**2GBA2025HD.mp3**

[00:00:24] **Speaker 1** The following program is a PBS Wisconsin original production.

[00:00:38] **Speaker 2** Capital. Make his way into the Assembly chambers. Ibas will address the full legislature, his cabinet, and the people of Wisconsin.

[00:00:49] **Speaker 3** Good evening. I'm Zach Schultz from PBS Wisconsin.

[00:00:52] **Speaker 2** And I'm Shawn Johnson from Wisconsin Public Radio. We're about to hear from Governor Tony Evers about his state budget plans for the upcoming biennium.

[00:01:00] **Speaker 3** That is state of the state address. A month ago, Governor Evers previewed some of his budget priorities, including calling this the year of the kid and prioritizing funding student mental health improvements, as well as efforts to remove lead from drinking water and provide free breakfast and lunch at public schools. It looks like the governor has just been introduced, so let's watch him as he comes in and greets members and makes his way to the podium.

[00:01:25] **Speaker 2** You expect to hear the governor cover a range of items, big ticket items like a new $2 billion tax cut, some childcare costs, proposals, some of these. He's been kind of, I guess, parceling out over the last few months, as you mentioned in his speech, unveiled the massive corrections overhaul. That was just, came out over on Monday of this week. So some pretty heavy policy in there. But but it's worth noting that if he's going to run for reelection, this would be his last budget before, that election comes in. So typically you can kind of get a sense of where governors are coming from by the budget that they present, you know, this time of year.

[00:02:06] **Speaker 3** And when they have this stage, they really only get the one night. So previewing it the weekend before dropping a few nuggets even this morning about he's going to be previewing a ending taxes on tips kind of stealing an idea from from Trump on the campaign trail. Definitely campaign type items that have a lot of popular support around the state. Expect to hear a lot more of that as we go through this speech, especially.

[00:02:29] **Speaker 2** Then when you talk about he only gets one night. In a way that's more true now than it ever was before. It used to be that a governor's budget could would kind of be the foundation or the bulk of a final budget that passes the legislature. I think you've seen this dynamic with Governor Evers and the Republican controlled legislature, where he presents his plan, and they proceed to kind of do their own thing. But they do agree on some, you know, big picture stuff toward the end, but there's a lot of disagreements starting in, you know, an hour or so. The press conference has already been followed.

[00:03:06] **Unidentified** Here's the governor. Thank you. At this time, it is my honor to introduce the governor of the great state of Wisconsin, the.

[00:03:17] **Speaker 1** Honorable Tony Evers.

[00:03:19] **Speaker 4** Thanks so.

[00:03:19] **Unidentified** Much. It's all good. Here we go, folks.

[00:03:34] **Speaker 4** Good afternoon. Good evening. Wisconsinites, honorable Supreme Court justices, tribal leaders, nation tribal leaders. And in the, in the tribal nations, constitutional officers, members of the Wisconsin National Guard and active and retired members of our armed forces. Cabinet members, legislators. Distinguished guests and Wisconsinites joining us from wherever you are. Thank you for being with us tonight. And my wife Kathy is up there in the gallery tonight, folks. Where are you? Kathy? Thank you. Kathleen Francis, you are my best friend and sounding board. There's no one else I'd rather shovel heaps of snow with or lose a game of pickleball, too. I love you so much, Kathy. Folks, I'm Tony Evers, and I'm excited to be here tonight to introduce my fourth biannual budget as the 46th governor of the great state of Wisconsin. Wisconsinites were not even 50 days into 2025, but my administration and I have been hard at work doing the right thing for Wisconsin. I'm excited tonight to be able to share some of the good work we've been doing, including laying out our state's policy priorities for the next two years. Our budget includes my comprehensive plan to lower costs from childcare to medication to help working families, seniors and students. I'm also providing nearly $2 billion in tax relief, including eliminating income tax on tips. And my plan invests in public education at every level while holding the line on property taxes to make sure the average homeowner will not see a property tax increase. I'm announcing plans to stop price gouging on prescriptions and crack down on insurance companies for denying Wisconsinites medical bill of claims. I also want to invest in fighting fires and land and getting contaminants out of our out of our land service lines, bubblers, schools, homes and childcare centers for good.

