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2021-23 Wisconsin Biennial State Budget Summary

On February 16, 2021, Governor Evers put forth his proposed Wisconsin State Biennial Wisconsin State Budget for the period beginning July 1, 2021 and ending June 30, 2023. The Governor's "Badger Bounceback" Budget was introduced into the Legislature as AB 68 and SB 111 and assigned to the Joint Finance Committee.

The Budget bills have been assigned to the powerful Joint Finance Committee, which will hold public hearings around the State. This year, the Joint Finance Committee will be holding only three in-person hearings around the State and one virtual hearing; please refer to the last page of this document for the information on these public hearings. In addition, Gov. Evers will be holding listening sessions regarding his Budget, which he is calling Badger Bounceback Live sessions, via zoom; these dates are also listed on the last page of this document. Once the public hearings conclude, the Joint Finance Committee will convene on a regular basis to take individual votes on the Budget until it has concluded its work and sends an amended budget to the Legislature for final votes. The Governor then has the ability to sign the Budget bill into law or issue vetoes.

This Budget is Governor Evers' second proposed budget as Governor. The Governor's "Badger Bounceback" Budget lifts up working families in many ways and moves Wisconsin forward to create better jobs and a stronger, healthier middle class. The many pro-worker policies contained in the Governor's proposed Budget will grow our economy with family-supporting jobs, respect our rights as union members, increase economic opportunity for all, ensure our infrastructure is sound, and increase worker training while addressing the needs of our children, families, teachers, and essential workers as we beat the pandemic together.

The budget process will surely prove to be an intense debate with Governor Evers' attempt to move us forward by recognizing our rights as workers and union members while strengthening our health and our kids' education. Therefore, it will be up to us to inform and mobilize our members around Budget issues. It will be up to us to attend and speak up at the Governor's listening sessions and at the Legislature's public hearings. It will be up to us to contact and inform our legislators on the ways in which the Governor's Badger Bounceback Budget will affect our jobs, our health, our families, our public schools, our roads, and our rights at work. This document contains an analysis of the many ways, but not all, in which Governor Evers' proposed budget impacts working families.

Non-Partisan Redistricting

Every ten years, the State Legislature is required to redistrict legislative boundaries according to the population. Therefore, following last year's 2020 Census, the State Legislature –with the Governor's signature– will create new legislative maps this year.

Ten years ago, after the 2010 census, the Republican-led Legislature and Gov. Walker hired private lawyers to literally choose their voters when drawing the current maps. The results of the gerrymandering have been staggering. For example, in the November 2018 election for state Assembly, Republicans received just 45% of total statewide votes but held nearly 67% of seats.

Gov. Evers' Budget proposes to end political gerrymandering in Wisconsin by requiring the nonpartisan Legislative Reference Bureau to take up the maps proposed by the Governor's non-partisan People's Maps Commission, which was created on January 27, 2020 by Executive Order 66. Under the proposal, the Legislative Reference Bureau would take the non-partisan redistricting maps and convert them into legislative bills which would be sent to the Legislature for a vote in the Assembly and Senate no later than 60 days after the bills are introduced.

The Governor's Budget requires that all legislative meetings on redistricting comply with open meeting requirements. In addition, this Budget would require that any draft maps, and underlying data used in drafting maps, must be available to the public after publication.

Repeal so-called Right to Work Law

Gov. Evers' Budget proposes to repeal Wisconsin's so-called Right to Work law and reinstate our State's declaration of policy with regard to employment relations and collective bargaining.

In 2015, Republican politicians introduced and passed the so-called Right to Work bill and former Gov. Walker signed it into law, all in a mere 15 days. This so-called Right to Work law has done nothing to help our economy.

Gov. Evers' Budget repeals this law and restores the right of working people to stick together in their union to maximize their collective bargaining power with strong unions to negotiate for better wages, working conditions, and safety on the job.

This Budget also proposes to recreate the declaration of policy that was stripped from Wisconsin law when the so-called Right to Work bill was passed. This declaration of policy was an important part of Wisconsin law for over 75 years and laid the foundation for what we expect in Wisconsin: labor peace, adequate and regular income, and supporting those who wish to voluntarily negotiate labor agreements and methods of dispute resolution. This Budget would recreate this declaration of policy, restore it to Wisconsin law, and affirm the right of every employee within Wisconsin to associate with others in organizing and bargaining collectively.

Collective Bargaining Rights for Front-Line Public Sector Workers

Every worker has inherent rights to organize, associate, and collectively bargain—all of which should and must be recognized by employers. Historically, Wisconsin was the first state to recognize these rights for state and local government employees; however, due to the actions of the failed Walker Administration, most public employees in Wisconsin do not have collective bargaining rights.

Public sector workers provide critical in-person services each and every day with a deep commitment to the public they serve. Governor Evers understands that politicians shouldn't keep essential, front-line employees from being able to meet and negotiate with their employers to set working conditions and negotiate over salaries, leave time, or health care benefits. Public sector employees should have the freedom to use their voice to advocate for the public they serve as well as their wages, working conditions, and safety at work. To this end, the Governor's Budget proposes to recognize the inherent rights of public sector employees.

More specifically, the Governor's Budget establishes full collective bargaining, mediation, and arbitration rights for essential, front-line workers and their bargaining unit. The plan defines front-line public employees as workers who have regular job duties that include interacting with members of the public or directly involving the maintenance of public works. For units that do not contain a public safety, transit, or front-line worker, the Budget requires management to meet quarterly or more frequently if there are changes in policy impacting wages, working hours or working conditions and consult with labor representatives. Gov. Evers' Budget also returns democratic norms to certification elections by requiring a normal majority vote of all the unit's members who cast a ballot. Finally, the Budget calls for eliminating the annual re-certification requirement for representatives of all bargaining units for state and municipal employees.

