,600	12,946,900	10,300	0.1
District Attorneys	86,593,700	90,920,700	4,327,000	5.0
Educational Communications Board	22,052,100	22,026,600	-25,500	-0.1
Elections Commission	9,386,500	9,040,200	-346,300	-3.7
Employee Trust Funds	78,963,000	79,068,700	105,700	0.1
Employment Relations Commission	1,127,800	2,500,000	1,372,200	121.7
Environmental Improvement Program	210,665,000	8,437,000	-202,228,000	-96.0
Ethics Commission	4,456,400	4,111,400	-345,000	-7.7
Financial Institutions	24,335,300	24,869,500	534,200	2.2
Fox River Navigational System Authority	131,700	131,700	0	0.0
Governor, Office of the	4,834,400	4,834,400	0	0.0
Health and Educational Facilities Authority	0	0	0	0.0
Health Services	20,832,862,800	21,877,647,400	1,044,784,600	5.0
Higher Educational Aids Board	175,670,900	175,656,900	-14,000	0.0
Historical Society	46,608,800	43,064,900	-3,543,900	-7.6
Insurance, Office of the Commissioner of	322,908,000	326,320,800	3,412,800	1.1
Investment Board	102,814,700	102,814,700	0	0.0
Judicial Commission	379,300	379,600	300	0.1
Judicial Council	0	0	0	0.0
Justice	189,004,100	179,991,900	-9,012,200	-4.8
Kickapoo Reserve Management Board	1,149,800	1,172,400	22,600	2.0
Labor and Industry Review Commission	3,212,500	3,212,500	0	0.0
Legislature	101,603,900	101,662,900	59,000	0.1
Lieutenant Governor, Office of the	492,800	492,800	0	0.0
Lower Wisconsin State Riverway Board	284,000	284,000	0	0.0
Medical College of Wisconsin	15,903,100	15,326,900	-576,200	-3.6
Military Affairs	331,678,900	241,676,300	-90,002,600	-27.1
Miscellaneous Appropriations	249,805,300	253,380,700	3,575,400	1.4
Natural Resources	824,358,200	671,207,500	-153,150,700	-18.6
People with Developmental Disabilities, Board for	1,885,500	1,796,400	-89,100	-4.7
Program Supplements	4,035,100	7,145,500	3,110,400	77.1
Public Defender Board	140,509,500	143,291,700	2,782,200	2.0
Public Instruction	10,403,517,100	10,837,096,000	433,578,900	4.2
Public Lands, Board of Commissioners of	2,391,900	2,415,300	23,400	1.0
Public Service Commission	460,984,200	38,720,500	-422,263,700	-91.6
Revenue	269,943,000	269,284,100	-658,900	-0.2
Safety and Professional Services	81,990,900	82,295,700	304,800	0.4
Secretary of State	704,900	797,900	93,000	13.2
Shared Revenue and Tax Relief	4,335,018,200	4,533,208,300	198,190,100	4.6
State Fair Park Board	40,834,800	43,672,100	2,837,300	6.9
Supreme Court	41,455,200	41,645,700	190,500	0.5
Technical College System Board	656,695,000	652,695,000	-4,000,000	-0.6
Tourism	53,374,300	29,087,400	-24,286,900	-45.5
Transportation	4,299,345,300	4,243,489,800	-55,855,500	-1.3
Treasurer, State	225,300	245,300	20,000	8.9
University of Wisconsin System	8,300,269,900	8,286,876,500	-13,393,400	-0.2
Veterans Affairs	179,919,800	176,419,600	-3,500,200	-1.9
Wisconsin Economic Development Corporation	191,995,000	46,845,000	-145,150,000	-75.6
Wisconsin Housing and Economic Development	0	0	0	0.0
Workforce Development	591,220,200	462,731,400	-128,488,800	-21.7
TOTALS	59,360,264,900	59,614,924,600	254,659,700	0.4