[00:06:34] **Unidentified** And we're going to keep.

[00:06:35] **Speaker 4** Fixing and iron roads and infrastructure, building more affordable housing, keeping our kids, families and communities safe and expanding. High-Speed internet. The budget I am proposing balances our priorities of investing in our kids and needs that have been long neglected, while providing real and sustainable tax relief and saving where we can. So let's get to work here in America's Dairyland. Agriculture is a $116 billion industry. Everybody knows farmers, farm families and producers have been the backbone of our state for generations. So when we heard about President Trump's 25% tariff tax, which could spark trade wars with Wisconsinites largest export export partners, hurt our economy and farmers and drive up costs for gas and groceries, we got right to work. Just as that 25% tax was set to go into effect. I announced a new plan to help protect Wisconsin farmers and our egg industry and bolster our supply chain. Under my administration, Wisconsin is on its way to becoming a top ten state for egg exports. We can't afford to lose our momentum because of tariffs. Tier four is in Washington. So my plan creates a new ag economist position and state government that will help farmers navigate market disruptions and volatility caused by tariffs. I'm also proposing to double our investments in the Wisconsin Initiative for Egg Exports, to help increase exports for our dairy meat crops, and help farmers and producers expand into new markets. And we're going to build upon our support for the meat and dairy processors to help keep our supply chains strong. We have to. We also have to help make sure farmers and producers and can get product to market. We just announced 55 new projects across 36 counties to improve rural roads and infrastructure through our Agriculture Roads Improvement Program that we created last session. Tonight, I'm announcing we're going to invest $50 million to continue that successful program to help ensure our farmers and our producers and egg and forestry industries have reliable roads they can depend on. I also kicked off the new year declaring declaring 2025 a year of the kid across our state. I want everything we do together this year to be focused on doing what's best for our kids and the families who raise them. So I'm asking the legislature to approve a budget that does what's best for our kids at every stage, in every way, and no matter where they live and our state. In 2025, a year of the Kid. I'm excited to be introducing the most pro kid budget in state's history. An important part of doing what's best for kids is reducing exposures to dangerous chemicals and getting harmful contaminants out of the water. Every Wisconsinites should have access should have access to clean and safe drinking water no matter where they live. Tonight, I'm introducing my plan to combat water pollution and improve water quality across Wisconsin. Lead exposure and poisoning is especially dangerous. There is no safe level of lead exposure for kids. Even a small exposure can affect a kid for life. Reducing learning capacity and attention span and affecting academic achievement. So I approved an emergency rule strengthening our lead standards statewide, and announced new investment to support kids and families when they are exposed to learning. But we should be working to prevent our kids from ever being exposed to lead in the first place. In the last few weeks, Wisconsin has seen cases of lead poisoning in kids who are exposed to dangerous levels of lead at school. At school. Fox. That should never happen anywhere in Wisconsin, period. We have to work together to fix this. Tonight, I'm asking bipartisan support for to invest over $300 million to help get that out of our service lines, our bubblers, our schools, our homes and childcare centers for good. And let is just one contaminant that's affecting kids, families and water across our state. Let's talk about us forever. Chemicals like PFAS are chemicals that have been used for decades, and things like nonstick cookware, firefighting foam, and even food pads. Packaging PFAS exposure at certain levels can mean developmental delays and kids. Increased cholesterol levels, reduced immunity, response to infections, and even heightened risk of some cancers. Addressing PFAS and other contaminants grows harder and more expensive each day of delay. Republicans