K-12 Education

Governor Evers' Budget puts our kids first by making the largest investment in their education at our public schools for over 15 years. The Budget returns the State funding of public schools to 2/3 of school revenue, and follows that requirement. This budget particularly increases funding for special education.

Increase Funding. Gov. Evers' K-12 Education Budget begins with the recommitment that the State fund public schools at 2/3 of school revenue. To meet this commitment and to meet our kids and their schools' needs at this time, the Governor's Budget significantly increases general school aid by over \$612 million over the biennium. This increase in general aid will reduce the need for school districts to raise property taxes to make up for a lack of state support, which school districts experienced under former Gov. Walker's failed budgets, particularly the 2013 budget that took more than \$1 billion from our K-12 public schools.

Gov. Evers' Budget also increases per pupil aid by \$55.8 million (or \$750 for every student), which school districts can use to provide educational support to children. Under this Budget, school districts will also receive a supplemental \$75 for every student who comes from an economically disadvantaged household, which is a household whose income makes the student

eligible for a free or reduced-price lunch under federal law. Just over 350,000 children are estimated to be eligible for the supplemental aid payments in each year of the Budget.

Special Education. This Budget makes a critical step forward to sustainably to fund special education into the future by increasing the reimbursement rates for school districts. Gov. Evers' Budget increases funding for special education aid by more than \$709 million to achieve reimbursement rates of 45% in fiscal year 2021-22 and 50% in fiscal year 2022-23. Increasing spending in special education is needed not just because of the failed Walker budgets that never raised spending for special ed, but also because the costs of educating students with disabilities continues to increase.

School Choice. This Budget curbs unaccountable private voucher and charter schools by pausing the growth or expansion of non-public school board authorized charter schools and voucher programs in fiscal year 2022-23. Gov. Evers' Budget proposes a measure of transparency with this rate increase by requiring property tax bills to include information on exactly how much the school district is losing in state aid dollars due to payments made to choice and voucher schools, so that each property taxpayer will know exactly how much our public schools are losing to unaccountable voucher schools.

Teacher Licenses. This Budget strengthens licensing regulations by requiring all teachers who are employed at private voucher schools by July 1, 2024 to hold a teacher's license, as is currently required for public school teachers.

Prevailing Wage

Gov. Evers' Budget restores Wisconsin's three prevailing wage laws. Prevailing Wage laws set a wage floor for Wisconsin's construction workers and ensure a level playing field for Wisconsin's workers and contractors alike. Until 2015, Wisconsin had three Prevailing Wage statutes: one for local governments, one for state government, and one for state transportation projects. Under the failed Walker Administration, our three Prevailing Wage statutes were each eliminated through legislative maneuvers in the dark of night and shielded from public debate.

During the two years after our prevailing wage statutes were eliminated, a recent study found damaging impacts on Wisconsin's construction worker pay, benefits, and equity. More specifically, a 2020 Midwest Economic Policy Institute study found that the wages of Wisconsin's construction workers dropped by 5%, construction workers were less likely to have health insurance, and the share of women working in construction in Wisconsin had dropped in this two-year period. The study also found that despite these noticeable drops, there was no statistically significant impact on the cost of public construction projects to taxpayers. This study also found that more out-of-state bids were received by the Department of Transportation. Last, the study estimated a rise in Wisconsin's construction industry CEO's inflation-adjusted total income by slightly more than a 54%.

Gov. Evers' Budget restores prevailing wage laws for certain state and local projects by ensuring that the three prevailing wage laws will be restored to where they were before 2015. This Budget requires the Department of Workforce Development to administer the process of setting the prevailing wage rates and the trades and occupations that are covered under this portion of this Budget, just as it did prior to 2015. This Budget continues the current prohibition on local governments from enacting or setting their own local prevailing wage laws.

Raises and Benefits for State Employees

Governor Evers' Budget provides every State and UW employee a 2% raise during each year of the Budget and increases the minimum wage for executive branch permanent and project employees to \$15 per hour. The Budget also reduces the health insurance waiting period for new permanent and project employees from two months to one month. The Governor's Budget also provides paid sick leave for limited term executive branch agency employees. Finally, the Budget proposes to create a new paid parental leave program for state and UW System employees for up to six weeks annually.

Expanding Medicaid and Accepting Federal Dollars

Gov. Evers' Budget accepts the Medicaid expansion, which if passed under this Budget, will save Wisconsin more than \$1.634 billion and provide healthcare to more Wisconsinites.

This decision is long overdue as Wisconsin has had the opportunity to expand Medicaid – through our BadgerCare program – for five years. Former Gov. Walker refused to do so and, due to his reckless decision, Wisconsin lost out on an additional \$2.8 billion from 2013 to 2019 and tens of thousands of Wisconsinites have been denied affordable and quality healthcare.

By accepting the Medicaid expansion, this Budget will increase the income eligibility threshold from 100% to 138% of the poverty line. By doing so it would increase the income eligibility for a single person from \$12,880 a year to \$17,774 to participate in the BadgerCare program. This Budget will allow 90,900 more Wisconsinites to receive affordable, quality healthcare coverage while saving the State \$635 million. By accepting the federal dollars and expanding Medicaid, Wisconsin would join the 38 other states and the District of Columbia that have done so.

In addition, the American Rescue Plan passed by Congress and signed into law by President Biden provides states like Wisconsin that have not yet expanded our Medicaid program with a significant incentive to do so. The federal government would cover more of our BadgerCare program, allowing the State to have more than \$1 billion in new, temporary savings if the Legislature adopts Gov. Evers' Budget proposal. More specifically, the new federal law would provide Wisconsin with an estimated \$510 million in equivalent savings in 2021-22 and \$515 million in 2022-23, but only if the state expands BadgerCare this year.

Marijuana Legalization with Collective Bargaining for Workers

Governor Evers' Budget proposes to treat marijuana similar to 15 other states, including neighboring Michigan and Illinois, in legalizing small amounts of recreational marijuana for adults 21 years and older. The Budget proposal will create a newly regulated market that will be regulated and taxed, and ensures workers and local communities benefit from union jobs created through this proposal.

