



# Tony Evers

Office of the Governor | State of Wisconsin

## 2025 State of the State Address

### Gov. Evers Announces New Efforts to Lower Everyday, Out-of-Pocket Costs for Wisconsinites and Working Families

*Governor announces key budget initiatives to invest in lowering the cost of child care and reduce prescription drug prices while protecting Wisconsinites from price gouging on medications*

MADISON — Gov. Tony Evers tonight, during his 2025 State of the State address, announced efforts that will be included in his 2025-27 Executive Budget to help lower everyday, out-of-pocket costs for Wisconsinites and working families. Gov. Evers' plan announced tonight will invest in reducing the cost of child care and lower the cost of life-saving medication, including removing the sales tax on over-the-counter medications, capping the cost of insulin copays, and protecting Wisconsinites from price gouging on prescriptions. The governor also announced he will be releasing a comprehensive plan to lower costs in the coming weeks.

#### Relevant excerpts from Gov. Evers' 2025 State of the State address are available below:

*"...Kathy and I raised three kids, including twins. We know that, for parents, nothing is more important than our kids' safety, no matter where they are. So, keeping our kids, families, schools, and communities safe by reducing crime and gun violence should be a top priority for us in the Year of the Kid. Kathy and I also remember working to make ends meet so our kids were not just safe but had food on the table, a warm bed to sleep in, and clothes on their backs. So, a critical part of our work doing what's best for our kids in the Year of the Kid must be supporting the parents and families who raise them.*

*"There are a lot of ways we can lower everyday, out-of-pocket costs to make sure Wisconsinites and working families can afford basic needs. So, I have good news. The plan I'm announcing tonight will support our economy and our workforce, lower out-of-pocket costs for working families and Wisconsinites, and help give folks a little breathing room in their household budgets.*

*"Child care is too darn expensive. We have to make child care more affordable and accessible. This is as much about doing what is best for our kids as it is doing what is best for parents in our workforce and our economy, too.*

*"After years of proposing similar efforts, I was proud last year to sign a bipartisan bill to expand our child and dependent care credit. That bill goes into effect this year, so parents and families, be sure to look out for that when you file your taxes. Over 110,000 Wisconsin taxpayers will see an average benefit of over \$650 per filer, totaling nearly \$73 million this year alone. That's great news for Wisconsin's working families.*

*"But we have to do more to lower the out-of-pocket costs working families are paying for child care every day. A 2023 report showed child care costs in Wisconsin can consume 18 to 36 percent of a family's household*

*income. If those parents are under 25 and have two kids in child care, it's closer to 70 percent. The cost of putting two young kids in child care costs more than the average rent or mortgage in Wisconsin and exceeds the annual cost of tuition to send two students to the University of Wisconsin-Madison.*

*"And even if folks can find and afford care, families may be waitlisted for months. Child care providers across Wisconsin surveyed last fall had 48,000 kids on waitlists, with nearly 60 percent of providers having unutilized capacity, often because they needed more workers. Child care providers are stuck increasing costs while keeping classrooms closed and serving fewer kids as waitlists grow. Getting providers up to full capacity would mean serving another 33,000 kids.*

*"Wisconsin's child care crisis affects not only our kids, families, and child care providers but our state's employers, workforce, and economy, too. I've repeatedly proposed plans to lower the cost of child care, much of which Republican lawmakers rejected. So, I directed \$170 million in emergency funding to keep our child care industry afloat. But, folks, that was 15 months ago. We must do better than nothing when it comes to making child care more affordable.*

*"Our state budget will—once again—include sustainable, ongoing funding to make our Child Care Counts Program permanent, including investing over \$500 million aimed at lowering child care costs, supporting this critical industry, and investing in employer-sponsored child care.*

*"And when we're looking at everyday, out-of-pocket costs, child care is not the only thing folks are struggling to afford. The costs of prescriptions and life-saving medication like insulin are also too darn high. According to a 2023 national survey, more than a quarter of adults in America are having a hard time affording their prescription drugs. It found 30 percent of adults aren't taking medications as prescribed due to cost.*

