Gov. Evers Unveils Budget Designed to Support Working Families, Strengthen State’s Workforce, Maintain Economy’s Momentum

Governor’s plan to bolster workforce, economy includes expanding paid family and medical leave, investments in child care and affordable housing, new venture capital fund, developing community-based solutions to workforce challenges

MADISON — Gov. Tony Evers tonight, during his 2023-25 Biennial Budget Message, announced comprehensive initiatives in his biennial budget to support working families, strengthen the state’s workforce, and maintain the economy’s momentum.

In addition to Gov. Evers’ plan to provide the largest increase to K-12 education in state history, coupled with his plan to provide targeted, responsible tax relief with a 10-percent, middle-class tax cut, the governor’s budget also includes additional key provisions to support Wisconsin’s kids and families. Gov. Evers proposes to create a Paid Family and Medical Leave Program and invest in expanding access to affordable child care and housing as well as job training for workers. The governor also proposes investing in revitalizing the state’s travel and tourism industry and bolstering the state’s economic growth with investments in healthcare infrastructure, revitalizing Main Streets, and spurring entrepreneurship.

In his 2023-25 Biennial Budget Message delivered tonight, Gov. Evers highlighted his comprehensive initiatives to bolster the state’s current and future workforce, maintain the state’s economic momentum, and build Wisconsin’s economy from the ground up by investing in kids and families, small businesses and Main Streets, and local communities:

“We have to continue harnessing local innovators and ingenuity to maintain our economic momentum and retain and recruit talented workers to build a workforce for the future. And building an economy from the ground up starts with investing in our Main Streets, our communities, and our local partners. So, I announced last month we’re continuing our successful Main Street Bounceback program—and that’s great news. This program has already helped revitalize our Main Streets and move more than 8,500 businesses into vacant storefronts across our state.

“But I also recognize that, when it comes to bolstering our workforce, no two communities’ needs are alike. There’s no one-size-fits-all solution to our state’s workforce challenges. We trust our local innovators, communities, business, and economic development partners to know best what they need to support a strong, successful workforce and bring new workers to their area. They might need more high-quality child care providers, they might need more clinics and accessible healthcare, or to expand job training in high-demand industries—we must meet those unique needs, whatever they may be.
“It’s why one of the most significant investments we make in this budget is to invest nearly $500 million into programs designed to support local and regionally-based projects in communities and regions to help expand the state’s workforce, invest in healthcare infrastructure, and other capital projects in communities across our state.

“These innovative investments will ensure communities have what they need for local workers to live here, work here, and raise a family here based on local needs—and that’s critically important. It’s also only one part of the equation: we need to make sure Wisconsin workers and families—and the talent we hope to recruit—have housing in our communities, too.

“Lack of access to affordable housing will hold our workforce and our economy back. So, we’re going to take a multi-pronged approach to make sure we have safe, reliable, and affordable housing across our state. We’re creating a new Affordable Workforce Housing program with a $150 million investment into local communities to maintain and develop workforce housing across our state.

“We also know we can expand housing options in our communities by renovating and restoring housing that’s already available. So, we’re investing $200 million into renovating and restoring existing residential properties, including providing low-interest and forgivable loans to help working families update and remediate lead in their current homes. …

“And we’re also going to make sure our kids have the skills and tools they need to join the 21st Century workforce we’re working to build together. So, I’m going to deliver on my pledge to improve access to computer science education in Wisconsin with a $10 million investment to bolster computer science education across our state, including requiring high schools to provide this critical instruction.

“The best measure of the opportunity we have to offer is whether we’re willing to invest in the future of our kids and our families. So, high-quality education has to start early. Our budget expands access to quality, affordable child care for Wisconsin’s kids through our successful Child Care Counts initiative that helped stabilize our child care industry during the pandemic. And we’re going to invest more than $22 million to keep working to support partnerships between businesses and child care providers who want to do their part to help make sure child care is more affordable and accessible for their workers.

“But after I announced one of our budget’s top priorities would be expanding access to affordable child care, Brittany, who’s a nurse in Milwaukee, wrote to me saying that we should also work to make parental leave more affordable: ‘Let’s start from the beginning,’ she said.

“Folks, Brittany’s right—parents are the first and best teachers our kids have. So, we have to start from the beginning. And tonight, I offer a plan to do just that.