The Budget Bill requires businesses at every level of the production, processing, and distribution points to obtain necessary permits from various state agencies like the Department of Agriculture, Trade, and Consumer Protection or the Department of Revenue, as applicable. Under the bill, a business applicant with 20 or more employees may not receive a permit unless the applicant certifies that it has entered into a labor peace agreement with a labor organization. Such a labor peace agreement would: prohibit the applicant from disrupting the efforts of the labor organization to organize and represent the applicant's employees; require the applicant to provide the labor organization access to areas within the workplace where the union could communicate with the applicant's employees; and prohibit the labor organization and its members from engaging in any economic interference.

Gov. Evers' proposal would also create a medical marijuana registry program, whereby participants would be exempt from paying taxes upon purchase of marijuana from licensed retail outlet. The Department of Revenue would process applications and issue photo identification cards.

The Budget proposal will also require workers involved in every aspect of the new industry to have requisite occupational licenses, ensuring high standards and safety. The proposal will require that the growing and cultivating facilities must be located within Wisconsin, ensuring that the new jobs created at the starting point of the industry cannot be outsourced. The plan would generate about \$165 million a year with much of the money going into a development fund for communities around the state.

Transportation

Governor Evers' Budget puts forth a plan that responsibly funds transportation, utilizing federal dollars and low-levels of borrowing.

No increases in the gas tax or vehicle registration fees, small increase in bonding. Wisconsin's transportation funding relies upon three sources of funding: federal, state, and bonding (or borrowing). The state funding source comes from gas taxes, which have remained flat since 2006, vehicle registration fees, which the Republicans increased in the last Budget, and a small source of other funding, such as the Petroleum Inspection Fund.

The vast majority of the state transportation dollars come from revenue from our gas tax. Last Budget, the Governor put forward a responsible mechanism to raise the gas tax while decreasing the cost of gas; the Republicans irresponsibly scrapped this plan, instead voting to raise registration fees. Due to the pandemic, with less people driving, gas tax revenue is down to levels not seen since approximately ten years ago.

Increased federal transportation dollars will likely make up the difference this year, but looking at our State's needs into the near future, a stagnant gas tax will impede our efforts in meeting our transportation needs in terms of increasing safety and reliability.

Gov. Evers' Budget proposes a modest increase to bonding for transportation projects from last Budget. However, the proposed level of borrowing is still well below past administration's levels of borrowing. For comparison, if this proposed borrowing is passed by the Legislature, combined with the last Budget's borrowing, Governor Evers' total borrowing for transportation is about 50% less than Walker's first term and 25% less than Walker's second term.

I-94 East/West Expansion. Governor Evers' Budget proposes to begin the long-delayed project of expanding the I-94 East/West stretch of highway between the modern and union-built Marquette and Zoo Interchanges. The reconstruction of I-94 East-West Corridor is vital for not just the economy of Southeast Wisconsin, but the entire State of Wisconsin. The I-94 East-West Corridor has an enormous impact state-wide as it is a central transportation route for much of our State's economic activity. Through this Corridor each year, 17 million tons of freight and \$25 billion economic activity are moved by transportation workers. The Governor's proposal shows how critical it is to continue to working in tandem with public transit to reduce congestion, increase safety, and help our region and state recover and rebuild from the pandemic.

Increase Transit Aids. Gov. Evers' transportation plan calls for increasing transit aids by 2% each year of the budget to both counties and municipalities. In addition, Gov. Evers' Budget increases mass transit operating assistance by 2.5% in each year of the Budget. The Budget also proposes to increase funding for the Enhanced Mobility for Seniors and Individuals with Disabilities grant program, which improves the mobility of seniors and individuals with disabilities who live in Wisconsin's rural and small urban areas.

Increase Wisconsin Employment Transportation Assistance Program. The Governor's Budget proposes to substantially increase the Wisconsin Employment Transportation Assistance Program, which would improve access to jobs, including part-time jobs. This program is operated in conjunction with the Department of Workforce Development. Gov. Evers plans to increase funding from just a half-million dollars per year of the Budget to \$4.5 million in each year of the Budget. The Department of Transportation would award grants under this program to public and private organizations to meet the need of job access transit for workers.

Study and Develop a Public Option

Governor Evers' Budget would make Wisconsin one of the first states in the nation to explore creating of a state-administered public option health plan that would provide affordable health coverage to Wisconsinites. If a state-run public option is feasible, as determined by the Commissioner of Insurance that is charged with conducting an actuarial study and analysis in consultation with the Department of Health Services, then the Budget gives the State the authority to request the necessary permissions from the federal government to implement our public option no later than 2025. However, if the Affordable Care Act is struck down by the Supreme Court, then the implementation date would be no later than 2022.

UW System

Gov. Evers' Budget uplifts the UW System, which provides organization and structure to the Wisconsin Idea, educates more than 165,000 students on 26 campuses, and serves more than one million citizens through statewide extension programs. This Budget invests more than \$190 million in the UW System, which will help restore funding that the former Administration slashed from the UW System. It also provides a 2% raise to UW employees during each year of the Budget and proposes to create a new paid parental leave program.

Fund the Tuition Freeze. This Budget continues the tuition freeze for students and their families and funds the freeze with \$50 million.

In-State Tuition for all Wisconsin Students with Three Years Residency. This Budget ensures that every child who graduates from a Wisconsin high school and who has lived in Wisconsin for three years will have in-state tuition rates to a UW college.

Tuition Promise Program. Gov. Evers' Budget builds upon the successful Tuition Promise Program, which started at the UW-Madison campus in 2018, and expands it to all UW System students. The Tuition Promise Program supplements the gap between scholarships and/or grants and the full cost of academic and segregated fees to provide four years' worth of free college to students from families making \$60,000 or less. First-year students would be eligible for eight consecutive semesters and transfer students would be eligible for four consecutive semesters. The UW System estimates that this program would benefit 5,900 students in the first four years.