*"No Wisconsinite should have to choose between paying bills and putting food on the table or getting their life-saving medication. Accessing healthcare and picking up basic prescriptions or insulin should not break the bank, folks.*

*"Let's work to lower the costs of prescriptions and protect consumers from price gouging on life-saving medication. Through my "Less for Rx" plan, I will again ask Republicans and Democrats to work together to approve new state programs aimed at setting price ceilings for prescriptions and improving oversight of drug companies to make sure Wisconsinites are getting a fair shake. And let's remove the sales tax on over-the-counter medications and cap the copay on insulin at \$35 while we're at it.*

*"Lowering everyday, out-of-pocket costs for Wisconsinites and working families must be a priority for us this session. Making child care and everyday prescriptions more affordable are two easy ways we can help Wisconsinites afford basic needs, help paychecks go a little further, and give parents, families, and seniors some breathing room in their household budgets. And my plan allows us to lower costs while supporting our workforce and our economy, too.*

*"In the coming weeks, I will announce my comprehensive plan to lower costs for Wisconsinites and working families. And this work is especially timely. We have already seen steps taken in Washington in recent days that could significantly increase costs, hurt Wisconsinites and working families, and leave a lot of uncertainty for our economy. [...] I want to talk about what that means for Wisconsin and how we move forward together. ..."*

## **GOV. EVERS RELEASES KEY PARTS OF PLAN TO LOWER COSTS FOR WISCONSINITES**

### **Lowering the Cost of Child Care for Working Families**

In addition to declaring 2025 the Year of the Kid in Wisconsin, Gov. Evers announced his 2025-27 Executive Budget will build upon his administration's efforts to invest in lowering the cost of child care for working

families, support Wisconsin's workforce, and expand access to affordable child care by making sure providers can keep their doors open, recruit and retain talented workers, and fill available slots.

According to a 2023 [report](#) released by Forward Analytics, child care costs can consume up to 36 percent of a family's household income for parents under the age of 25 at the median income and 18 percent for parents between 25 and 44 at the median income. For a typical family with parents under 25 and two children in care, child care costs can reach as high as 70 percent of the household's income. The report highlights that the cost of child care for two young children in Wisconsin is now more than the average rent or mortgage and exceeds the annual cost of tuition to send two students to the University of Wisconsin-Madison.

Additionally, according to the [Child Care Supply and Demand Challenges study](#), which was developed in partnership with the Wisconsin Department of Children and Families (DCF), many child care centers reported staffing challenges as a significant barrier to being able to serve more families and found almost 60 percent of providers across the state have unutilized capacity, such as closed classrooms, due primarily to staff shortages. Due to razor-thin margins, Wisconsin child care centers are only able to pay lead teachers an average of \$13.55 per hour, which is less than half of the average hourly wage of \$28.34 for Wisconsin workers. Unlivable wages, combined with few or no benefits, are causing qualified early care and education professionals to leave the field. Child care providers are stuck increasing costs while keeping classrooms closed and serving fewer kids as waitlists grow. Providers reported in the survey that a total of 48,000 kids are on waitlists in Wisconsin.

Created during the pandemic to support the child care industry, the Child Care Counts Program has helped child care providers increase wages, provide benefits, and expand access to care for families. The program has helped more than 5,314 child care providers keep their doors open, ensuring the employment of 64,533 child care professionals and allowing providers to continue care for more than 364,280 kids.

Unfortunately, due to Republican lawmakers' refusal to provide funding for Child Care Counts in the 2023-25 biennial budget or in the subsequent [special session](#) called by the governor, the program is set to end by the end of June 2025.

Failing to stabilize and invest in Wisconsin's child care industry could have disastrous consequences for working families, our state's workforce, and our state's economy. According to a [report](#) from The Century Foundation, without additional continued investments, 2,110 child care programs are projected to close, resulting in over 87,000 children without child care in Wisconsin and the loss of over 4,880 child care jobs. Additionally, the lack of access to child care could potentially cause about half a billion dollars in economic impacts across the state.