“We have a plan to bolster our state’s workforce, maintain our momentum, and build an economy for our future from the ground up—that plan includes making sure parents can put their kids and families first. So, we’re taking a comprehensive approach to paid family leave for workers and employers across our state. Because doing what’s best for our kids is what’s best for our state—and it’s what’s best for our families and our workforce, too.

“The weeks after welcoming a new child are critical for families to have time together and for kids’ future development. Tonight, I’m announcing that we’re going to create a statewide program that will provide most private-sector workers in Wisconsin paid family and medical leave for 12 weeks,
and we are going to invest more than $240 million in state funds to get that program started.

“And new parents aren’t the only ones who can benefit from a paid family leave program that truly meets the needs of our workforce. Too often, folks are also unable to receive family or medical leave support based on their unique circumstances or situation. So, we’re also going to expand eligibility so workers have the flexibility to respond to their personal, family members’, or their kids’ needs.

“We’re expanding eligible uses for family and medical leave to include caring for a new child, the unforeseen or unexpected closure of a child care facility, aftermath of domestic violence and sexual assault, having a serious health condition such as medical quarantine, caring for family members with serious health conditions, and military deployment for service members and their spouses, kids, and parents. My plan takes care of these folks, too. …”

Over the last four years, unemployment has hit record lows and the state has seen the highest number of people employed ever, and the state continues to see an unemployment rate below the national average and a labor participation rate above the national average. And for the first time in about 40 years, Wisconsin has a AAA bond credit rating, meaning the state is able to get lower interest rates and save tax dollars. Additionally, the state’s general fund and ‘rainy day fund’ both ended the last fiscal year at the highest levels ever in Wisconsin’s 175-year history and are now expected to end the current biennium with about $6.5 billion in state coffers and over $1.7 billion in the ‘rainy day fund.’

A full breakdown of the governor’s comprehensive plans to grow Wisconsin’s workforce and maintain the state’s economic momentum is available below.

**Creating a Paid Family and Medical Leave Program**

Gov. Evers is proposing creating a first-of-its-kind Wisconsin Paid Family and Medical Leave Act (FMLA) Program administered by the Wisconsin Department of Workforce Development.

Under the paid FMLA Program, workers will be eligible for 12 weeks of leave beginning Jan. 1, 2025. This program will be self-sustaining by 2026, and benefits will be funded through payroll contributions shared equally by an employer and an employee, much like the current Unemployment Insurance system. In order to launch the program expeditiously, the governor’s budget infuses the new benefit and administration trust fund with a transfer of $243.4 million.

The governor’s proposal also expands eligibility for workers to use family and medical leave, paid or not, to include deployment of a spouse or child and an unforeseen or unexpected closure of a school or child care facility, among other modifications.

**Bolstering Child Care Statewide**

As previously announced, Gov. Evers is proposing significant investments in Wisconsin’s child care industry and workforce, proposing strategies that create opportunities for new programs, encourage development for prospective care provider employees, support existing providers, and encourage employers to partner with care providers. The governor is proposing:

- Providing $302 million general purpose revenue (GPR) and $38 million Temporary Assistance for Needy Families (TANF)/Child Care and Development Fund (CCDF) funding to permanently establish the Child Care Counts Program, allowing for continued benefits across the state;
- Investing more than $22 million over the biennium in the innovative “Partner Up!” Program to support partnerships between businesses who purchase child care slots for their employees and child care providers and supporting retention, recruitment, and career development for potential providers;
• Easing the financial burden on families, supporting excellent early childhood resources for children while bolstering the workforce by expanding the Child and Dependent Care Credit, providing nearly $30 million in relief to an estimated 107,000 Wisconsinites;
• Allocating $124.7 million TANF over the biennium to migrate Wisconsin Shares to a full-time/part-time model for calculating subsidies to align with federal child care requirements, including waiving copays for Wisconsin families under 100 percent of the federal poverty level;
• Providing $10 million TANF over the biennium for the New Provider grant program, which provides grants to newly certified or licensed child care providers, with $500,000 set aside to fund newly certified and licensed providers in Tribal areas;
• Investing $1.6 million all funds over the biennium into a new quality early childhood education center in Milwaukee, continuing funding for child care programming in financially disadvantaged areas within the city of Milwaukee, and providing $875,000 TANF over the biennium to Tribal child care contracts to support recruitment, retention, and expansion of child care providers in Tribal areas;
• Supporting programs with a proven track record of supporting children’s academic and social-emotional well-being with $1 million TANF over the biennium to Boys and Girls Clubs for their Wisconsin After 3 program and $2.6 million GPR over the biennium support for their youth mental health and substance use prevention efforts;
• Investing $3.29 million over the biennium in social-emotional training and technical assistance in child care settings with the goal of reducing instances of children being removed from daycare for behavioral issues;
• Providing $600,000 TANF over the biennium for a $10,000 income disregard for direct care workers applying for Wisconsin Shares Benefits; and
• Migrating the child care provider licensing application process to an online platform with $1.42 million over the biennium.