Borrowing Authority. Gov. Evers' Budget proposes to allow the UW System to unilaterally borrow money for losses and expenses related to educational and athletic programs. The UW System and UW-Madison are the only similar institutions in the nation that don't have borrowing authority to help address unexpected costs, like losses related to the COVID-19 pandemic.

Student Loan Debt. Gov. Evers' Budget aims to assist Wisconsinites who are burdened with student loan debt by creating the Office of the Student Loan Ombudsman under the Department of Financial Institutions. The Ombudsman's office would serve as a central point of contact for people with student debt to learn more about borrowing, refinancing, and repayment options. The Budget requires all student loan servicing companies to be licensed with the Department of Financial Institutions. This Budget also creates a Borrower's Bill of Rights to hold loan companies accountable; the Department of Financial Institutions is directed with oversight of the bill of rights.

Wisconsin Technical Colleges

Gov. Evers' Budget values our Wisconsin Technical College System (WTCS), which impacts every corner of the State with its 16 colleges and 50 locations around the State. Each year, nearly 300,000 people enroll in WTCS and 93% of its graduates live and work in Wisconsin. The WTCS offers over 500 degrees and programs in important sectors such as manufacturing, construction trades, and health care.

This Budget increases the funding for the WTCS by an additional \$36 million and permits WTCS to explore future increases in funding through levy limit adjustments.

The Budget also ensures that that every child who graduates from a Wisconsin high school and who has lived in Wisconsin for three years will have in-state tuition rates through the WTCS System. In addition, this Budget provides the funding for the acquisition of up-to-date software for the WTCS Fire Fighter Certification Program.

Increasing Apprenticeships & Workforce Development Opportunities

Gov. Evers' Budget directs the Department of Workforce Development to expand apprenticeships, including youth apprenticeships, and invest in worker training.

More specifically, the Governor's Budget utilizes the Fast Forward program that trains workers to develop and fund training throughout the state as well as regional worker training programs for individuals and organizations. The Governor's Budget proposal funds Fast Forward with \$10 million, which is 2.5x over the prior Budget cycles. In addition, the Budget proposes to spend an additional \$1 million for Fast Forward program targeting "green" jobs in conservation and sustainability.

The Governor's Budget also directs significant grant dollars toward local workforce development boards for worker training. In total, the Budget allots \$8 million in grants to local workforce development boards. These grants could be used to retrain people whose jobs may have been eliminated permanently as a result of COVID-19 pandemic.

In addition, the Governor's Budget increases the funding for Youth Apprenticeship, allocating \$500,000 to expand these opportunities in more school districts across the state. Wisconsin's Youth Apprenticeship program is highly effective in encouraging students who excel at hands-on learning and preparing them for careers after high school while matching them with employers who are in need of developing a skilled work force. The Budget includes additional spending on vocational rehabilitation programs to help young adults with disabilities enter the workforce.

Shared Revenue

Gov. Evers' Budget will increase the funding for Shared Revenue by 2% starting in January 2020. Shared Revenue is the largest type of general aid that the State provides to counties and municipalities. Over the last ten years, Shared Revenue to counties and municipalities saw a net reduction of 9.2%. Adjusted for inflation, Shared Revenue funding plummeted over the last fifteen years: from nearly \$1.6 billion in 1996 to \$830 million in 2020. This reduction has proved devastating to many local governments, which rely on Shared Revenue to provide critical services and safety to their communities. In the wake of years of cuts to Shared Revenue, local communities have had to cut back on vital programs and/or increase fees to residents. Governor Evers' Budget is a step in the right direction to increase Shared Revenue for our counties and municipalities.

Voting

Gov. Evers' Budget makes voting more accessible with an automatic system of voter registration, expanding acceptable Photo IDs, and allowing clerks to begin counting absentee ballots the day prior to election day.

Automatic Voter Registration. Gov. Evers' Budget makes voting more accessible with an automatic system of voter registration to make sure each and every eligible voter has the full opportunity to vote. This Budget proposal requires the Department of Transportation to work with the Elections Commission to implement voter registration for all eligible voters who come to the DMV for a drivers license or identification card. Once an eligible voter requests a drivers license or ID card at the DMV, the DOT will transfer the individual's information relative to voter registration purposes to the Election Commission, which would verify that the voter is eligible to vote and would then add the voter to the voter registration list. The Elections Commission would then maintain the voter registration list as it currently does under law.

Photo IDs. Gov. Evers' Budget expands the types of identification cards that can be used to vote. The Wisconsin Legislature under the failed Walker Administration passed one of the country's most restrictive voting Photo ID laws that allows only a few types of IDs. This Budget would allow university identification cards to be used for voting and would require the UW and Tech College Systems to issue student identification cards that qualify for voter identification.

Counting Absentee Ballots the Day Prior to Election Day. Gov. Evers' Budget proposes to allow municipal clerks to begin canvassing (or counting) absentee ballots the day before an election. Currently, municipal clerks are required to begin counting absentee ballots on election day. Wisconsin is one of the few states that doesn't allow absentee ballots to be counted before election day. As absentee voting has grown easier and has proven safe, secure, and effective, particularly over the past year with the pandemic, many clerks and poll workers around the state work to count every absentee ballot through the night and into the morning. Allowing this simple change would stop false accusations and misinformation surrounding the counting of ballots through the night. Gov. Evers' proposal would ensure that municipalities notify the Elections Commission of its intent to count ballots prior to election day, ballots must only be counted the day prior to election day starting no earlier than 7 a.m. and no later than 8 p.m., and the public has a right to observe the canvass, among other regulations to ensure a secure count of absentee ballots.