Gov. Evers is proposing to make substantial, meaningful investments in Wisconsin's child care industry to help lower the cost of child care for working families, ensure child care providers can recruit and retain dedicated workers, and make child care more accessible by filling available slots and preventing further child care closures. The governor announced tonight that his 2025-27 Executive Budget will include ongoing funding to make the Child Care Counts program permanent, including investing over \$500 million aimed at lowering child care costs, supporting this critical industry, and investing in employer-sponsored child care.

Included in Gov. Evers' over \$500 million investment is more than \$5.5 million for a grant program intended to support employers in implementing workforce solutions to address hiring and retention challenges caused by a lack of affordable, reliable child care for employees. Funding may support creating on-site child care for employees, subsidizing employees' child care costs, or making contributions to a Dependent Care Flexible Spending Account.

The governor's 2025-27 Executive Budget will invest more than \$500 million to help support child care for working families across the state by providing:

- \$480 million over the biennium to continue the successful Child Care Counts Program;

- Over \$5.5 million investment and 2.5 FTE to support a new employer grant program aimed at supporting employers in responding to specific employee and community needs, such as on-site child care, child care subsidies, and employer contributions to a Dependent Care Flexible Spending Account for employees;
- Over \$1 million in Temporary Assistance for Needy Families (TANF) for the previously federally-funded Early Childhood Health Consultation (EHC) program that provides resources to child care providers, such as how to improve the implementation of best practices related to health on topics ranging from caring for wounds to caring for kids with autism;
- \$500,000 TANF over the biennium for Wisconsin Out of School Time Alliance funding to offer school-age child care programs throughout the state with training, technical assistance, and professional development around topics such as mental health and trauma-informed care;
- \$1 million TANF over the biennium for Tribal child care training and technical assistance to fill the gap of unmet child care needs, specifically in Tribal areas;
- Over \$4.3 million TANF over the biennium to defray the cost of training for child care workers to ensure they have the basic knowledge, skills, and abilities needed to provide care and education to young kids;
- \$506,000 TANF in FY26 for additional IT funding to bolster audit capacity;
- \$4.5 million to increase access to quality child care in Wisconsin through an online software platform to streamline hiring, recruitment, licensure, and business planning;
- \$11.5 million to provide a dedicated fund for out-of-school time programs that aim to improve social, emotional, academic, or career readiness, provide a safe out-of-school time environment, and reduce negative behaviors, including violence and crime;
- Over \$19.4 million TANF over the biennium to waive [Wisconsin Shares](#) copayments for families below 150 percent of the Federal Poverty Level (FPL);
- Over \$2.8 million TANF to establish presumptive eligibility for Wisconsin Shares applicants, meaning that applicants would be presumed to qualify for up to three months while their application is being reviewed;
- Over \$2.5 million TANF for IT costs related to providing 12-month Wisconsin Shares authorizations to bring the state into compliance with a federal regulation that requires a minimum of 12 months of eligibility between initial eligibility determination and redetermination; and
- Over \$22.3 million TANF to re-estimate base costs and cap child care copayments at seven percent of income as federally required.

Additionally, the governor's budget proposal will create the framework for community-based 4K by:

- Increasing per pupil count for full-day, full-week 4K to 1 FTE for purposes of general school aid and revenue limits;
- Requiring the Wisconsin Department of Public Instruction (DPI), in partnership with DCF, to promulgate rules that establish standard per-pupil payment amounts for mixed delivery 4K programs to provide transparency to all parties and more accurately reflect costs to providers and districts alike; and
- Requiring DPI, in partnership with DCF, to establish a model contract for district agreements with community-based providers of 4K that addresses salient issues for implementing mixed delivery 4K programs.

### **Lowering Prescription Drug Prices, Improving Oversight of Drug Companies, Protecting Consumers from Medication Price Gouging**

Finally, Gov. Evers also announced in his address tonight that his 2025-27 Executive Budget will include over 10 policies aimed at reducing prescription drug prices, setting price ceilings for prescriptions, and improving oversight of drug companies to protect Wisconsinites from price gouging on medications. Among the governor's proposals include removing the sales tax on over-the-counter prescriptions, through which Wisconsinites will see a projected total of \$40 million in annual savings. Additionally, Gov. Evers is proposing to establish a \$35 copay cap on insulin.