and Democrats must work together to finally get something done on this issue. As part of my comprehensive plan to improve water quality statewide, we're working to strengthen Wisconsin's groundwater standards for funds, and I'm asking the legislature to support an investment of over $145 million to fight PFAS contamination statewide and provide emergency resources like bottled water, to families and communities affected by water contamination. Cleaning up our water is a key part of our work to keep kids and families across Wisconsin healthy and safe. But we should also invest in preserving our natural resources, increasing outdoor recreation opportunities, and expanding access to public lands for hunting, trapping, and fishing. So let's reauthorize the Noles Nelson Stewardship Program for another decade, and let's do it with bipartisan support. Let's deliver on the promise to our kids and grandkids of a better state and world than what we inherited. This budget is about doing what's best for our kids. Yes, by addressing pressing challenges facing our kids today. But we must also work to do what's best for our kids futures, too. Every Wisconsin kid should have access to a high quality public education. From early childhood to our K through 12 schools to our higher education institutions institutions. In 2024 2025, the year of the kid, I'm urging the legislature to do what's best for our kids by approving significant investments in public education at every level in Wisconsin. Let's start with higher education. Wisconsin has one of the best technical college systems in the country. So our budget invests in green jobs and our health care workforce and worker training for artificial intelligence. And I am proposing nearly $60 million to support our technical colleges and their good work. But I also want to talk about our universities. This is a make or break budget for our UW campuses. I know there's a lot of talk in Washington about higher education. And look, folks, I can't speak to what's happening on other campuses across other parts of our country, but I visit just about every campus every year. So I've seen what's happening on our UW campuses with my own two and I tries. And we're doing things differently here. Politicians in Washington don't know a darn thing about what's going on in campuses across Wisconsin. They don't understand that our UW system has been part of Wisconsin since we first became a state. It's enshrined in our state constitution. You don't know how important our UW system has been to our state's success, or how important it is for our future. At UW Claire, they're working to improve health care outcomes and lower health care costs in rural areas. UW Platteville is helping address rural health health care shortages by training a new generation of physician assistants. UW Milwaukee and UW Whitewater are among the top campuses in the country for supporting students who are service members or veterans through a workforce centered program. UW Parkside has increased graduation rates by about 20%. UW Stevens Point is training more than 1200 future educators who are supporting classrooms and over 200 different school districts across Wisconsin. You're Debbie lacrosse is partnering with local businesses to make sure skills, the skills they're teaching, meet local employer needs. And I can go on, and I will. You're never you. UW Oshkosh supported over 500 Wisconsin small businesses that needed help with digital marketing marketing support efforts. You know, be a green Bay is working with school districts that give high high school students the opportunity to earn an associates degree UW superior. Small business business Small Business Development Center is helping entrepreneurs start or expand their businesses across eight northern counties. UW River falls is expanding hand on learning activities to support our dairy industry right here in America's dairy land. UW Madison is leading national efforts to study Alzheimer's, to help improve treatment and find a cure for the more than 110,000 Wisconsinites who live with that cruel disease every day. UW Stout's Manufacturing Outreach Center has worked on more than 470 projects in Wisconsin, with Wisconsin manufacturers across 33 of our 72 counties. Folks, this is a story of what's happening on UW campuses. Each and every day, UW is helping improve our daily lives here in Wisconsin and the world over, and our