Project Labor Agreements

Gov. Evers' Budget restores the ability of local governments to utilize Project Labor Agreements. Project Labor Agreements are a longstanding mechanism used by the private and public sector to ensure that a project will be completed on-time and on-budget. Project Labor Agreements do so by providing a reliable supply of highly-qualified workers at predictable cost and by ensuring that safety, training, and other community standards are upheld through the project. In 2017, Republican politicians jammed a bill through the Legislature that essentially prohibited the use of Project Labor Agreements by state and local governments. Gov. Evers' Budget repeals this prohibition and returns the power to determine whether to utilize Project Labor Agreements to the state and local governments.

Unemployment Insurance Changes

Gov. Evers' Budget includes a number of policy changes to the Unemployment Insurance Program. First, the Budget repeals the Scott Walker one-week waiting period so that unemployed workers can access their earned unemployment benefits upon job loss instead of waiting a week with no pay or unemployment benefits. This will allow unemployed workers to receive their earned benefits in the very first week of unemployment.

The Governor's Budget proposal to repeal the Scott Walker one-week waiting period will also allow Wisconsin to once again receive federal reimbursement for the first week of unemployment benefits paid to newly unemployed workers during the Coronavirus pandemic. Last Spring, as part of the COVID-relief CARES Act, the federal government began reimbursing states for the first week of unemployment filings – but only for states that did not force unemployed workers to wait a week for their unemployment benefits. This meant that Wisconsin's repugnant waiting week law cost our State \$25 million in federal COVID relief funds before the Legislature finally voted on April 15, 2020 to temporarily suspend the waiting week. With no waiting period in effect, unemployed workers were able to claim unemployment benefits on the very first week of unemployment and the State was able to receive federal funding for the equivalent of the amount spent on first week payments to unemployed workers. However, on March 14, 2021 due to the Republican-controlled Legislature's inaction, the Scott Walker one-week waiting period went back into effect and newly unemployed workers again were forced to wait before they could receive their earned unemployment benefits. In addition, Wisconsin again loses federal dollars each week since March 14 because the federal government is only reimbursing states without a waiting period. The Governor's Budget would fix this and help unemployed workers receive their unemployment benefits immediately.

The Governor's Budget also increases the maximum weekly benefit amount from \$370 per week to \$409 each week of unemployment after January 2, 2022 through January 1, 2023, at which point unemployment benefits will be either \$409 per week or 50% of the state's annual average weekly wage, whichever is greater.

The Budget also expands eligibility for unemployment benefits by making modifications to work search waivers, receipt of SSDI benefits, substantial fault, drug testing, quit exception, etc. Last, the Governor's Budget provides necessary funding to upgrade and modernize the Unemployment IT System and provides funding for on-going and needed upgrades.

Strengthening Licensing

Gov. Evers' Budget strengthens professional and occupational licensing by investing in licensing regulation within the Department of Safety and Professional Services. This Budget increases staffing levels to process licenses and investigate regulation violations, ensuring public safety and high professional standards. This Budget also modernizes licensing applications to fund the third phase of the Electronic Safety and Licensing Application and reinstates the prudent requirement that construction contractors register with the Department of Safety and Professional Services, as was the requirement prior to 2013.

Local School District Employee Health Plan Savings

Governor Evers' Budget directs the Group Insurance Board to perform a study regarding school district health insurance coverage as to whether potential cost savings exist for school districts if all school districts were required to participate in the Group Health Insurance Program as of January 2024. As of this school year, only seven of Wisconsin's 421 school districts participate in a group health plan offered by the Group Insurance Board, and there may be considerable savings for public school districts and its employees if all did so.

This Budget proposal directs the Commissioner of Insurance to establish a committee called the "School District Group Health Insurance Task Force" comprised of members from the Governor's various agencies, a school district administrator, a school board member, an official of a public employee union, three public school employees, and a representative of a health plan. This task force would review the report from the Group Health Insurance Program and develop an implementation plan in consultation with the Commissioner of Insurance and the Secretary of the Employee Trust Funds.

Increase the Minimum Wage

Gov. Evers' Budget moves forward families who work in jobs that pay minimum wages. Wisconsin last raised its minimum wage in 2008, and is now one of only 20 states with a minimum wage of \$7.25 per hour.

Wisconsin's current minimum wage, which currently stands at \$7.25 per hour for most workers, is not sustainable for workers, their families, or our communities. Minimum wage laws should ensure that those who work do not toil in poverty and similarly ensure that local economies do not lag. Governor Evers' Budget modestly increases Wisconsin's minimum wage by proposing a \$1.35/hour increase upon the Budget's passage. The proposal would then incrementally raise the minimum wage to \$10.15 per hour on January 1, 2024 and would then index the minimum wage to inflation. This Budget creates a taskforce to study options to achieve a \$15 minimum wage.

The Governor's Budget also proposes to raise the minimum wage for tipped workers, which is currently set at \$2.33 per hour, and has been at that level for almost 30 years. The Budget calls for increasing the wages of tipped workers by 34 cents per hour immediately, and then incrementally increasing it to \$3.13 per hour on January 1, 2024, when it would be indexed to inflation.

Expanding Wisconsin's Family Medical Leave

Gov. Evers' Budget expands who qualifies to take a Family and Medical Leave in Wisconsin, for this law currently does not apply to every worker at every workplace. Wisconsin was the first state to pass a Family and Medical Leave Act in 1988, but still does not cover every worker and not guarantee paid leave. This Budget takes a step in the right direction by expanding who qualifies for Wisconsin's FMLA: those who work for employers that have 25 or more employees across the State, instead of the current limit to employers with 50 or more employees across the State, would now be eligible to take FMLA. Gov. Evers' Budget also allows workers who have worked at least 680 hours during the preceding 52 weeks to be eligible for Wisconsin's FMLA.

