



Tony Evers

Office of the Governor | State of Wisconsin

June 5, 2020

By Electronic Mail Only

Dear Secretaries and Agency Heads:

In the weeks before I took the oath as Governor, I traveled throughout Wisconsin and listened to the residents of our State to hear what they thought should be the priorities for investment in our first budget. We heard about issues to be sure – stronger health care, investing in public education, fixing our roads and putting the people back in charge – but more importantly, we heard personal stories about how budget decisions have a real impact on people’s lives. I will always appreciate the thousands of folks who took time out of their busy schedules to share their thoughts with me, Lieutenant Governor Barnes, and our team. That input from Wisconsin residents resulted in the People’s Budget, which was built to reflect the shared values of Wisconsinites from one end of our state to the other.

While the final budget I signed into law last summer did not have everything we wanted, it included many important items I had recommended on behalf of Wisconsin residents. The budget invested critical resources in our children, in our higher education institutions, in direct care workers on the front lines serving our most vulnerable, in our proud veterans and farmers, in researchers, and in many others who make Wisconsin such a special place to live and raise a family.

We also demonstrated our ability to work with our legislative colleagues to get important things done like cutting individual income taxes by \$500 million last year and increasing our budget stabilization fund to its highest total in state history. Throughout the budget process, we worked to improve our bottom line by bringing transportation borrowing to its lowest level in two decades, retiring over \$56 million in debt to save our taxpayers money in future years and using my veto pen to improve our ending balance. Those efforts, along with the continued economic growth that Wisconsin innovation helped drive, put our state in a strong financial position through the early part of this year.

As we know and feel each day, our lives have been upended in the past few months in ways we likely could not have imagined. The COVID-19 pandemic has drastically altered our way of life, directly and indirectly affecting the health and economic well-being of every Wisconsin resident. The pandemic’s sudden and severe impact on our state revenues will require all of us to be more innovative and more efficient in our use of precious state resources and how we deliver services to those who need them in the days and months ahead.

Thus, my 2021-23 Major Budget Policies require most state agencies to not request any additional GPR-funded expenditures in either year of the upcoming biennium. These requirements also extend to SEG-funded administrative operations for the Departments of Natural Resources and Transportation and the Lottery at the Department of Revenue. In addition, I am directing you to not seek any new positions, from any fund source, when you submit your budget requests on September 15, 2020 and to repurpose existing vacancies wherever it is feasible. While I am hopeful that our state and national economic situation will improve in the months ahead prior to submitting my budget early next year, we must take these critical and prudent steps now as we embark upon this process.

Budgets are, necessarily, fiscal documents. With that in mind, just as you have done during the current crisis, I ask that over the next few months you and your staff identify ways to make state government more efficient by streamlining processes, reviewing outdated statutes and regulations, and coming up with ideas you may have to save both time and resources where possible without hindering the vital services we provide to those who live, work, and play here.

But budgets also speak to our priorities, and that is why with that in mind, I am asking you all to approach the task before you with the goals of equity and sustainability in mind as you take on the budget challenges that lay before us. As public servants, we must take seriously our obligation to make the state and our world a better place for every Wisconsinite – especially for low-income communities and our state’s Black, Indigenous, Latinx and all communities of color – both today and for future generations. For far too long, these populations have been systematically left behind. The fiscal constraints we face do not constrain our ability to make positive change in the lives of the people we serve. My direction not to seek additional GPR-funded expenditures should not be seen as a directive to simply continue business as usual. I am therefore expecting that you will bring compassion, empathy and a specific intention to increase equity and decrease racial disparities in our state as you work on your budget proposals.

While our fiscal pressures are daunting, we need to do everything we can continue to improve the lives of Wisconsinites in the days ahead, recognizing we cannot just cut our way to recovery as some may suggest in the coming months. We must continue to invest in our State priorities for our next biennial budget, so we will continue to emphasize education, healthcare, and our state’s infrastructure, including our repairing our roads and expanding broadband. We will also continue to work to improve our quality of life, knowing we will be judged by future generations in how we protected our environment and natural resources.

That is why I will redouble my efforts to seek to secure all resources available to us from the federal government, including expanding Medicaid under the federal Affordable Care Act, as 36 other states have done across our nation. Had we done so in the last budget, we would have provided healthcare coverage to an additional 80,000 people in our state, realized over \$1.6 billion in federal funding, and saved at least \$325 million in state GPR. This effort continues to remain not only the right thing to do for our residents, it makes fiscal sense during these unprecedented times.

Our path forward will be incredibly challenging in delivering on the growing needs of the people of Wisconsin, particularly when you will need to do so with, at best, the same resources you have now. However, as I have known throughout my career, the resiliency and can-do spirit of our state and local employees inspires me with the confidence that we are up to the historic challenges we face and that we will deliver for the people of our State.

I asked you to be a part of my team because I knew you were willing to do whatever is needed, in good times and difficult ones, to be a part of something bigger than any of us. You have done that to date and I know you will continue to do so going forward, so please accept my continued appreciation for all that you do as leaders of our State each and every day.

Sincerely,



Tony Evers
Governor

cc: Agency budget directors