ability to compete and be successful, to have a strong economy and workforce, to retain our homegrown talent, to solve problems in our smallest towns, to our largest cities, and make life better for everyone who calls our state home depends on our UW system. Period. This is just water, folks. Today, after years of attacks and disinvestment, UW is facing campus closures and program cuts. Students are facing tuition increases and faculty and staff are facing layoffs. And with new federal efforts to cut higher education funding, things for UW could go could get a whole lot worse. So tonight, I'm keeping the promise I made to the people of Wisconsin. And I'm asking the legislature to approve the largest two year increase for our UW system in state's history. We have to get this done for us. It's up to us, each of us together, to invest in our UW system, to defend it, and to protect its promise for future generations. Let me be clear to the elected officials in this building, whose public education at UW helped get you to where you are today. You share in that important responsibility. Don't tell our kids. They don't deserve to have the same opportunity you did. Doing what's best for our kids will always be what's best for our state. Investing in our kids will pay dividends for their futures and ours too. That's why my Pearl kid budget makes significant investments in public education at every level, including our K through 12 schools. The cost of short changing our kids is expensive, folks. We cannot afford to fail them. We have a responsibility to improve outcomes for our kids, both within our schools and beyond them. And I've talked a lot about the work we must do to improve student outcomes in class, and how we're finally getting. And get finally help shorten the odds. And we have to begin with the basics. I know some legislators have tried to use student outcomes to argue against investing in our kids in our schools. Folks, if you believe that, you got it backwards. The outcomes we are seeing are exactly why we must do more to do what's best for our kids. The. Legislature should approve my plan to make sure every kid can get healthy meals in schools at no cost, regardless of whether their family can afford it. Why? Because our kids will perform better in our classrooms when we do. Legislators should approve of my plan to make sure kids can access comprehensive mental health services, no matter where they go to school. Why is that? Because our kids will perform better in our classrooms when we do. The legislature should approve my plan to help make sure kids have access to clean drinking water, no matter where they live. Why? Because our kids will perform better in our classrooms when we do. If the state isn't committed to meeting some basic needs and we can't have serious conversations about improving outcomes. It's that simple. If our kids are fed, healthy and feel safe, they will perform better in class. So we have to get back to the basics in this budget. Reading is fundamental. There are a lot of discussions right now about our kids reading scores, how we measure student outcomes and how we improve them, regardless of how they're measured. These discussions are important, but this legislature and I approve $50 million in the last budget that could be improving our kids reading and literacy. If it wasn't still sitting in Madison today and nearly two years later. So we can have those discussions. But let's start by releasing millions of dollars we all agreed would improve reading statewide. We're going to have to work even harder to reverse these trends and make up for lost time. It's one of those reasons that in 2025, the year of the kid, I'll be asking the legislature to approve $80 million to invest in literacy, coaches, tutoring and other key supports to help improve reading of scores statewide. Doing the right thing for Wisconsin begins by doing what's best for our kids. So my pro my pro kid budget makes the largest investment in Wisconsin. Kids in any budget by any governor in state's history. During my first term, I fought to secure the first special education aid increase in over a decade and the largest increase in funding for special education ever in state's history. Tonight, I'm proposing the highest ever amount of state education aid funding, and we're going to guarantee the state reimburses special education costs at 60% to ensure every kid gets a public.