In addition, this Budget allows FMLA leave to be taken for additional family members including a grandparent, grandchild, or sibling with a serious medical condition. This Budget expands the reasons for FMLA leave to be taken to include an unforeseen or unexpected closure of a school or child care facility. It also allows FMLA leave to be taken when under a medical quarantine, or caring for someone who is under a medical quarantine. Last, this Budget reasonably extends the time period in which a worker could file a complaint with the State for a FMLA violation from a mere 30 days to 300 days, aligning Wisconsin's Family and Medical Leave Act with other similar employment laws in Wisconsin, like our Fair Employment Law.

Protect Wisconsin Workers against Misclassification and Payroll Fraud

Gov. Evers' Budget follows the recommendation of the Governor's Taskforce on Payroll Fraud and Misclassification of Workers to protect workers and penalize employers that engage in misclassification and payroll fraud. Worker misclassification is a type of fraud that cheats too many workers out of rightfully-earned wages as well as their rights, while harming other workers, taxpayers, and law-abiding businesses. Employers engage in misclassification when they wrongly label employees as "independent contractors" and deprive (and therefore steal from) these workers of their earned healthcare, retirement, and unemployment benefits, not to cheating the government and taxpayers out of owed taxes that law-abiding employers pay. Additionally, workers who are employees but are wrongly labeled "independent contractors" are denied access to laws that protect employees like the minimum wage, overtime, worker's compensation, and family and medical leave.

Governor Evers' Budget first focuses on outreach to employers and employees by requiring employers to post a notice regarding worker classification laws, requirements of employers, and penalties for noncompliance. The Budget further includes a penalty for employers that do not post the notice. Second, Gov. Evers' Budget creates and funds three new positions within the DWD to investigate and perform audits of worker misclassification.

Finally, the Governor's Budget creates an escalating penalty structure for repeat violations of misclassifying employees. The Budget states that each act of misclassification could carry a penalty of \$500, but if the DWD determines the employer violated the law, then subsequent violations would carry a penalty of \$1,000 for each employee who is misclassified. In addition, if an employer is found to have coerced an employee to report him/herself as an independent contractor, when in fact the worker is an employee, then the penalty would be \$1,000, but if the DWD determines the employer violated the law, then subsequent violations would carry a penalty of \$2,000 for each employee who is coerced.

Restore Local Control: Employment Regulations

Gov. Evers' Budget restores local control to our communities in a number of areas. For example, the Budget repeals the many preemption laws that were passed under former Gov. Walker and allows local governments to set their own priorities in establishing employment standards like family and medical leave requirements or the scheduling of work hours or shifts) that are higher than state requirements.

Safe and Clean Drinking Water

Removing Lead Laterals. Gov. Evers' Budget commits to safe and clean drinking water for Wisconsinites by investing \$40 million in the safe drinking water loan program for the replacement of lead service lines; much of this work is done by skilled union trades men and women. This investment will assist local governments that are trying to replace the lead pipes, which can carry contaminated water to our families. It is estimated that in Wisconsin there are 150,000 lead service lines. This Budget affirms that the prevalence of lead service lines poses a public health hazard.

Regulation of Concentrated Animal Feeding Operations (CAFO). Gov. Evers' Budget recognizes that CAFOs, due to their sheer size as large-scale animal feeding operations of 1,000 animal units or more, contribute to the pollution of state waters. This Budget increases the fee from \$345 to \$545 that CAFO operators pay per year to the Department of Natural Resources, which regulates manure storage and waste management. The Budget also calls for establishing a \$3,270 application fee for new or prospective CAFO operators. The increased investment will allow the DNR to ensure that the State has a robust regulation of CAFOs and protection of our state waterways.

Well Compensation Grant Program. Gov. Evers' Budget invests in the well compensation grant program, which provides grants to eligible landowners and renters for the purpose of replacing, reconstructing, or treating contaminated wells that serve a residence or provide water to livestock. The Budget also calls for expanding eligibility so that more residential wells would be eligible for this important program.

Prohibiting Discrimination for Pre-Existing Conditions

Gov. Evers' Budget ensures that health insurance policies and benefit plans do not discriminate against people with preexisting conditions. In addition, this Budget includes provisions that would ensure that Wisconsinites could continue to receive certain healthcare protections. For example, this Budget prohibits health insurance companies from setting and enforcing lifetime and annual limits on health insurance coverage. It requires health insurance companies to include preventive services and certain health benefits (e.g., emergency services, prescription drugs, hospitalization, etc.) in health insurance coverage. This Budget also requires health insurance policies to cover various preventative services like colorectal cancer screenings, mammograms, diabetic screening, and immunizations. Wisconsinites deserve quality healthcare and this Budget ensures that health insurance companies continue to maintain benefits for high quality healthcare.

Cap the Tax Credit for the Wealthy

Governor Evers' Budget caps a tax break for the wealthy that was passed by the failed Walker Administration. Known as the Manufacturers and Agriculture Tax Credit, this tax credit was projected to cost the state \$128.7 million in 2016, but now costs the State approximately \$340 million in a giveaway to the wealthy. In 2019, 84% of this tax credit went to individuals with incomes over \$1 million; worse yet, half of that went to taxpayers with incomes over \$5 million. The credit has failed to demonstrate any success at increasing manufacturing jobs in Wisconsin.

Ensuring that our State prioritizes working families, small businesses, and agriculture, this bill limits the tax credit for the wealthy to \$300,000 of income from manufacturing and leaves the credit fully intact for those who receive income from farming and agriculture.

Private, Secure Retirement for Small Business Employees

Gov. Evers' Budget would create a Small Business Retirement Savings Program for certain privately-employed workers who are not offered an employer-sponsored retirement plan. According to AARP, 41% of Wisconsin's private sector employees (about 928,000 people) work for employers that do not offer any kind of retirement plan. To encourage employees at small businesses (defined as having 50 or fewer employees) to save for retirement, particularly for those whose employers do not offer a retirement savings plan, the Budget forms a Small Business Retirement Savings Board to administer a plan wherein workers who choose to participate in the plan can save for retirement and receive retirement benefits.

