WIMMER & COMPANY Update

November 2023



State Surplus Reaches New Record High

Earlier last month, the <u>Wisconsin Department of</u> <u>Administration</u> announced Wisconsin ended state fiscal year 2023 with a historic \$7.1 billion surplus. The state's balance exceeds last year's record high of \$4.3 billion. In addition, Wisconsin holds \$1.8 billion in its "rainy day" fund, also a record for the state.

Although the state's surplus could be reduced based on actions by the state legislature and Governor, recent tax cut proposals by the GOP-controlled legislature have been rejected by the Governor who has insisted tax changes be accompanied by investment in child care and a continuation of the Child Care Counts program.

Given the stalemate between the Governor and legislature over major tax and policy changes, it is likely Wisconsin will enter the next state budget in 2025 with a record surplus.

Brewers Bill Passes Assembly with Bipartisan Support

Following months of negotiation over the future of American Family Field (home to the Milwaukee Brewers), the Wisconsin State Assembly approved legislation by a 69-27 vote that will keep Major League Baseball in Wisconsin until at least 2050.

The legislation is now in the State Senate, where a public hearing was held October 25, 2023. The Senate is expected to amend provisions of the bill, meaning the State Assembly will need to again pass the legislation after approval from the full State Senate.

The Governor has announced his support for the package approved by the Assembly.



DNR Secretary Payne Resigns; Governor Promises to Replace Quickly

After being appointed to head the Wisconsin Department of Natural Resources earlier this year, Secretary Adam Payne announced his resignation effective November 1, 2023.

In his resignation letter, the Secretary cited a desire to spend more time caring for his parents and spending additional time with his grandchildren. Following the announcement, the Governor promised to nominate a new Secretary in the coming weeks.

Governor Announces \$170 Million in Childcare Funding

After failing to reach agreement with the legislature on additional childcare funding, Governor Evers directed \$170 million in federal funds to continue the payments currently being made to childcare providers through June 2025.

According to the Governor's office, these funds will provide direct relief to over 4,400 childcare providers throughout the state. Absent the Governor's actions, funding for the Child Care Counts program was set to expire in January 2024.



Focus Remains on State Supreme Court and Legislative Redistricting

With the Wisconsin State Supreme Court agreeing to hear a challenge to the state's legislative districts, Governor Evers and Attorney General Kaul filed a brief urging the Court to declare Wisconsin's legislative maps unconstitutional and to institute

news maps for the 2024 election cycle.

Legislative Republicans have also submitted briefs to the court asking the court to maintain current district lines. A final decision from the court is expected sometime prior to next spring.

Future of 2-Year UW Colleges in Question Following Latest Closures

Due to declining enrollment and budget challenges, the UW System announced the two-year colleges in Fond du Lac County and Washington County will be closed next year.

The announcement last month follows the previously announced closure of UW Richland Center. With three campuses now announced to close, many expect additional closures to be announced in the near term, leaving the future of the state's two-year campus in jeopardy.

Questions?

As always, if you have any questions, please do not hesitate to contact **Eric J. Petersen** or **Kyle Christianson** via email or at 608.256.5223.



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