[00:26:39] **Unidentified** Education they deserve.

[00:26:55] **Speaker 4** But folks, here's the truth. Our current system isn't working. Take them off some school district, for example. The fate of their school district is on the ballot today. And kids, parents and educators will be holding their breath tonight to see if their schools will be saved. That's the reality. Become all too often. In 2024, we saw a historic number of school referendums on the ballot, and 169 of those referendum passed. Nearly 400 referendums passed in the last four years. So the good news is Wisconsinites have shown this legislature time and time again they support increasing investments in our public schools. The bad news is, Wisconsinites had to raise their own property taxes to prove it. This system isn't sustainable. It creates winners and losers, haves and have nots. But referendums are not inevitable.

[00:27:50] **Unidentified** That's right. Let's stop. This just.

[00:27:58] **Speaker 4** Wisconsinites wouldn't have to raise their own property taxes to keep school lights on and doors open. If this legislature invested in K through 12 education from the get go in, the budget I'm announcing tonight proves we can both make the investments in our kids that we need to and hold the line on. Prevent property taxes from going up. All told, our Pro kit budget will do what's best for our kids by providing more than $3.15 billion. Nearly all of it is spendable revenue for schools across Wisconsin. And we're going to make those investments while holding the line on property taxes to ensure the average homeowner will not see a property tax increase. My budget would create a new incentive for local governments to freeze their local property taxes. If local governments agree not to raise local property taxes, they'll get a direct payment from the state. This will ensure local partners can still afford to pay for basic and unique local needs alike, without property taxes going up. Working to prevent property tax increases. As a key part of my plan to lowering costs for working families. But we can do more to reduce every day out of pocket costs for folks across the state where Wisconsinites are working than ever before. But paychecks today aren't going nearly as far as they used to. We're only concerned about President Trump. Trump's 25% tariff tax will not only hurt our families and our farmers and egg industries and our economy, but it will also cause cause prices to go up on everything from gas to groceries. Some estimates indicated this could raise costs on the average American by about $1,200 a year. That will make it even harder for Wisconsin Wisconsinites to make ends meet. So I'm asking Republicans and Democrats to work together to pass my comprehensive plan to lower everyday out-of-pocket costs for working families. Wisconsinites need a leg up to be able to finally get ahead on utility bills, child care costs and groceries, medication and doctor visits, and everything in between. And we've got a plan to do just that. Here's how we get it done. Let's save Wisconsinites money on their monthly utility bills. I'm proposing to eliminate the sales tax on electricity and gas for Wisconsin homes, which will save Wisconsinites about $100 million out of pocket costs each year. Wisconsinites also need the legislature to get serious about lowering out-of-pocket costs for child care. This session, no more serious folks. Putting two young kids in child care in Wisconsin costs more than the average rent or mortgage in 2023, child care costs consumed as much as a third of families household incomes. Our workforce and economy can't afford more parents leaving their jobs because they can't afford childcare. Let's invest in our child care providers so that they can hire more staff, reduced waitlists, and lower the cost of child care so that we can get working families, working parents and families a little more breathing room in their household budgets. It's a win win win for our kids, our families, our workforce and our state. My plan will provide nearly $2 billion in tax relief through efforts to lower property taxes, eliminate the sales tax on several everyday expenses, and cut income taxes for middle class Wisconsinites, including homeowners, renters, veterans and seniors. That's all. Let's also make sure Wisconsinites and keep more money in their pockets. I'm proposing to nearly double Wisconsin's personal income tax exemption. That means Wisconsinites will pay no income taxes on the first $1,200 they earn. Period. And I want us to work together to pass my proposal to support students and workers in our service industries by letting them keep the tips they earn tax free. That's eliminate taxes on cash tips. I. Thought I heard the president talking about that too. My plan will also give Wisconsinites more tax relief back based on the mortgage and rent they pay by building on our building upon our homestead tax credit. My new property tax on rent rebate will provide nearly $150 million in tax relief for about 165,000 homeowners and renters across our state. Key part of my plan to lower costs for working families, including, includes making it easier for folks to get the health care they need without breaking the bank. Health care should not be a privilege afforded only to the healthy and wealthy. It's why I am again proposing to expand Badger Care, which would save Wisconsin taxpayers nearly $2 billion over the next two years as billion with a B, folks, and expand quality, affordable health care coverage for about 100,000 Wisconsinites. And I'm also I'm also providing new hospital investments to improve access to health care across Wisconsin, including our rural communities. As part of my comprehensive plan to lower costs for working families. I'm also proposing sweeping plans to lower costs for prescriptions and medication, and crack down on price gouging for and health insurers. My less for our plan will lower costs for life saving prescription drugs and insulin we created. We will create a prescription drug affordability review board to crack down on prescription price gouging. We'd cap the cost of insulin co-pays at $35. We'd set price ceilings for prescription medication, and we save Wisconsinites a projected $70 million over the next two years alone by eliminating the sales tax on over-the-counter medication. Let's finally make lowering every day out-of-pocket costs for medication a bipartisan priority this session. And here's something else we can do with bipartisan support in the ER, the kid that's finally do what's best for our moms and babies. Let's extend let's extend postpartum coverage for pregnant women on Badger care up to one year after giving birth. Wisconsin and Arkansas are the only two states in America that haven't done this. I mean, nothing against Arkansas, but come on, folks. I've heard policies in every budget. I've been introduced as governor. There's also a bipartisan bill to get it done that almost 90 legislators support. One legislator should not be able to single handedly obstruct the bill and supported by a super much.

[00:37:27] **Unidentified** A super majority.

