

Gov. Evers: Calls legislature into special session to address state's chronic workforce challenges

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MILWAUKEE — Gov. Tony Evers today signed Executive Order #208, calling a special session of the Wisconsin State Legislature at 12 p.m. on Wed., Sept. 20, 2023, to complete their work on the 2023-25 biennial budget and pass a meaningful, comprehensive plan to address the state's longstanding, generational workforce challenges.

Over the last four years, the state's unemployment has hit record lows, reaching an all-time low of 2.4 percent in May, and Wisconsin continues to have an unemployment rate below the national average and a labor participation rate above the national average. Still, with historically low unemployment and high workforce participation, coupled with a shrinking labor pool caused by several long-term factors, Wisconsin's small businesses, farmers and producers, hospitals and healthcare sectors, schools, and other critical employers and industries continue to face significant challenges filling available jobs.

To meaningfully and comprehensively address the state's workforce challenges, Gov. Evers is proposing to invest over \$1 billion using a portion of the state's readily available \$4 billion budget surplus to prevent a looming collapse of the state's child care industry and ensure child care is affordable and accessible for working parents and families, expand paid family leave, invest in higher education to help educate, train, retain, and recruit talented workers, and support targeted solutions to workforce challenges in high-need areas, specifically the state's healthcare and education workforce sectors.

“With the largest surplus in state history, my biennial budget included

meaningful, comprehensive, long-term investments and solutions to address Wisconsin's longstanding workforce challenges, reduce barriers to employment, and prevent these challenges from becoming an unmitigated crisis that would have calamitous consequences for Wisconsin's already-strapped workforce," Gov. Evers said. "Unfortunately, Republicans failed to meet the moment, sending my budget back to my desk absent critical investments in key areas that they know and publicly acknowledge are essential to the success of our state.

"With already historically low unemployment and high workforce participation and a shrinking labor pool caused by several long-term factors, Wisconsin's small businesses, farmers and producers, hospitals and healthcare sectors, schools, and other critical employers and industries continue to face significant, generational challenges filling available jobs," Gov. Evers continued. "Truly addressing these longstanding challenges must include efforts to ensure workers who are already participating in Wisconsin's workforce can remain in the workforce, targeted investments to bolster key industries and sectors facing significant challenges, and initiatives to ensure Wisconsin can be competitive in retaining and recruiting talented workers.

"Today, I'm calling on the Legislature to finish their work on the 2023-25 biennial budget and pass a comprehensive plan to address our state's chronic workforce issues. These challenges that have plagued our state for generations will continue, holding our economy, our families, and our state back if Republicans in the Legislature don't take seriously the second chance I'm giving them, and urgently," Gov. Evers said. "We must work together in the coming weeks so we can bolster our state's workforce, maintain our economic momentum, and most importantly, do the right thing for Wisconsin."

The state of Wisconsin began this biennium in the best fiscal position in the state's 175-year statehood with an approximately \$7 billion state surplus, a AAA bond credit rating for the first time in about 40 years, and the highest funding ever in the state's "rainy day fund." Through action he took on the biennial budget [last month](#), Gov. Evers ensured ample state resources are readily available to help stabilize the state's child care industry and address the state's longstanding workforce challenges. The current projected budget surplus with Gov. Evers' vetoes is approximately \$4 billion.

Among the core tenets of Gov. Evers' proposed 2023-25 biennial budget were broad, sweeping initiatives and investments to finally provide long-term solutions to Wisconsin's chronic workforce challenges. More details on several relevant provisions included in the governor's proposed budget are available below. Unfortunately, many of those critical efforts were rejected by Republicans in the Legislature throughout the biennial budget process, several without any meaningful deliberation or debate.

In his [2023-25 biennial budget veto message](#), Gov. Evers highlighted several key provisions of his comprehensive plan to address the state's workforce challenges and urged the Legislature to come back and complete their work on the biennial budget to support working families and bolster the workforce. Specifically, he called on legislators to make the substantial investments necessary to stabilize the state's child care industry to keep parents in the workforce, expand paid family leave for working parents, invest in education at every level, and provide targeted support for high-demand areas and industries across the workforce. More than a month after the governor signed the 2023-25 biennial budget, the Legislature has not returned to address these pressing issues.

