

## State Budget Proposals Would Help Wisconsin's Economic Recovery

Due to COVID-19 in 2020, Wisconsin's GDP dropped by nearly [33% compared to 2019](#).

Unemployment rates from March – December 2020 swung widely from 5.4% to over 13%. In comparison, in 2019 the unemployment rate ranged from only 3.1% to 3.6%.

Wisconsin's COVID-19 economic recovery desperately needs a boost. Public infrastructure projects are a time-tested means for spurring economic growth. A [recent study](#) released by AGC of Wisconsin found:

- every \$1 spent on construction results in \$1.81 of overall economic activity;
- every \$1 million spent on construction supports an average of 12 jobs; and
- every \$1 million spent on construction generates almost \$692,000 in labor income.

The 2021-23 biennial budget, released on February 16, and the capital budget, released on February 22, show a strong commitment to tackling a long list of backlogged infrastructure projects at a critical time of economic recovery for Wisconsin.

The 2021-23 biennial budget includes \$200 million for broadband expansion. The need for reliable high-speed internet in every corner of Wisconsin became abundantly clear when people could not access internet service sufficient to work or attend school from home in 2020.

The proposed capital budget is \$2.38 billion with projects planned in 31 counties across Wisconsin. Projects enumerated in the capital budget include: \$117 million on a new Science and Technology Innovation Center at UW-River Falls; \$100 million on a new engineering building on the UW-Madison campus; \$96 million to replace Albertson Hall at the UW-Stevens Point campus; \$94 million on the Cofrin Technology and Education Center at the UW-Green Bay campus; and \$93 million on the Prairie Springs Science Center at the UW-La Crosse campus.

State transportation revenue (SEG) is projected to be down roughly \$260 million primarily because of the pandemic-induced transportation revenue losses. Nonetheless, the 2021-23 biennial budget filled most of that gap from other sources and kept the overall transportation budget within 3.5% of the last biennium, as indicated in the chart below.

| <b>Program</b>            | <b>2019-21</b> | <b>2021-23<br/>Gov. Budget</b> | <b>Difference</b> | <b>%<br/>Change</b> |
|---------------------------|----------------|--------------------------------|-------------------|---------------------|
| State Highway Rehab       | \$1,937.8      | \$1,986.0                      | \$48.2            | 2.49%               |
| Major Highway Development | \$564.2        | \$565.7                        | \$1.5             | .27%                |
| SE. Wisconsin Freeway     | \$226.4        | \$82.0                         | -\$144.4          | -63.78%             |
| Total                     | \$2,728.4      | \$2,633.7                      | -\$94.7           | -3.47%              |

Importantly, the proposed transportation budget increased the funding for the State Highway Rehabilitation Program by approximately \$48 million, enumerated the important I-94 East-West project, and proposed \$20 million in bonding to fund projects using design-build.

Now, more than ever, Wisconsin needs bipartisan support for public infrastructure projects so people can get back to work and the Wisconsin economy can regain the ground lost in 2020. We need thoughtful, collegial discussion, not political backbiting or finger pointing. We urge all of you to express support for the 2021-23 biennial and capital budgets.