**Summary of All Funds Positions
Governor's Recommendations - FY26**

	FY25 Base	FY26 Recommended	Change From Base (FTE)
Administration	1,509.28	1,553.33	44.05
Aging and Long-Term Care, Board on	46.50	50.50	4.00
Agriculture, Trade and Consumer Protection	647.29	665.29	18.00
Building Commission	0.00	0.00	0.00
Child Abuse and Neglect Prevention Board	7.00	7.00	0.00
Children and Families	818.40	832.90	14.50
Circuit Courts	551.00	551.00	0.00
Corrections	10,162.52	10,439.42	276.90
Court of Appeals	75.50	75.50	0.00
District Attorneys	499.30	571.60	72.30
Educational Communications Board	51.50	51.50	0.00
Elections Commission	36.00	46.00	10.00
Employee Trust Funds	287.20	291.20	4.00
Employment Relations Commission	6.00	6.00	0.00
Environmental Improvement Program	0.00	0.00	0.00
Ethics Commission	8.00	27.00	19.00
Financial Institutions	141.54	149.00	7.46
Fox River Navigational System Authority	0.00	0.00	0.00
Governor, Office of the	37.25	37.25	0.00
Health and Educational Facilities Authority	0.00	0.00	0.00
Health Services	6,777.54	6,828.54	51.00
Higher Educational Aids Board	11.50	11.50	0.00
Historical Society	184.55	183.55	-1.00
Insurance, Office of the Commissioner of	142.83	184.50	41.67
Investment Board	298.00	298.00	0.00
Judicial Commission	2.00	2.00	0.00
Judicial Council	0.00	0.00	0.00
Justice	759.84	767.95	8.11
Kickapoo Reserve Management Board	4.00	5.00	1.00
Labor and Industry Review Commission	18.70	18.70	0.00
Legislature	787.97	790.97	3.00
Lieutenant Governor, Office of the	5.00	5.00	0.00
Lower Wisconsin State Riverway Board	2.00	2.00	0.00
Medical College of Wisconsin	0.00	0.00	0.00
Military Affairs	625.00	636.00	11.00
Miscellaneous Appropriations	0.00	0.00	0.00
Natural Resources	2,539.92	2,566.92	27.00
People with Developmental Disabilities, Board for	8.60	8.60	0.00
Program Supplements	0.00	0.00	0.00
Public Defender Board	619.85	672.35	52.50
Public Instruction	656.27	652.27	-4.00
Public Lands, Board of Commissioners of	9.70	10.70	1.00
Public Service Commission	192.75	188.75	-4.00
Revenue	1,184.80	1,231.30	46.50
Safety and Professional Services	257.89	287.89	30.00
Secretary of State	2.00	6.00	4.00
Shared Revenue and Tax Relief	0.00	0.00	0.00
State Fair Park Board	54.00	54.00	0.00
Supreme Court	233.10	243.25	10.15
Technical College System Board	55.00	55.00	0.00
Tourism	34.00	40.00	6.00
Transportation	3,302.93	3,317.93	15.00
Treasurer, State	1.00	2.00	1.00
University of Wisconsin System	38,239.40	38,446.40	207.00
Veterans Affairs	1,240.50	1,252.50	12.00
Wisconsin Economic Development Corporation	0.00	0.00	0.00
Wisconsin Housing and Economic Development	0.00	0.00	0.00
Workforce Development	1,597.75	1,625.25	27.50
TOTALS	74,732.67	75,749.31	1,016.64