Details of the governor's comprehensive special session plan to address the state's longstanding workforce challenges and support working families are available below.

Preventing Child Care Industry Collapse, Ensuring Access to Affordable Child Care Statewide

The governor's plan includes a more than \$365 million investment in child care across the state, including in the successful Child Care Counts and Partner Up! Programs at the Wisconsin Department of Children and Families (DCF).

Gov. Evers has made it a priority to address Wisconsin's workforce challenges, including by investing in efforts that support affordable, accessible child care, like the Child Care Counts Program. In his 2023-25 biennial budget proposal, Gov. Evers proposed making the Child Care Counts Program permanent with a more than \$340 million investment to continue supporting Wisconsin's early care and education community, as well as the working families who depend on this care to get to work and put food on their tables.

Unfortunately, and despite the state's historic budget surplus, Republicans in the Legislature decided against putting any funding toward Child Care Counts, meaning

the program is set to end in January 2024.

According to a [report](#) from The Century Foundation, it is estimated that without the necessary investments to stave off the looming fiscal cliff facing the state's child care industry, 2,110 child care programs are projected to close, resulting in the loss of over 4,880 child care jobs, leaving more than 87,000 kids in Wisconsin without child care, resulting in approximately half a billion dollars in economic impacts between parents leaving the workforce and reduced employer productivity—a scenario Gov. Evers notes in his executive order would be “catastrophic” with “broad, cascading effects across Wisconsin’s economy.”

The governor is proposing a more than \$365 million investment in child care supports statewide, including:

- More than \$340 million, including \$38.9 million in Temporary Assistance for Need Families (TANF) funds, for the Child Care Counts Program that to date has helped more than 4,300 child care providers keep their doors open, ensuring the employment of 22,000 child care professionals and allowing providers to continue to provide high-quality care to more than 113,000 kids; and
- \$22.3 million for the Partner Up! Program, which has helped support employers in purchasing child care spots for their employees at existing regulated child care providers across the state. A portion of this investment redirects the \$15 million that the 2023-25 budget placed in the Joint Finance Committee supplemental appropriation for the purposes of grants to child care providers. As of March 2023, 220 businesses have enrolled in Partner Up!, securing slots for over 1,200 kids across Wisconsin.

Creating a Paid Family and Medical Leave Program

As the governor proposed in his 2023-25 biennial budget proposal, Gov. Evers is again proposing creating a first-of-its-kind Wisconsin Paid Family and Medical Leave Act (FMLA) Program administered by the Wisconsin Department of Workforce Development (DWD). According to a Marquette Law Poll, 73 percent of Wisconsin voters, including 62 percent of Republicans, support requiring businesses to provide paid leave for new parents.

Under the paid FMLA Program, workers will be eligible for 12 weeks of leave beginning Jan. 1, 2025. This program will be self-sustaining by 2026, and benefits will be funded through payroll contributions shared equally by an employer and an

employee, much like the current Unemployment Insurance system. In order to launch the program expeditiously, the governor's plan infuses the new benefit and administration trust fund with a transfer of \$243.4 million. Employers with fewer than 50 employees would be able to opt-in to the program.

The governor's proposal also expands eligibility for workers to use family and medical leave, paid or not, to include deployment of a spouse or child and an unforeseen or unexpected closure of a school or child care facility, among other modifications.

Investing in Higher Education

In his 2023-25 biennial budget proposal, Gov. Evers proposed a \$66.4 million investment in the University of Wisconsin (UW) System. Unfortunately, Republicans in the Legislature failed to make meaningful investments in the UW System, choosing instead to divert more than \$31 million to the Joint Finance Committee supplemental appropriation and attempting to cut 188 positions relating efforts around diversity and equity, the latter of which Gov. Evers was able to ensure UW could retain through his broad, constitutional veto authority.

The governor's proposal today comes as just last week, UW-Oshkosh announced a projected structural deficit of up to \$18 million, requiring employee furloughs, layoffs and nonrenewals, and budget reductions and restructuring, further underscoring the need for real, meaningful investment in the UW System, which employs more than 40,000 faculty and staff and the more than 160,000 students—and future workers—enrolled in the System.