Affordable Housing and Neighborhood Development
Gov. Evers recognizes in order for workers and working families to be successful, they need to have safe, stable housing and thriving neighborhoods to grow in. That’s why the governor is proposing a $150 million investment to continue the successful Neighborhood Investment Fund Grant Program, which provides grants to local and Tribal governments to invest in community and regionally-based solutions to bolster the workforce for the future, including building affordable housing, increasing transit and transportation access, expanding child care, and boosting cultural and economic opportunities in neighborhoods.

In addition to his multi-pronged package of initiatives designed to address the unique challenges facing Wisconsin renters that was previously announced, the governor is also proposing to expand access to affordable housing for the workforce by:

• Establishing an Affordable Workforce Housing Grant program and providing $150 million to provide funding to local municipalities to encourage the development and maintenance of additional affordable workforce housing in the state, including costs for infrastructure projects related to new residential developments, such as water, sidewalks, and sewer. Additionally, municipalities that change zoning criteria in order to support additional affordable housing development would qualify for a bonus;
• Providing $100 million to create a Municipal Home Rehabilitation Program to award grants to municipalities to renovate and restore blighted residential properties with the goal of increasing available, affordable housing options within the municipality;
• Providing $100 million to support a revised and more robust Workforce Housing Rehabilitation Loan Program at the Wisconsin Housing and Economic Development Authority. The revised program would provide low-interest and forgivable loans to low- to moderate-income households to renovate or repair their current home, including lead remediation.
• Modifying 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 authority from $42 million to $100 million; and (b) increasing the credit period from six taxable years to 10 taxable years.

- Extending from one year to three years, the allowable extension of the lifespan of a tax incremental finance district for the purpose of using surplus funds for investments in affordable housing projects. Requires joint review board approval for a further two-year extension; and
- 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 of 35 percent.

**Bolstering Healthcare Infrastructure and Workforce**

In addition to continuing the Neighborhood Investment Fund Grant Program, the governor is also proposing to continue the Healthcare Infrastructure Capital Grant Program with a $100 million investment. This capital grant program works in tandem with the Neighborhood Investment Fund Grant Program to build the infrastructure communities need to be successful, including expanding access to affordable healthcare, building facilities in areas of high need, and reducing disparities in health outcomes and services statewide, among other key priorities.

As previously announced, the governor is also allocating more than $50 million to address healthcare workforce shortage solutions, including:

- More than $1.5 million for the Qualified Treatment Trainee grant program, which facilitates the licensure and certification of those obtaining or already possessing a graduate degree in psychology, counseling, marriage and family therapy, social work, nursing, or a closely related field;
- $8 million in fiscal year 24 for the WisCaregiver Careers program, which aims to address the shortage of certified nursing assistants in the state by supporting the recruitment, training, and retention of individuals to care for nursing home residents across Wisconsin;
- $10 million over the biennium for the highly successful nurse educators program, which provides incentives for nursing professors to stay in Wisconsin to teach the next generation of nurses; and
- $7 million over the biennium for a new psychiatry residency program through the Medical College of Wisconsin.

The governor also previously announced a $100 million investment in the Workforce Innovation Grant Program. As highlighted below, and the budget will also include an additional $100 million specifically set aside for fortifying the state’s healthcare workforce.