Earned Income and Homestead Tax Credits

Gov. Evers' Budget strengthens Wisconsin's Earned Income Tax Credit, and therefore reduces taxes paid by low- and middle-income working parents. The federal Earned Income Tax Credit has been on the books since 1975; Wisconsin introduced a similar tax credit as a percentage of the federal tax credit in 1983. The federal Earned Income Tax Credit currently offers a tax credit for eligible tax filers with one child in the amount of \$3,584 and two children in the amount of \$5,920. Currently, Wisconsin's Earned Income Tax Credit for one child is just 4% of the federal tax credit and for two children is 11% of the federal tax credit. Gov. Evers' Budget proposes increasing Wisconsin's Earned Income Tax Credit so that working parent tax filers with one child would receive 16% of the federal tax credit and working parent tax filers with two children would receive 25% of the federal tax credit.

Gov. Evers' Budget also strengthens the Homestead tax credit, which reduces taxes paid by renters and homeowners who have low- or middle-incomes and is frequently utilized by older workers to offset their property tax burden. The Homestead Tax Credit had been significantly weakened under the prior Administration. Gov. Evers' Budget would allow more lower-income households to benefit from this tax relief by increasing the income threshold from \$24,680 to \$30,000 and then, in 2023, indexing this threshold for inflation.

County Veteran Service Officers

Per state law, there is a Veteran Service Officer in each of Wisconsin's 72 counties to assist veterans in navigating state and federal benefits that they have earned and are owed to each veteran. While the Veteran Service Officer program funding was under attack under the prior Administration, Gov. Evers joins with the Wisconsin State AFL-CIO and veterans in supporting the Veterans Service Officers and the services they provide to our veterans. To that end, the Governor's Budget recommends a 5% increase to grants to counties and tribes in support of the increasing costs of maintaining veteran service offices.

Local Control to Allow Communities to Make Necessary Investments, Decrease Taxes

Gov. Evers' Budget includes a proposal to enhance local control by allowing local communities to decide via a referendum whether to raise the necessary funds to make critical investments in local roads, direct services, maintenance, public safety, and public health, while decreasing the reliance on property taxes. Generally, Wisconsin makes light use of the sales tax, especially at the local level. According to the reputable Tax Foundation, a conservative-leaning think tank, Wisconsin has the second lowest population-weighted combined state and local sales tax rate of 5.46% among states that utilize a sales tax. The Governor's proposal would allow citizens of a county and/or a municipality with a population of over 30,000 to vote via a referendum on whether to increase their sales tax by 0.5%. This proposal presents a meaningful opportunity for the State to partner with local communities and citizens to decide whether they wish to establish a new revenue stream with the capacity to address long-standing challenges with the ability to lower property taxes.

Child Care Tax Credit

Gov. Evers' Budget creates a new tax credit for working parents called the child and dependent care tax credit. This tax credit would be equal to 50% of the same credit available at the federal level. Currently, Wisconsin's working parents pay among the highest in the nation for childcare – more than Ohio, Michigan, Iowa, and even Pennsylvania. In Wisconsin, the average care for an infant per year is \$12,567 – more than tuition for one academic year at UW-Madison. At the federal level, parents can claim a refundable tax credit for dependent and childcare expenses, but no such tax credit currently exists in Wisconsin. This Budget would create a tax credit to account for the expenses that Wisconsin's working families pay for daycare, nursery or preschool programs, and before-school and after-school care for school-aged children. Collectively, this provision would decrease individual income tax credits for working parents by an estimated \$9.8 million over the next two years.

Dementia Care Specialists & ADRCs

Gov. Evers' proposed Budget expands the dementia care specialist program at Wisconsin's Aging and Disability Resource Centers. Dementia Care Specialists provide critical services to so many Wisconsinites and their family members, and their work will only increase. Currently, Wisconsin has an estimated 120,000 people living with Alzheimer's or dementia, and more than 195,000 people care for loved ones with the disease. Currently, there are 29 Dementia Care Specialists working in ADRCs across the State, and 4 Dementia Care Specialists working in and for tribal agencies. This Budget would expand the Dementia Care Specialists Program to Aging and Disability Resource Center across Wisconsin by adding 18 Dementia Care Specialists, bringing the total to 47 across the State and adding seven tribal Dementia Care Specialists to bring the total to 11.

The Governor's Budget also invests in Aging and Disability Resource Centers (ADRCs) to expand caregiver support, require ADRCs to designate a caregiver coordinator to increase the knowledge of available programs, and expand tribal ADRCs to ensure access to long-term care programs and services.

Long-Term Care and Child Care Investments

The Governor's Budget increases payment for the wages and/or benefits for the essential workers who provide long-term care under the State's Family Care program. This program is implemented by the compassionate and skilled individuals who provide care for our elders and adults with physical, developmental, or intellectual disabilities, with the goal of helping our community members live in their own home. The increased payments would be distributed by the State's Direct Care Workforce Funding Initiative, which requires the employer of the long-term care workers (known as Managed Care Organizations) to pass the funding on to the long-term workers.

The Governor's Budget also invests in our childcare or early child education workforce. This Budget proposes to provide over \$100 million for child care quality initiatives for child care providers that are certified, licensed, or established by a school board. The majority of the grants would go to these child care providers who work at daycares that care for infants and toddlers, helping increase their benefits and wages, and creating pilot programs in so-called "child care deserts," where quality childcare is hard to find.