**Summary of All Funds Positions
Governor's Recommendations - FY27**

	FY26 Recommended	FY27 Recommended	Change From FY26 (FTE)
Administration	1,553.33	1,523.83	-29.50
Aging and Long-Term Care, Board on	50.50	50.50	0.00
Agriculture, Trade and Consumer Protection	665.29	660.29	-5.00
Building Commission	0.00	0.00	0.00
Child Abuse and Neglect Prevention Board	7.00	7.00	0.00
Children and Families	832.90	832.90	0.00
Circuit Courts	551.00	555.00	4.00
Corrections	10,439.42	10,416.32	-23.10
Court of Appeals	75.50	75.50	0.00
District Attorneys	571.60	571.60	0.00
Educational Communications Board	51.50	51.50	0.00
Elections Commission	46.00	46.00	0.00
Employee Trust Funds	291.20	291.20	0.00
Employment Relations Commission	6.00	23.50	17.50
Environmental Improvement Program	0.00	0.00	0.00
Ethics Commission	27.00	27.00	0.00
Financial Institutions	149.00	149.00	0.00
Fox River Navigational System Authority	0.00	0.00	0.00
Governor, Office of the	37.25	37.25	0.00
Health and Educational Facilities Authority	0.00	0.00	0.00
Health Services	6,828.54	6,824.54	-4.00
Higher Educational Aids Board	11.50	11.50	0.00
Historical Society	183.55	183.55	0.00
Insurance, Office of the Commissioner of	184.50	184.50	0.00
Investment Board	298.00	298.00	0.00
Judicial Commission	2.00	2.00	0.00
Judicial Council	0.00	0.00	0.00
Justice	767.95	760.95	-7.00
Kickapoo Reserve Management Board	5.00	5.00	0.00
Labor and Industry Review Commission	18.70	18.70	0.00
Legislature	790.97	790.97	0.00
Lieutenant Governor, Office of the	5.00	5.00	0.00
Lower Wisconsin State Riverway Board	2.00	2.00	0.00
Medical College of Wisconsin	0.00	0.00	0.00
Military Affairs	636.00	635.00	-1.00
Miscellaneous Appropriations	0.00	0.00	0.00
Natural Resources	2,566.92	2,529.92	-37.00
People with Developmental Disabilities, Board for	8.60	7.00	-1.60
Program Supplements	0.00	0.00	0.00
Public Defender Board	672.35	672.35	0.00
Public Instruction	652.27	645.27	-7.00
Public Lands, Board of Commissioners of	10.70	10.70	0.00
Public Service Commission	188.75	181.75	-7.00
Revenue	1,231.30	1,231.30	0.00
Safety and Professional Services	287.89	287.89	0.00
Secretary of State	6.00	6.00	0.00
Shared Revenue and Tax Relief	0.00	0.00	0.00
State Fair Park Board	54.00	54.00	0.00
Supreme Court	243.25	246.25	3.00
Technical College System Board	55.00	55.00	0.00
Tourism	40.00	40.00	0.00
Transportation	3,317.93	3,273.93	-44.00
Treasurer, State	2.00	2.00	0.00
University of Wisconsin System	38,446.40	38,453.40	7.00
Veterans Affairs	1,252.50	1,252.50	0.00
Wisconsin Economic Development Corporation	0.00	0.00	0.00
Wisconsin Housing and Economic Development	0.00	0.00	0.00
Workforce Development	1,625.25	1,624.25	-1.00
TOTALS	75,749.31	75,613.61	-135.70

**Summary of GPR Appropriations
Governor's Recommendations - FY26**

	FY25 Base	FY26 Recommended	Change From Base (Amt)	Change Percent
Administration	367,907,200	595,160,800	227,253,600	61.8
Aging and Long-Term Care, Board on	1,967,300	2,379,100	411,800	20.9
Agriculture, Trade and Consumer Protection	32,993,900	76,004,400	43,010,500	130.4
Building Commission	44,283,000	62,536,400	18,253,400	41.2
Child Abuse and Neglect Prevention Board	1,995,000	6,870,000	4,875,000	244.4
Children and Families	466,467,800	758,324,300	291,856,500	62.6
Circuit Courts	125,922,300	146,374,500	20,452,200	16.2
Corrections	1,574,696,200	1,812,433,100	237,736,900	15.1
Court of Appeals	13,182,600	12,936,600	-246,000	-1.9
District Attorneys	67,636,600	82,921,600	15,285,000	22.6
Educational Communications Board	6,774,700	6,439,900	-334,800	-4.9
Elections Commission	5,213,100	7,678,300	2,465,200	47.3
Employee Trust Funds	12,900	12,200	-700	-5.4
Employment Relations Commission	958,800	982,200	23,400	2.4
Environmental Improvement Program	6,699,000	206,165,000	199,466,000	2,977.5
Ethics Commission	1,033,900	4,420,200	3,386,300	327.5
Governor, Office of the	4,726,300	4,834,400	108,100	2.3
Health and Educational Facilities Authority	0	0	0	0.0
Health Services	5,576,169,400	5,144,826,700	-431,342,700	-7.7
Higher Educational Aids Board	142,878,500	173,757,100	30,878,600	21.6
Historical Society	27,318,800	30,778,700	3,459,900	12.7
Insurance, Office of the Commissioner of	16,535,000	31,826,300	15,291,300	92.5
Judicial Commission	363,500	379,300	15,800	4.3
Judicial Council	0	0	0	0.0
Justice	84,380,000	94,795,300	10,415,300	12.3
Labor and Industry Review Commission	167,600	165,800	-1,800	-1.1
Legislature	97,973,400	98,872,500	899,100	0.9
Lieutenant Governor, Office of the	521,000	492,800	-28,200	-5.4
Medical College of Wisconsin	13,603,000	15,655,600	2,052,600	15.1
Military Affairs	39,139,400	133,018,500	93,879,100	239.9
Miscellaneous Appropriations	196,521,000	217,502,200	20,981,200	10.7
Natural Resources	99,220,700	137,300,200	38,079,500	38.4
People with Developmental Disabilities, Board for	132,100	114,200	-17,900	-13.6
Program Supplements	332,100	1,869,100	1,537,000	462.8
Public Defender Board	132,777,800	138,999,100	6,221,300	4.7
Public Instruction	7,868,908,000	9,354,243,400	1,485,335,400	18.9
Public Lands, Board of Commissioners of	1,614,100	2,026,000	411,900	25.5
Public Service Commission	0	422,000,000	422,000,000	0.0
Revenue	212,334,600	215,933,800	3,599,200	1.7
Safety and Professional Services	0	981,900	981,900	0.0
Shared Revenue and Tax Relief	1,926,612,100	2,320,958,500	394,346,400	20.5
State Fair Park Board	2,440,300	1,597,600	-842,700	-34.5
Supreme Court	20,660,900	21,933,500	1,272,600	6.2
Technical College System Board	587,442,900	619,080,600	31,637,700	5.4
Tourism	8,330,200	50,633,600	42,303,400	507.8
Transportation	192,499,200	395,090,500	202,591,300	105.2
University of Wisconsin System	1,346,632,600	1,692,868,500	346,235,900	25.7
Veterans Affairs	2,019,300	1,885,000	-134,300	-6.7
Wisconsin Economic Development Corporation	0	145,000,000	145,000,000	0.0
Wisconsin Housing and Economic Development	0	0	0	0.0
Workforce Development	61,045,900	239,444,700	178,398,800	292.2
TOTALS	21,381,044,000	25,490,504,000	4,109,460,000	19.2

