

Gov. Evers: Signs executive order calling Legislature into special session to address rising costs facing families, reduce barriers to employment, invest in our schools

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Governor's special session legislation provides \$600 surplus refund to Wisconsin family of four, targeted relief for childcare and caregiver costs, and investments in education while holding the line on property taxes

WEST BEND — On the heels of his 2022 State of the State address, Gov. Tony Evers today signed Executive Order #156, calling the Legislature to meet in a special session on Tues., March 8, 2022. As announced in his address, the governor is calling for the Legislature to take up his plan to use a portion of the state's \$3.8 billion projected surplus to provide a \$150 surplus refund to every Wisconsin resident, provide targeted relief for childcare and caregiver costs, and invest in education while holding the line on property taxes.

"This plan comes at a time when Wisconsin families are struggling, facing rising costs at the grocery store and gas pumps, and small businesses are struggling to get supplies, all while the state itself is in an unprecedented fiscal position," said Gov. Evers. "There's no reason we can't do this, and the rising costs Wisconsinites are seeing every day are every reason that we should. So, let's find common ground, let's pass this plan, and let's get this done. It's just the right thing to do."

Earlier this year, the nonpartisan Legislative Fiscal Bureau (LFB) [released](#) new projections indicating the state general fund balance will have a \$3.8 billion surplus at the end of the 2021-23 biennium—nearly \$2.9 billion more than was expected in [June 2021](#). The news comes as Wisconsin's unemployment rate and the number of people unemployed are the lowest in state history while the state's 'rainy day' fund sits at the highest level ever.

In response to the new projections, [last month](#), Gov. Evers unveiled his plan to use a portion of the surplus funds to address rising costs facing Wisconsin families while defraying costs for caregiving and childcare that present barriers to employment.

Gov. Evers' plan includes sending every Wisconsin resident \$150 to help defray rising costs Wisconsin families are experiencing and as businesses face challenges getting supplies and resources. Every Wisconsinite will be able to receive the full surplus refund, including for each of their dependents. A family of four, for example, would receive \$600 under the governor's proposal. Most Wisconsinites would have to take no action to receive the refund, which would be distributed through information provided by an individual on their tax returns. For those who do not plan to file an income tax return, including those who receive Social Security benefits, the Department of Revenue will set up an online portal through which they may file claims for the refund.

In addition to measures aimed at addressing rising costs, Gov. Evers' plan also includes additional provisions aimed at reducing the costs for childcare and caregiving—key proposals to help support Wisconsin's workforce and address barriers to employment. Gov. Evers' plan proposes expanding the newly created Child and Dependent Care Credit from 50 percent of the federal credit to 100 percent. This will provide nearly \$30 million in tax relief to 107,000 Wisconsinites who claim the federal credit, or about \$274 per filer. Most people who are eligible for the credit could receive up to \$600 if they are claiming it for one qualifying individual's expenses or \$1,200 for two or more qualifying individuals' expenses. Additionally, Gov. Evers is proposing to create an income tax credit for qualified expenses incurred by a family caregiver. A majority of Wisconsinites are in income ranges to be eligible for the credit, and most filers will receive up to \$500, while married-separate filers will receive up to \$250. The governor's plan would provide an estimated more than \$100 million in tax relief to Wisconsinites who are experiencing increased costs and expenses caring for a family member. The governor originally proposed creating the Caregiver Tax Credit in his 2021-23

biennial budget, but the move was rejected by Republicans in the Legislature.

The governor's plan also invests nearly \$750 million into education at every level to continue improving school quality and address the state's achievement gap while providing \$188 million in property tax relief. Gov. Evers' plan ensures the state [meets federal requirements](#) and preserves more than \$2.3 billion in federal aid for Wisconsin's kids and schools—funds that have previously [been jeopardized](#) based on the Legislature's failure to meaningfully invest in education through the biennial budget process. In addition to releasing revenue projections, the LRB [released](#) a separate memo indicating the state is projected to fail to meet federal requirements for K-12 education funding in fiscal year 2022-23, again putting the state at risk of losing billions in federal funds for schools. Gov. Evers had previously [called a special session](#) of the Legislature to provide more than \$400 million for K-12 education and more than \$100 million for higher education to meaningfully fund education at every level and ensure the state would not be in a position where federal school aids could again be jeopardized. Republicans in the Legislature rejected the opportunity to make further investments in Wisconsin kids and [gaveled out](#) of the special session without consideration or debate.

Legislative Republicans [indicated](#) they have no immediate plans to use the windfall prior to the next biennial budget that will likely not be passed until summer 2023.

[Executive Order #156](#) calls the Legislature to act on [LRB-6095](#). A full description of provisions is available [here](#) and below:

- Allocate \$815.7 million toward a surplus refund of \$150 for each Wisconsin resident.
- Create a nonrefundable caregiver tax credit for qualified expenses incurred by a family caregiver to assist a qualified family member.
- Increase the newly created Wisconsin nonrefundable credit match on the Child and Dependent Care Credit from 50 percent of the federal credit to 100 percent.
- Invest nearly \$611 million in K-12 education, including:
 - \$188 million in general equalization aid to provide continued property tax relief and offset inflationary cost increases, including:
 - \$162.4 million in additional revenue limit authority to provide a per pupil revenue limit increase of \$200 for the 2022-23 school year is offset by the general equalization aid increase.

- \$15.5 million to account for the choice levy increase is offset by the general equalization aid increase.
- \$172.6 million to increase the state's special education aid reimbursement rate in FY23 from an estimated 30 percent to 40 percent.
- \$103.7 million for increasing per-pupil aid by \$128 per student.
- \$20 million for out-of-school time grants to support high-quality after-school programs and other out-of-school time programs.
- \$20 million for lead testing and remediation on school grounds and \$250,000 to purchase water bottle filling stations that provide filtered drinking water.
- \$20 million for a new reading professional aid program to help schools employ, hire, or retain reading teachers and reading specialists.
- \$18.3 million for a revamped bilingual-bicultural aid program, which will expand eligibility and support more districts and \$750,000 to help teachers become licensed/certified as bilingual teachers and teachers of English as a second language.
- \$18 million toward additional investments and expanded eligibility in the school mental health aid program.
- \$5.7 million to increase high-cost special education aid reimbursement from 40 percent to 60 percent in FY23.
- \$9.9 million toward an Urban Excellence Initiative that will expand summer school grants, enhance early childhood education opportunities, support community engagement to improve academic achievement, and support principals in the state's five largest school districts.
- \$3 million for a driver education aid program for low-income students.
- \$2.6 million to fully fund reimbursements under the school breakfast program.
- \$2.4 million to alleviate the difference in federal reimbursement for federal payments for reduced-price and free meals.
- \$750,000 to help teachers become licensed to teach computer science.
- \$23.4 million to provide an additional \$642 per pupil increase for all private and independent charter school programs.
- Provide \$111 million for the University of Wisconsin System.
- Provide \$28 million for the Wisconsin Technical College System.