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[00:00:12] **Speaker 1** Billions of dollars separate Republican state budget provisions from the two-year spending plan Governor Tony Evers first introduced. Last night, the Joint Finance Committee voted to increase K-12 school funding by $336 million. That's $3 billion less than Evers called for. On special education funding, Republican budget riders targeted $228 million. Putting the percentage of state funding going to schools for those services at 37.5% in the second year, far short of the 60% Evers and Advocates wanted. On income tax cuts, Republicans expanded the second lowest bracket taxed at 4.4% to single filers making up to about $50,000. That's up from those making 30,000 They also included $700 million in tax cuts for retirees, with an income tax exclusion for the first $24,000 of income for filers 67 years or older. For more on all of this, we go to senior political reporter Zach Schultz at the Capitol in Highsack. So that's quite a gulf in K-12 spending between Republican budget riders and Evers.

[00:01:34] **Speaker 2** Yeah, that is a big gulf. And the question that remains to be seen is how Governor Evers will take this when this budget eventually gets to his desk. We had known all along that there was going to be a big golf between what he wanted and what Republicans would agree to. But this is even bigger than what we had thought at first, simply because they're not funding any of the per-pupil aids that Governor Evers created in his partial veto of the last budget, remember the 400-year veto that increase per pupil funding by $325 a kid per year for 400 years. The Supreme Court held that up as legal, but Republicans did not put any state money behind that. So it will be up to individual school districts. Their levy will be increased. But you have to then decide if they want to raise property taxes to gather all that revenue for operations.

[00:02:21] **Speaker 1** On special education funding, the majority raised the percentage of funding coming from the state from 33% to 37.5% in the second year. But that, again, is far short of what Evers and advocates wanted.

[00:02:36] **Speaker 2** Yeah, and we've been covering this on here and now for quite a few years about that shortfall in special education funding coming from both the state and the federal government. Neither have held up their end of the bargain for what they promised dating back to the 70s and it's school districts that are left picking up the pieces and they're the ones who have to figure out how do we provide the services to these special needs kids and often they end up taking it out of general ed dollars that would serve the rest in all of the student body. Often that's the driver for a lot of these districts going to referendum over the last decade. Is they simply need more money to fund everything because if they don't give the money that's guaranteed to these special education students they can be sued and quite often they have been as more and more parents and advocates say go fight for the rights of your child it's the school districts that have to find the money to make up for it. Now this is an increase and Republicans are saying this is well above where it's been in recent years and decades and even dating back to when Governor Evers was the Secretary of education at DPI. This is above what he was requesting, but it's still far short of what Democrats would like to see now.

[00:03:37] **Speaker 1** On tax cuts, it's $1.3 billion to expand the second lowest tax bracket and for retirement income tax cuts. Now, this wouldn't seem to be something that the governor would oppose with his veto pen, right?

[00:03:52] **Speaker 2** No, these tax cuts definitely feel more in line with what Governor Evers has proposed over his first four budgets, versus what Republicans have passed in their first three budgets, which were targeted toward higher-end earners, and Governor Ebers vetoed all of those. This time around, if you remember, back in December, Assembly Speaker Robin Vos said he wanted to know for sure what Governor Evers would sign into law for tax cuts rather than see a veto come out when Republicans proposed their budget. He wanted to pass a separate bill. That didn't happen. But they did enter into negotiations that went on for apparently nearly a month between the upper leadership of Republicans and Evers and his staff. And it has the feeling of the result that comes into this budget feels sounds like what Governor Evers may have agreed to. I spoke to some staffers for Democrats and they weren't privy to all the negotiations, but they got the sense that this is in line with what Governor Evers had said. So if that's the case, Republicans went into negotiations, found out what Evers could support in terms of tax cuts on his end, put it in the budget, and now they're not giving Evers what he wanted in terms education, basically daring him to say, veto this budget if you will, but it does have a little more money for education and it's got tax that in theory fit more with who you want to see tax cuts go for, typically lower-income people.

[00:05:08] **Speaker 1** So next week the Joint Finance Committee is taking up corrections and the UW system. How big ticket are those?

[00:05:16] **Speaker 2** Well, those could be very big ticket. UW has not received nearly as much in recent budgets as they have asked for. They continue to ask for hundreds of millions of dollars and Republicans have not been giving it to them. Could they see more? This time, we don't know. Corrections, obviously Governor Evers has asked for a lot of money to completely rearrange the corrections system so they can close down the Green Bay facility eventually. We don't what that will look like. And there's one more. Department of Children and Families, which could include any child care subsidies that could go out there for child care providers and parents, that was one of the things that Evers and his team were negotiating. So we don't know where that will fall as left. So some big ticket items that could include some money or might include nothing. We don't really know, but we are keeping on track for having this budget get done near the end of June.

[00:06:01] **Speaker 1** Will the Republican budget writers have made this document veto proof, do you suppose?

[00:06:08] **Speaker 2** Well, nothing's veto proof because Governor Evers can still lower dollar amounts and make these tax cuts smaller or eliminate entire sections, as he likely will for some of the provisions that are put in there, but they're going to make it much more difficult for him to create new language as he did with that 400-year veto we were talking about in education from the last budget.

[00:06:26] **Speaker 1** All right, Zach Schultz, thank you so much for joining us. That was a thing of beauty. Thank you. We got it. Thank you

[00:06:44] **Speaker 2** Thanks everybody for helping on the IFP.

[00:06:48] **Speaker 1** And for the record, this is the shot.