

MEMO



TO: WPHA &WALHDAB Policy & Advocacy Committee

FROM: Tony Langenohl
Sabrina Stengl
Michael Best Strategies

DATE: February 20th, 2024

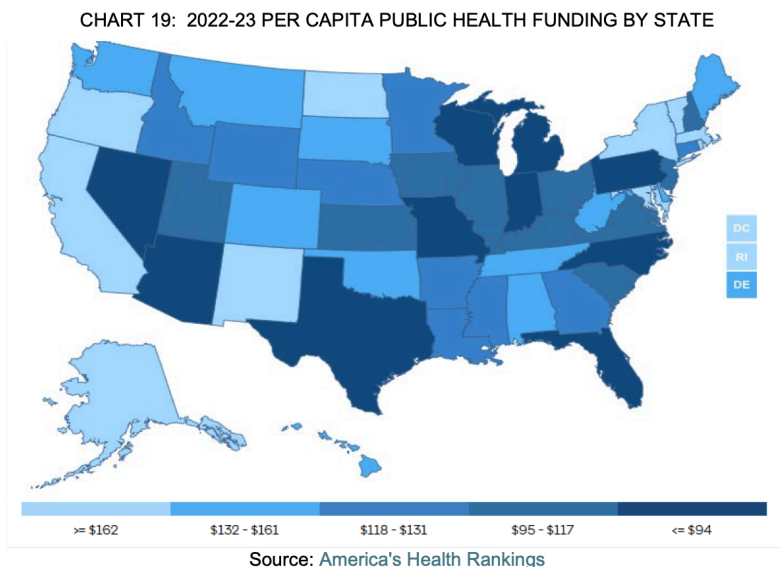
SUBJECT: Gov. Tony Evers' 2025-2027 Executive Budget Propo

After a cursory review, below please find items of interest to WPHA & WALHDAB that are proposed in Wisconsin Governor Tony Evers 2025-2027 Executive Budget.

From the Budget in Brief:

Improving Public Health Response and Resources (Page 111)

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.



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 *(Page 112)*

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.

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 *(Page 113)*

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.

Increasing Access to Healthy Food *(Page 117)*

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.

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.

Addressing Lead Hazards *(Page 124)*

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.

Reducing crime and preventing violence statewide, supporting crime victims and survivors, and intervening in cycles of violence (*Page 43*)

- 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 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.
 - Create the Self-Assigned Firearm Exclusion (SAFE) Program by which a person may temporarily and voluntarily restrict their own ability to purchase a firearm.

Expanding Access to Affordable Housing and Addressing Housing Insecurity and Instability *(Page 44)*

- 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 *(Page 45)*

- 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 childcare centers.
- Provide \$7.1 million GPR in fiscal year 2025-26 for Community Water Services to aid in-home childcare 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.

Substance Use:

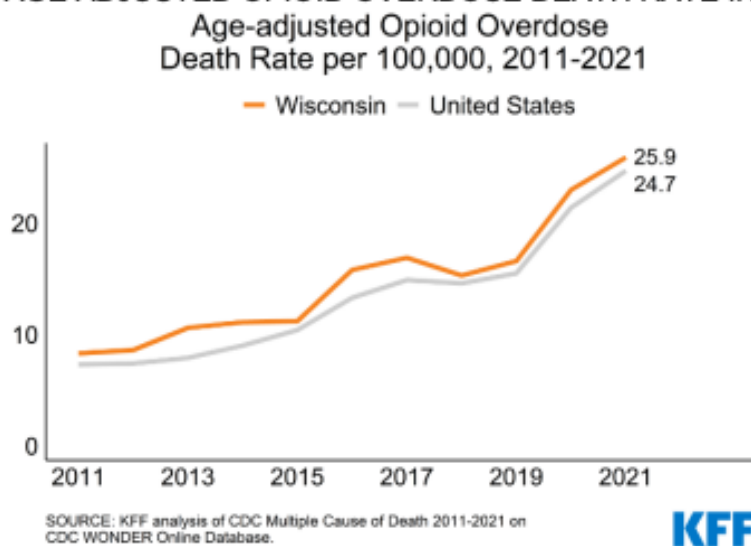
- Expanding the Health Care Provider Loan Assistance Program and Rural Physician Loan Assistance Program and expanding eligibility for behavioral health practitioners, substance use treatment professionals, and dental therapists. *(Page 12)*
- \$1.7 million GPR in FY 25-26 and \$5.2 million in FY 26-27 to increase the Basic County Allocation portion of the Community Aids program that provides funding to counties for human services costs among services administered by counties or organizations they contract with, including substance abuse services. *(Page 34)*
- Requiring health insurance plans to cover services provided by substance use disorder counselors, qualified treatment trainees. *(Page 38)*
- Providing 7.0 FTE positions and \$1.1 million SEG over the biennium to expand the Veterans Outreach and Recovery Program, which provides mental health support to veterans who have a mental health condition or substance abuse disorder. *(Pages 46 & 75)*
- \$15 million in GPR for grants to stabilize hospital services in Western Wisconsin, including mental health and substance use services. *(Pages 109-110)*
- “This budget once again makes significant investments in mental health and substance use disorder treatment systems to improve the accessibility and affordability of those treatments.” *(Page 115)*
- \$1.3 million GPR over the biennium investment in 5 state-run and 1 private respite centers designed to support veterans navigating mental health or substance use concerns. *(Page 116)*

- \$310,000 GPR in annual on-going funding to support 8 peer recovery centers, and requiring services provided by substance use disorder counselors be covered by insurance plans to ensure individuals have affordable access to services. (Page 117)
- Requiring health insurance plans to include coverage of services provided by abuse disorder counselors. (Page 122)

Opioids/THC/Alcohol:

- \$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 (Health Emergencies in Learning Places) grants will support the purchase of automated external defibrillators, carbon monoxide detectors, and **opioid antagonists** to place in school buildings. (Page 9)
- Require every school in the state to have opioid antagonists on hand in the event of a suspected opioid drug overdose. (Page 9)
- 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. (Page 31)

CHART 21: AGE ADJUSTED OPIOID OVERDOSE DEATH RATE IN WISCONSIN



- \$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. (Page 36)
- 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. (Page 48)

- 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. (Page 48)
- 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. (Page 69)

Property Tax Relief:

- 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. (Pages 53 & 100)

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%

Shared Revenue:

- \$23.6 million increase in shared revenue to County and Municipal Aid and Supplemental County and Municipal Aid in FY 25-26 and an additional \$41.7 million increase in FY 26-27. (Page 105)