**Summary of GPR Appropriations
Governor's Recommendations - FY27**

	FY26 Recommended	FY27 Recommended	Change From FY26 (Amt)	Change Percent
Administration	595,160,800	328,276,900	-266,883,900	-44.8
Aging and Long-Term Care, Board on	2,379,100	2,430,600	51,500	2.2
Agriculture, Trade and Consumer Protection	76,004,400	48,874,700	-27,129,700	-35.7
Building Commission	62,536,400	73,414,600	10,878,200	17.4
Child Abuse and Neglect Prevention Board	6,870,000	6,870,000	0	0.0
Children and Families	758,324,300	775,792,100	17,467,800	2.3
Circuit Courts	146,374,500	192,581,100	46,206,600	31.6
Corrections	1,812,433,100	1,859,252,500	46,819,400	2.6
Court of Appeals	12,936,600	12,946,900	10,300	0.1
District Attorneys	82,921,600	87,258,900	4,337,300	5.2
Educational Communications Board	6,439,900	6,402,900	-37,000	-0.6
Elections Commission	7,678,300	7,384,400	-293,900	-3.8
Employee Trust Funds	12,200	8,000	-4,200	-34.4
Employment Relations Commission	982,200	2,354,400	1,372,200	139.7
Environmental Improvement Program	206,165,000	4,437,000	-201,728,000	-97.8
Ethics Commission	4,420,200	4,075,200	-345,000	-7.8
Governor, Office of the	4,834,400	4,834,400	0	0.0
Health and Educational Facilities Authority	0	0	0	0.0
Health Services	5,144,826,700	5,403,506,000	258,679,300	5.0
Higher Educational Aids Board	173,757,100	173,743,100	-14,000	0.0
Historical Society	30,778,700	26,992,200	-3,786,500	-12.3
Insurance, Office of the Commissioner of	31,826,300	32,106,300	280,000	0.9
Judicial Commission	379,300	379,600	300	0.1
Judicial Council	0	0	0	0.0
Justice	94,795,300	87,955,500	-6,839,800	-7.2
Labor and Industry Review Commission	165,800	165,800	0	0.0
Legislature	98,872,500	98,931,100	58,600	0.1
Lieutenant Governor, Office of the	492,800	492,800	0	0.0
Medical College of Wisconsin	15,655,600	15,079,400	-576,200	-3.7
Military Affairs	133,018,500	43,080,900	-89,937,600	-67.6
Miscellaneous Appropriations	217,502,200	221,138,200	3,636,000	1.7
Natural Resources	137,300,200	109,104,900	-28,195,300	-20.5
People with Developmental Disabilities, Board	114,200	114,200	0	0.0
Program Supplements	1,869,100	3,160,100	1,291,000	69.1
Public Defender Board	138,999,100	141,780,600	2,781,500	2.0
Public Instruction	9,354,243,400	9,786,310,500	432,067,100	4.6
Public Lands, Board of Commissioners of	2,026,000	2,049,400	23,400	1.2
Public Service Commission	422,000,000	0	-422,000,000	-100.0
Revenue	215,933,800	214,747,100	-1,186,700	-0.5
Safety and Professional Services	981,900	981,900	0	0.0
Shared Revenue and Tax Relief	2,320,958,500	2,586,027,600	265,069,100	11.4
State Fair Park Board	1,597,600	1,456,600	-141,000	-8.8
Supreme Court	21,933,500	21,854,000	-79,500	-0.4
Technical College System Board	619,080,600	615,080,600	-4,000,000	-0.6
Tourism	50,633,600	26,346,700	-24,286,900	-48.0
Transportation	395,090,500	175,263,300	-219,827,200	-55.6
University of Wisconsin System	1,692,868,500	1,691,949,000	-919,500	-0.1
Veterans Affairs	1,885,000	1,975,900	90,900	4.8
Wisconsin Economic Development Corporation	145,000,000	0	-145,000,000	-100.0
Wisconsin Housing and Economic	0	0	0	0.0
Workforce Development	239,444,700	95,328,200	-144,116,500	-60.2
TOTALS	25,490,504,000	24,994,296,100	-496,207,900	-1.9