DNR

Gov. Evers' Budget invests in environmental stewardship within the Department Natural Resources, which manages or protects 1.6 million acres throughout the state. Wisconsinites depended on our strong state park system during the pandemic: in 2020, our state saw a record 20.7 million visits at our state parks (up from 17.8 million in 2019). In addition, the sales of state park passes in 2020 increased 42% over the number sold in 2019. Despite Wisconsinites' strong affinity for our parks, our parks have been significantly underfunded compared to its use. Wisconsin ranks at the bottom - 48th - in spending per capita, ahead of only Arizona and Texas. In comparison, we rank 19th in the number of visits per capita. Gov. Evers' budget turns the tide with his proposed investment in our state land and outdoor recreation.

Gov. Evers' Budget also reauthorizes the Warren Knowles-Gaylord Nelson Stewardship Program for ten years. This proposal includes spending \$70 million a year over the next 10 years for Wisconsin to not only acquire land to expand nature-based outdoor recreational opportunities and protect environmentally sensitive areas, but emphasizes in the spending allotment the development of outdoor recreational facilities on state lands, and grants to local communities to also acquire or develop land for outdoor recreational activities. Additionally, the Governor's Budget proposes additional funds for costs related to parks upkeep maintenance.

Making Prescription Drugs More Affordable

Governor Evers' Budget includes a number of proposals to make prescription drugs more affordable for Wisconsinites. These proposals include a \$50 cap on copays for insulin - following more than a half-dozen states who do so - and eliminating drug copays in the BadgerCare program. Gov. Evers' Budget also proposes to allow the state to import prescription drugs and to create a new state-local entity to leverage their purchasing power to reduce costs.

WEDC

Gov. Evers' Budget invests in the Wisconsin Economic Development Corporation as a mechanism to assist businesses large and small bounce back from the pandemic. This Budget proposal includes a regional-based focus to ensure that Wisconsin's recovery from the devastation of the Coronavirus pandemic is equitable across Wisconsin's regions, communities, and economic sectors. Governor Evers' Budget requires the WEDC to award at least \$8 million in grants each year to regional economic development organizations.

Broadband

The Governor's Budget significantly invests in our state's broadband infrastructure to ensure every Wisconsinite has access to affordable, reliable, high-speed Internet. A recent UW report on broadband notes that access to internet and, in particular, high-speed internet declines with rurality and poverty. Even in the most urban areas of the U.S., 44% of households earning less than \$20,000 have no internet. In the most rural areas, 56% of these low-income households have no internet. The Governor's Budget proposes to increase access and affordability to high-speed internet.

Gov. Evers' Budget proposes committing \$150 million for the Broadband Expansion Grant Program to increase access and capacity in underserved areas around the state. In the last eight years, this program has only awarded \$50 million in grants and so the Governor's Budget investment in broadband expansion truly is historic. The Governor's Budget also expands the grant eligibility to allow all municipalities to apply to the PSC for funding under the program.

The Governor's broadband proposal also creates a new grant program to extend broadband lines. The line extension grants would allow Wisconsinites who are not served by a broadband service provider to receive subsidies to offset the costs associated with being connected to a broadband service. The Budget would also provide grants for school districts, municipalities, tribal governments, and nonprofit organizations to conduct planning for broadband. It would authorize the PSC to provide training and technical assistance related to broadband engineering.

Gov. Evers' Budget also includes transparency and reporting requirements into the broadband proposal so that we can learn precisely where the broadband deficiencies are within our State and how PSC can utilize the grant program best. To do so, the Budget proposes to require each internet service provider in Wisconsin to report to the PSC the properties it serves, the average minimum download and upload speeds at those properties and a description of its service territory. Currently this information is only reported by the companies the Federal Communications Commission, but within the state.

Last, the Governor's Budget address affordability by creating an internet assistance program at the Department of Children and Families, funded at \$20 million annually, with state and federal funds, to subsidize the cost of a monthly internet subscription for families at or below 200% of the federal poverty level.

Important Dates

The Governor's Badger Bounceback Live Session schedule is available below:

- **Economic Recovery & Opportunity:** Thursday, March 18, 2021, at 6 p.m.
- **Accessible & Affordable Healthcare:** Thursday, March 25, 2021 at 6 p.m.
- **Transportation & Infrastructure:** Tuesday, March 30, 2021, at 6 p.m.
- **What's Best for Our Kids:** Thursday, April 8, 2021, at 6 p.m.
Register to attend [here](#).
- **Justice Reform & Marijuana Legalization:** Wednesday, April 14, 2021, at 6 p.m.
Register to attend [here](#).
- **Climate Change & Our Environment:** Wednesday, April 21, 2021, at 6 p.m.
Register to attend [here](#).

The Joint Finance Committee's Public Hearings schedule is available below:

Friday, April 9: Whitewater

10 a.m. – 5 p.m. UW-Whitewater
800 W Main Street
Whitewater, WI 53190

Thursday, April 22: Menomonie

10 a.m. – 5 p.m. UW-Stout
712 Broadway St S
Menomonie, WI 54751

Wednesday, April 21: Rhinelander

10 a.m. – 5 p.m. The Hodag Dome
665 Coolidge Ave
Rhinelander, WI 54501

Wednesday, April 28: Virtual

10 a.m. – 5 p.m. Those wishing to testify
must register in advance;
more details to come.

Members of the Joint Finance Committee

Sen. Marklein (Co-Chair, R)	Sen. Bernier (R)	Rep. Born (Co-Chair, R)	Rep. J. Rodriguez (R)
Sen. Stroebel (R)	Sen. Ballweg (R)	Rep. Loudenbeck (R)	Rep. Kurtz (R)
Sen. Kooyenga (R)	Sen. Erpenbach (D)	Rep. Katsma (R)	Rep. Goyke (D)
Sen. Felzkowski (R)	Sen. Johnson (D)	Rep. Zimmerman (R)	Rep. Neubauer (D)

All Legislators, including Joint Finance Committee Members, can be reached through the Legislative Hotline at (800) 362-9472.

The JFC also has established a website and an email address to communicate with JFC members:
www.legis.wisconsin.gov/topics/budgetcomments budget.comments@legis.wisconsin.gov