[00:37:50] **Speaker 4** Wisconsinites should be able to get the health care they need when they need it. But I hear from folks all the time who feel like they're getting ripped off by the health care industry and insurers. Folks can't get a straight answer on what's covered by insurance and what's not. People can get sicker, people can get sicker, and health problems get worse because it takes too long to get an appointment or be approved for care if it's ever approved at all. People try to get their care paid for. But insurance companies refuse to cover it. Families get a medical bill and see all sorts of charges they don't know about. Or even worse, suddenly collection agencies are calling about unpaid medical bills they didn't even know they hadn't paid. Wisconsinites aren't getting a fair shake when it comes to health care, and I want to change that. So first things first. I want to make Wisconsin the first state in America to start auditing insurance companies over denying health care claims. If an insurance company is going to deny your health care claim, they should have a darn good reason for it. It's frustrating when your claim gets denied And it doesn't seem like anyone can give you a good reason why. So here's what I propose we do to fix that. Under my plan, if an insurance company is denying Wisconsinites claim too often, we're going to audit them. Pretty simple, very simple. And here's what else this plan would do. We'd create a new office to help Wisconsinites with health insurance claims are denied for the first time in state's history. We'd have an office and state government devoted to helping it. Wisconsinites hold health insurers accountable and ensuring folks get the health insurance cover they pay for. That's a big deal, folks. And another thing that gets me wound up is how I start shaking my finger, is how health insurance companies require health care professionals to get permission before they get there, before they prescribe medication or care that you need. Basically, that means health insurers, not your doctors, are deciding whether your prescribed treatment is medically necessary. Health insurance companies try to use these so-called prior authorization to help their bottom line and cut costs. They're breaking. They're banking on being able to avoid covering the services and treatment you need. And Wisconsinites, you pay the price. Folks have to wait to get care until doctors get permission, or may end up forgoing treatment altogether because of all the hassles with insurance that can cause health conditions to get even worse, even dangerous, and even life threatening. So my plan was to create new standards to expand health care services procedures that insurance companies are required to cover. That means more health care services and procedures will be covered by insurance insurance automatically. No delays. No hassles. No questions asked. Wisconsinites should know what you're getting when you buy your health insurance plan. You should know which services and treatments will need prior authorization. So we want to require health insurance companies to be transparent from the get go. They have to tell you what to tell you right up front. Which services and treatments will require prior approval so that you can find a health plan that's right for you. And this may be obvious, but here's one thing we have to make sure of. No one should be in a mental health crisis wondering whether insurance will cover an inpatient stay to get help. So we're going to ban health insurance companies from requiring prior pre-approval for inpatient mental health services so Wisconsinites in crisis can be safe and get life saving care. Please. Wisconsinites, you should be able to get health care when and where you need it, and you should be able to get it quickly and close to home. Folks can afford to travel hours away to get basic services. And you shouldn't have to wait weeks and months to get an appointment. So my plan is simple would enable creating statewide standards for maximum wait times for scheduling appointments. And I'm or I'm proposing to require health insurance companies to make sure the services they cover are available within a minimum time and distance of where you live. And even if folks can get care far too often, unpaid medical bills are sent to collection agencies because Wisconsinites can't afford to pay them. Other times, Wisconsinites might even know about unpaid medical bills before they're sent to collections or report to credit bureaus. This plan would require health providers to give Wisconsinites notice of unpaid medical bills, and we'd give Wisconsinites a six month grace period. Banning healthcare. Banning healthcare providers from reporting unreported unpaid medical debt to consumer reporting agencies during that time. In this budget, we found ways to cut taxes and save where we could while investing in key priorities and finding real solutions to real problems Wisconsinites are facing every day. Well, we must. We must continue to stay within our means. We have a duty to do what's best for our kids and future generations. We must continue to do the right thing for Wisconsin if we want to protect the future. We've worked hard to build together. Wisconsinites. I'm so proud of our work to deliver a budget that balances these important obligations. And that's important. So much happening in Washington. In Washington that's reckless. And Partizan and Partizan in Wisconsin. We must continue our work to be reasonable and pragmatic. The needless chaos caused by the federal government in recent weeks has already made preparing a state budget that much more difficult. We prepared for the worst. Popular programs that kids, families, schools, veterans, seniors and communities rely upon every day being drastically cut, resources and investments that Wisconsin is counting on and budgeted for. Some suddenly stalled or gotten trade wars with Wisconsin's largest export partners, hurting our egg industries and our economy. Costs for working families skyrocketing to the point they can't even make ends meet. It's why, even though I proposed historic investments in several areas statewide, it would not have been wise. We are responsible to spend every last cent available on this project. We made difficult decisions and said and saved where we could. Leaving a balance of about $500 million in our state's checking account with irresponsible decisions in Washington every day, hurting people in Wisconsin. We will need to have state resources readily available to respond to basic and emergency situations alike. So as the legislature deliberates my proposal, I urge you to seriously take seriously the disastrous consequences federal decisions will have on Wisconsinites and our state and plan accordingly. There is a lot of work to do, folks, but I know we can get good things done for Wisconsin in this budget if everyone focuses on doing what's best for our kids. Delivering real solutions for real problems Wisconsinites face every day and doing the right thing. So let's get to work, folks. Let's make it happen. Thank you. And on Wisconsin UW marching band.