**Summary of GPR Positions
Governor's Recommendations - FY26**

	FY25 Base	FY26 Recommended	Change From Base (FTE)
Administration	59.87	87.87	28.00
Aging and Long-Term Care, Board on	21.13	24.28	3.15
Agriculture, Trade and Consumer Protection	201.40	219.40	18.00
Building Commission	0.00	0.00	0.00
Child Abuse and Neglect Prevention Board	0.00	0.00	0.00
Children and Families	232.91	242.67	9.76
Circuit Courts	551.00	551.00	0.00
Corrections	9,615.22	9,899.82	284.60
Court of Appeals	75.50	75.50	0.00
District Attorneys	460.80	544.30	83.50
Educational Communications Board	25.94	25.94	0.00
Elections Commission	25.75	35.75	10.00
Employee Trust Funds	0.00	0.00	0.00
Employment Relations Commission	6.00	6.00	0.00
Environmental Improvement Program	0.00	0.00	0.00
Ethics Commission	4.70	27.00	22.30
Governor, Office of the	37.25	37.25	0.00
Health and Educational Facilities Authority	0.00	0.00	0.00
Health Services	2,690.43	2,825.86	135.43
Higher Educational Aids Board	11.50	11.50	0.00
Historical Society	112.65	112.65	0.00
Insurance, Office of the Commissioner of	0.00	10.00	10.00
Judicial Commission	2.00	2.00	0.00
Judicial Council	0.00	0.00	0.00
Justice	412.28	425.58	13.30
Labor and Industry Review Commission	0.80	0.80	0.00
Legislature	768.17	771.17	3.00
Lieutenant Governor, Office of the	5.00	5.00	0.00
Medical College of Wisconsin	0.00	0.00	0.00
Military Affairs	82.48	95.73	13.25
Miscellaneous Appropriations	0.00	0.00	0.00
Natural Resources	219.77	232.77	13.00
People with Developmental Disabilities, Board for	0.00	0.00	0.00
Program Supplements	0.00	0.00	0.00
Public Defender Board	614.85	667.35	52.50
Public Instruction	247.29	250.29	3.00
Public Lands, Board of Commissioners of	8.70	9.70	1.00
Public Service Commission	0.00	0.00	0.00
Revenue	950.15	962.90	12.75
Safety and Professional Services	0.00	0.00	0.00
Shared Revenue and Tax Relief	0.00	0.00	0.00
State Fair Park Board	0.00	0.00	0.00
Supreme Court	115.50	123.90	8.40
Technical College System Board	23.25	27.25	4.00
Tourism	33.00	39.00	6.00
Transportation	0.00	0.00	0.00
University of Wisconsin System	17,697.49	17,904.49	207.00
Veterans Affairs	0.00	1.00	1.00
Wisconsin Economic Development Corporation	0.00	0.00	0.00
Wisconsin Housing and Economic Development	0.00	0.00	0.00
Workforce Development	151.02	191.67	40.65
TOTALS	35,463.80	36,447.39	983.59