Gov. Evers is again proposing a \$66.4 million investment to be used by the UW System for general operations to provide additional funding to all campuses to help offset increased inflationary costs, provide ongoing support for key initiatives, and help recruit and retain critical faculty and staff.

Additionally, the governor's plan would provide more than \$197.3 million for the engineering building project at UW-Madison, enabling the state's flagship university to graduate at least 1,000 more engineering students each year.

The governor's plan also increases general aid to the Wisconsin Technical College System (WTCS) with an additional more than \$40 million over the biennium to support the more than 270,000 students that enroll at a technical college each

year.

Finally, Gov. Evers' plan increases funding by \$17.3 million over the biennium for the Wisconsin Grants program, which provides college students with need-based financial aid. Funding for Wisconsin Grants would be dispersed as follows:

- More than \$9.4 million for the UW System;
- More than \$4.3 million for private, nonprofit colleges;
- More than \$3.5 million for the WTCS; and
- \$73,500 for Tribal Colleges.

Strengthening Key Workforce Sectors

As the governor proposed in his 2023-25 biennial budget proposal, Gov. Evers is again proposing significant investments in strengthening Wisconsin's workforce, particularly in the healthcare and education sectors.

The governor's comprehensive plan includes \$100 million to continue the successful Workforce Innovation Grant Program to provide grants to regional organizations to design and implement plans to address their region's healthcare-related workforce challenges.

The plan also includes an additional nearly \$60 million to address healthcare workforce shortage solutions, including:

- \$10 million for the nurse educators program, which provides incentives for nursing professors to stay in Wisconsin to teach the next generation of nurses;
- \$6 million for the WisCaregiver Careers program, which aims to address the shortage of certified nursing assistants in the state by supporting recruitment, training, and retention of individuals to care for nursing home residents across Wisconsin;
- More than \$1.5 million for the Qualified Treatment Trainee Grant Program, which facilitates the licensure and certification of those obtaining or already possessing a graduate degree in psychology, counseling, marriage and family therapy, social work, nursing, or a closely related field;
- \$17 million for the healthcare opportunity grants, which help folks that have been struggling with employment outcomes since the pandemic. The bill requires DWD to establish and operate a program to provide grants to local workforce development boards to assist individuals;

- \$936,600 and one new position for DWD to conduct outreach to stakeholders and partners to develop new apprenticeship pathways related to healthcare;
- \$22.5 million for healthcare innovation grants, which would help healthcare providers implement best practices and innovative solutions to increase worker recruitment and retention; and
- More than \$1.2 million for graduate medical training support grants. The bill also doubles the maximum amounts that the Department of Health Services may award each fiscal year in grants to hospitals to support existing graduate medical training programs. The limits would be changed to \$450,000 and \$150,000 per fiscal year, respectively.

In addition to the investments above, the governor's plan also makes targeted investments in the state's education workforce by providing more than \$16 million over the biennium to address the teacher shortage plaguing schools across the state, including funding for "grow your own" initiatives and incentives for student teachers. The governor's plan invests:

- \$5 million for grants to support "grown your own" educator programming, which may include providing current employees with funding to pursue additional higher education credits, licenses, or certifications, engaging with community organizations, and supporting student organizations with "future teacher" missions; and
- \$9.4 million to provide stipends to student teachers and interns, more than \$2 million to provide stipends to teachers who agree to train and oversee student teachers or interns, and \$50,000 for stipends to school library interns.

Gov. Evers' plan would also bolster Wisconsin's workforce and pipeline with experienced professionals by authorizing state agencies and local units of government, including schools, to rehire a retired annuitant to address workforce recruitment and retention issues if: (a) at least 30 days have passed since the employee left employment; (b) at the time of retirement, the employee does not have an agreement to return to employment; and (c) upon returning to work, the employee elects to not become a participating employee and continue receiving their annuity. In particular, this will make it easier to hire experienced educators and school staff and will help keep class sizes small and improve student outcomes.

Executive Order #208 is available [here](#) and calls the Wisconsin State Legislature into a special session at 12 p.m. on Wed., Sept. 20, 2023, to solely consider and act

upon [LRB-4085/LRB-4086](#), relating to fall workforce package, granting rule-making authority, making an appropriation, and providing a penalty.

An online version of this release is available [here](#).