[00:47:49] **Unidentified** Take her away. And.

[00:48:26] **Speaker 3** The UW marching band. Governor Tony Evers concludes his biennial budget address, talking about new funding initiatives for health care education. There'll be a lot to discuss and analyze in the weeks and months ahead.

[00:48:38] **Speaker 2** Tonight we're joined by Jason Stein, president of the Wisconsin Policy Forum. Jason, thanks for being here. My pleasure. Thanks for having me.

[00:48:46] **Speaker 3** So the band to stop playing for a half second, but if we could talk over them, any surprises from what the governor laid out in his speech?

[00:48:53] **Speaker 2** I think what strikes me is just the breadth and depth of the proposals. I mean, these are very significant in terms of the level of spending, the extent of the tax cuts that he's proposing, as well as some tax increases. You know, it's a significant document, but these things won't pass, but they would have a significant impact if they did. Jason. Talk us through, like kind of the size of the budget that we're talking about here, because we've heard for the second budget in a row that we have this massive surplus, about $4.5 billion, roughly. Sounds like a lot of money. What would happen if all this became law? Well, the one thing that's important to know is that over the current two year budget, we would decrease the surplus by about 3 billion, or the general fund balance by about $3 billion, including about $350 million in this year. And so when you look at what the governor is doing with K-12 education, higher education, child care, you know, other proposals on the tax side, like income tax cuts, sales tax cuts, property tax credits and aid to local governments, you really look at something that would be billions of dollars of drawdown of that general fund surplus. And so you really and that's consistent with what he talks about in leaving $500 million left.

[00:50:10] **Speaker 3** So at the end of the speech, we heard the governor use the phrase reasonable and pragmatic in describing his budget. So we sat and watched the Republican response. There was no applause, even for things that they had supported in the past. Do you think there will be anyone on that side of the aisle that will describe it as reasonable or pregnant?

[00:50:26] **Speaker 2** I mean, I think probably right now to reporters, they are, you know, saying pretty negative things about the budget. I mean, there may be some areas where they can compromise. For example, the governor talked about increasing the school levy credit, which essentially is state money that buys down local property taxes by about $350 million. That's something that Republicans have approved increases in that credit in the past. They might reach a meeting of the minds on that. Obviously, the tax cut for tips for cash tips. That's something the president has talked about at the federal level. Possible you could have a meeting of the minds even if economists wouldn't particularly like it. And then finally, it's the postpartum coverage for mothers that he talked about. That's something that, you know, most states, red or blue have done it around the country, and there is bipartisan legislation to do that. So even though he's proposing the pass and it hasn't happened this time, might be the charm on that one. Jason, we don't know what the governor is going to do in 2026 if he's going to run for another term. But that prospect is out there. Republicans who run the legislature know that. How could that affect budget negotiations over the next several months? I mean, obviously, there's going to be attention for Republican legislators that they're not going to want to deliver a win to a governor who might run for reelection. At the same time, he's probably not going to make that decision until the fall or early 2026. And so that's they're not going to know that, and they're just going to have to make a decision. I think there are some things that are going to put pressure on both sides to reach a deal, including the fact that in the previous budget, the governor's veto left this increase in school revenue limits in place. If we don't get a state budget passed with new state aid to school districts, that would put upward pressure on property taxes, which is something that neither party really wants to see happen. All right. Jason Stein of president of the Wisconsin Policy Forum, Jason, thanks for joining us. Hey. My pleasure.

[00:52:20] **Speaker 3** If you would like to see tonight's speech, along with Jason Stein's insights, you can watch it again by going to PBS wisconsin.org. It'll be posted there later this evening. We'll also have continuing coverage of the state budget process this Friday night at 730 on here. And now.

[00:52:35] **Speaker 2** Wisconsin Public Radio will also continue to follow developments from the state Capitol, both on the air and online at npr.org. I'm Shawn Johnson with Wisconsin Public Radio.

[00:52:48] **Speaker 3** And I'm Zach Schultz with PBS Wisconsin. This concludes Wisconsin Public Media's coverage of the 2025 Wisconsin state budget address. Thanks for joining us.