**Summary of GPR Positions
Governor's Recommendations - FY27**

	FY26 Recommended	FY27 Recommended	Change From FY26 (FTE)
Administration	87.87	90.87	3.00
Aging and Long-Term Care, Board on	24.28	24.28	0.00
Agriculture, Trade and Consumer Protection	219.40	219.40	0.00
Building Commission	0.00	0.00	0.00
Child Abuse and Neglect Prevention Board	0.00	0.00	0.00
Children and Families	242.67	243.67	1.00
Circuit Courts	551.00	555.00	4.00
Corrections	9,899.82	10,173.72	273.90
Court of Appeals	75.50	75.50	0.00
District Attorneys	544.30	544.30	0.00
Educational Communications Board	25.94	25.94	0.00
Elections Commission	35.75	35.75	0.00
Employee Trust Funds	0.00	0.00	0.00
Employment Relations Commission	6.00	23.50	17.50
Environmental Improvement Program	0.00	0.00	0.00
Ethics Commission	27.00	27.00	0.00
Governor, Office of the	37.25	37.25	0.00
Health and Educational Facilities Authority	0.00	0.00	0.00
Health Services	2,825.86	2,836.86	11.00
Higher Educational Aids Board	11.50	11.50	0.00
Historical Society	112.65	115.65	3.00
Insurance, Office of the Commissioner of	10.00	10.00	0.00
Judicial Commission	2.00	2.00	0.00
Judicial Council	0.00	0.00	0.00
Justice	425.58	423.38	-2.20
Labor and Industry Review Commission	0.80	0.80	0.00
Legislature	771.17	771.17	0.00
Lieutenant Governor, Office of the	5.00	5.00	0.00
Medical College of Wisconsin	0.00	0.00	0.00
Military Affairs	95.73	95.73	0.00
Miscellaneous Appropriations	0.00	0.00	0.00
Natural Resources	232.77	232.77	0.00
People with Developmental Disabilities, Board for	0.00	0.00	0.00
Program Supplements	0.00	0.00	0.00
Public Defender Board	667.35	667.35	0.00
Public Instruction	250.29	250.29	0.00
Public Lands, Board of Commissioners of	9.70	9.70	0.00
Public Service Commission	0.00	0.00	0.00
Revenue	962.90	962.90	0.00
Safety and Professional Services	0.00	0.00	0.00
Shared Revenue and Tax Relief	0.00	0.00	0.00
State Fair Park Board	0.00	0.00	0.00
Supreme Court	123.90	123.90	0.00
Technical College System Board	27.25	27.25	0.00
Tourism	39.00	39.00	0.00
Transportation	0.00	0.00	0.00
University of Wisconsin System	17,904.49	17,911.49	7.00
Veterans Affairs	1.00	1.00	0.00
Wisconsin Economic Development Corporation	0.00	0.00	0.00
Wisconsin Housing and Economic Development	0.00	0.00	0.00
Workforce Development	191.67	192.67	1.00
TOTALS	36,447.39	36,766.59	319.20

ABOUT THE BUDGET DOCUMENTS

The 2025-27 budget appears in four components: Executive Budget, Budget in Brief, Summary of Tax Exemption Devices and Budget Message.

The Executive Budget presents each agency's budget request, accompanied by the Governor's recommendations and initiatives. The Budget in Brief gives an overview of the Governor's revenue and expenditure priorities and serves as the state's fiscal plan. The Governor's Budget Message provides the text of the speech the Governor delivers to the Legislature at the time the budget is introduced, laying out the Governor's budget priorities and plans for the state. These documents were prepared by the Division of Executive Budget and Finance in the Department of Administration.

Summary of Tax Exemption Devices, written by the Division of Research and Policy in the Department of Revenue, explains current Wisconsin tax law provisions that decrease state revenue by exempting certain persons, income, goods or property from the impact of established taxes. It includes data on the fiscal impact of each exemption device for fiscal year 2023-24.

The Executive Budget, Budget in Brief and Budget Message can be found on the Internet at:

<https://doa.wi.gov/Pages/StateFinances/CurrentBiennialBudget.aspx>.

The Summary of Tax Exemption Devices can be found on the Internet at:

<https://www.revenue.wi.gov/Pages/Report/Summary-Tax-Exemption-Devices.aspx>.

The state's Publishing Services Center printed and bound the documents.