**Strengthening Wisconsin’s Workforce**

In the governor’s State of the State address, he announced a $100 million investment to continue the successful Workforce Innovation Grant Program to provide long-term solutions for businesses to find workers and individuals to obtain family-supporting jobs. Today, the governor announced an additional $100 million investment for that grant program, bringing the total investment to $200 million with a specific focus of $100 million to bolster the state’s healthcare workforce. In addition to the governor’s $200 million investment in the Workforce Innovation Grant Program, he is also proposing:

- $12 million for job training initiatives through the Worker Advancement Initiative;
- $4.5 million for outreach to populations disconnected from the labor force through a new Reengaging Out-of-Work Barri ered and Underserved Individuals Through System Transformation (ROBUST) Program;
- $8.8 million for enhanced youth service programs conducted by local workforce development boards;
- A $5 million annual increase in talent attraction and retention efforts at the Wisconsin Economic Development Corporation (WEDC);
- Nearly $900,000 for job centers within correctional institutions;
- $1.7 million to expand the Transitional Jobs and Transform Milwaukee Jobs Programs;
- $10 million to invest in Wisconsin’s future workforce and future clean energy economy by providing clean energy job training and reemployment programs; and
- More than $21 million over the biennium to address the teacher shortage plaguing schools across the state, including funding for “grow your own” initiatives and incentives for student teachers.

**Revitalizing Main Streets and Helping Small Businesses Succeed**

As the governor announced in his State of the State address, his 2023-25 executive budget will include a $50 million investment to continue the successful Main Street Bounceback Grant Program, which will provide as many as 5,000 eligible businesses with grants up to $10,000 to help afford building repairs and improvements, lease and mortgage payments, and defray other expenses that can be a barrier to becoming a successful business. To date, the Main Street Bounceback Grant Program has helped more than 8,500 Wisconsin small businesses expand and move into vacant storefronts in communities across all 72 counties.

In addition to these previously announced initiatives, a significant part of Gov. Evers’ investments is aimed at continuing to further develop Wisconsin’s start-up business ecosystem. Improving Wisconsin’s entrepreneurial environment is vital to the state’s economic success, especially in high-growth industries in medical and informational technologies. Therefore, the governor is proposing creating a $75 million venture capital fund of funds under the direction of WEDC. This fund of funds investment program will invest in venture capital funds that commit to investing the state’s funds in emerging Wisconsin companies alongside other private capital to leverage other sources of financing. This fund of funds proposal will require that 20 percent of all investments go to historically underserved communities, including rural areas that do not traditionally receive venture capital financing and diverse- and women-owned businesses.

The governor also recommends removing the requirement that the current Badger Fund of Funds program, overseen by the Wisconsin Department of Administration, repay its initial investment to the state. The Badger Fund of Funds has developed important relationships with venture capital funds, emerging businesses, and other entities. Allowing the fund to reinvest will enable the fund to continue its important work in improving the venture capital ecosystem in Wisconsin.

**Boosting Wisconsin’s Tourism Industry**

According to the U.S. Bureau of Economic Analysis, Wisconsin’s outdoor recreation industry contributed a record-setting $8.7 billion to the state’s gross domestic product in 2021. Wisconsin’s outdoor recreation industry supported nearly 90,000 jobs across various sectors in 2021, with a growth rate of 9.7 percent.

The governor’s budget proposes investing over $117 million to bolster the tourism industry, including:

- Allocating $33.6 million to the Wisconsin Department of Tourism to be used to promote Wisconsin as a premier business, cultural, and recreational destination;
- Reinvesting in the Tourism Capital Investment Grant Program by providing $50 million to assist local and Tribal governments and nonprofit organizations in bolstering Wisconsin’s tourism, travel, and lodging economies;
- Investing in the Office of Outdoor Recreation to expand the state’s growing outdoor recreation market by providing $1.1 million for outdoor partners, brands, and industry;
- Recruiting large-scale events to Wisconsin by creating and funding an opportunity and attraction fund with $30 million. This substantial investment to help showcase everything Wisconsin has to offer will reap significant benefits for local businesses and our statewide economy;
- Creating a new Meetings, Conventions, and Sports Bureau supported by $2.7 million to focus on promoting the state as a destination for large company meetings, conventions, and sports events;
- Proposing a $100 million investment in an Artistic Endowment Fund. Every year the proceeds on the interest in earnings will be distributed to fund investments in arts, including the Arts Board, throughout Wisconsin; and
- Allocating $552,500 to the Wisconsin Arts Board to continue supporting individuals and organizations engaged in the arts.

An online version of this release is available here.

###