According to a [2023 national survey by KFF](#), more than a quarter of adults in America reported that it is somewhat or very difficult to afford the cost of their prescription drugs, with about 30 percent of adults reporting that they did not take their medications as prescribed in the past year due to cost. Additionally, a 2024 [Public Policy Polling survey](#) found that 89 percent of Wisconsin voters, including 84 percent of Republicans, believe that lowering costs for prescription drugs would help people afford the cost of living.

Gov. Evers announced tonight that his 2025-27 Executive Budget will include:

- Eliminating the sales tax on over-the-counter medications;
- Establishing a \$35 copay cap on insulin to ensure insulin is affordable for all Wisconsinites;
- Creating an Insulin Safety Net Program to ensure folks never need to choose between rationing insulin and meeting other basic needs;
- Requiring health insurance plans offered in the state to cover over-the-counter oral contraception and prohibited plans from requiring an individual to have a prescription for the oral contraception in order to be provided coverage to increase accessibility and affordability;
- Establishing a Prescription Drug Affordability Review Board to oversee the pharmaceutical industry and drug market, analyze other state and national drug policies and practices, establish spending limits for public sector entities, and set price ceilings to limit price-gouging of prescription drugs;
- Creating a Prescription Drug Importation Program that would allow the state to import drugs that would create substantial savings for Wisconsin consumers and taxpayers;
- Directing the Office of the Commissioner of Insurance to study the creation of a state prescription drug purchasing entity;
- Ending discriminatory reimbursement practices toward federal 340B drug discount programs by requiring pharmacy benefit managers and other third-party payers to reimburse certain federal 340B drug discount program participants at the same rate as non-340B program participants are reimbursed;
- Under certain circumstances, requiring insurers to apply discounts and coupons utilized by consumers to deductibles and annual out-of-pocket maximums;
- Establishing an innovative pilot program aimed at developing a value-based formulary for diabetes medication to leverage prescription drug discounts;
- Establish the Office of Prescription Drug Affordability to oversee the prescription drug regulatory provisions enacted under this budget and further analyze and develop policy initiatives to continue reducing prescription drug costs;
- Licensing and regulating entities involved in the prescription drug supply chain;
- Requiring pharmacy benefit managers to owe a fiduciary duty to insurers and other payers they contract with when using their discretion to spend plan assets; and
- Requiring pharmaceutical sales representatives to complete continuing education in ethical standards, whistleblower protections, and the laws and rules applicable to pharmaceutical marketing, as well as disclose any contacts made with healthcare professionals and any materials or gifts provided to them.

The governor's announcement tonight builds upon Gov. Evers' and his administration's efforts to ensure Wisconsinites have access to affordable, quality healthcare, including increasing access to necessary prescription medicine and consumer protections.

In 2019, Gov. Evers signed Executive Order #39, creating the [Governor's Task Force on Reducing Prescription Drug Prices](#), which was charged with making recommendations for reducing prescription drug prices in Wisconsin, and in 2021, Gov. Evers introduced his 2021-23 biennial budget proposal, which included several provisions that built on the work and recommendations of the Task Force. Unfortunately, these provisions were rejected by the Republican majority in the Wisconsin State Legislature. Later that year, the governor [joined](#) Legislative Democrats to again introduce his budget initiatives as part of a "Less for Rx" legislative package, and again, Republicans in the Legislature refused to act to pass these efforts, leaving Wisconsin consumers with little support or protection from outrageous and unreasonable prescription drug prices.

Gov. Evers, in his 2023-25 biennial budget, [proposed](#) lowering prescription drug prices, increasing transparency, protecting consumers from price gouging on medication, and establishing the Office of Prescription Drug Affordability and Prescription Drug Affordability Review Board. Republican lawmakers removed these provisions from the final budget.

The governor's full 2025-27 executive budget proposal will be announced following his 2025-27 Biennial Budget Message to the Legislature on Tues., Feb. 18, 2025, at 7 p.m. CT.