



December 16, 2024

Governor Tony Evers

Dear Governor Evers,

As you know, Citizen Action of Wisconsin is a statewide social justice organization, with active members in five major regions of the state. Our leading issue focuses are guaranteeing affordable health care to everyone in Wisconsin and an immediate and just climate transition. As a multi-issue organization, we also engage on other critical social justice issues.

Our priorities for the 2025–2027 State Budget that you are currently developing are as follows.

### Quality Affordable Healthcare

There is a growing health care cost and access crisis in Wisconsin. A steady stream of research has documents that Wisconsin has among the highest hospital and provider prices in the U.S. As a consequence, according to [research released by Citizen Action](#) in 2023, 52% of Wisconsinites avoided seeking needed health care in the last year because they feared they could not afford it. Hospital consolidation has both raised prices and created an unstable system, as exemplified earlier this year with the sudden closure of two critical access hospitals and 90 clinics in the Chippewa Valley. We believe there will be other major closures in other regions of the state unless the state intervenes in the unstable system that has shifted too much power to unaccountable hospital monopolies.

Citizen Action of Wisconsin has led the public campaign since 2013 to expand BadgerCare to the ACA income limit of 138% of poverty. We commend you for your strong advocacy for this common sense improvement in health care access.

Given the magnitude of the health care cost and access crisis, we urge you to take further essential steps to tackle the health care cost and access crisis.

- BadgerCare Super Expansion/Public Option. Citizen Action members across the state have advocated strongly for this cutting edge proposal which reduces consumer costs,

and provides an alternative to commercial insurance with its constant claims denials, and high deductibles and cost sharing. We commend you for supporting the proposal when he first ran for Governor in 2018, and reiterating support several times in recent years. The current version of the legislation has gained additional support each legislative session since it was first introduced. AB 746 in the 2023-2024 Legislative Session attracted a record 43 co-sponsors. Its provisions include:

- Adoption of the Basic Health Plan option under the ACA, as Minnesota has already done, which raises the income threshold for public coverage to 200% of the Federal Poverty Level (FPL)
- Creating an option on the ACA Marketplace to buy-into BadgerCare, receive federal premium subsidies, and to choose public insurance over commercial for-profit insurance with its claims denials and high cost sharing.
- BadgerCare buy-in for small employers (50 employees or less) which will create a much more affordable option for small businesses and nonprofits. Currently only 1/3 of small businesses provide insurance because it is too expensive on the commercial small group market. (See for example a recent [Commonwealth Fund report](#) on small business insurance). A recent [Rand Report](#) proposed public options as one of the solutions to the high cost of employer-sponsored health care.
- State Based ACA Marketplace which will give the state more flexibility on special enrollment periods, other customized adaptations to the Wisconsin context.
- Hospital Accountability. In the 1980s the Wisconsin Hospital Association talked Legislators and the Governor into repealing the state's regulation of hospital prices and building, promising that that market would create an affordable and effective health care delivery system. Citizen Action members opposed and fought against this deregulation which shifted control to unaccountable hospital systems. The result has been a massive consolidation of the hospital industry, and predatory competition that has undermined independent hospitals and smaller hospital systems, raising prices, leaving huge holes in the delivery system in large urban areas like Milwaukee and many rural areas across the state, the deprioritization of less profitable services such as mental health, primary care, and substance use treatment, and an expensive and yet unstable system which will result in more catastrophic closures. Citizen Action is supporting the restoration of government oversight over hospital pricing and building.
  - Hospital Predatory Competition. Large hospitals often build unneeded new capacity designed to take profitable specialty services away from competitors, which has both raised prices by forcing consumers to pay for duplicative capacity and has destabilized smaller hospitals and systems. Citizen Action is working with State Senator Jeff Smith to restore Wisconsin's Certificate of Need Program, drawing on the best practices in other states. We urge the Governor to include this bill, which is already in drafting, in the state budget.
  - Hospital Rate Review. Wisconsin up until the 1980s had a hospital rate review commission. The result is that Wisconsin hospital prices are the 5th most expensive in the nation, according to a [Rand report earlier this year](#). Drawing on the best practices in other states, Senator Jeff Smith is drafting legislation to

restore this critical state oversight. We urge you to include this bill in the state budget.

- Hospital Community Benefits. Health policy research has shown over the past two decades that nonprofit hospitals spend substantially less on community benefits than the value of their non-profit status, calling into question whether they are nonprofits in name only. Senator Larson introduced legislation last session, SB1047, and Representative Radlif introduced AB 1152, based on the statute already on the books in Illinois, which requires nonprofit hospitals to spend at least as much on community benefits as the value of their nonprofit status. We urge you to include this bill in the state budget.
- Prescription Drug Price Board. We worked on this proposal with you during your first campaign for Governor, and you have included it in past budget proposals. We strongly support creating more state accountability for prescription drug price gouging by pharmaceutical giants.

## Urgent and Just Climate Transition

To prevent runaway climate change it is essential to cut emissions at least by 45% by 2030. The Intergovernmental Panel on Climate Change (IPCC) concludes it will not be possible to reach carbon neutrality by 2050 if we overshoot the 2030 target. In addition, disturbing recent research indicates the global climate may have already been warmed by over 1.5 C, risking catastrophic feedbacks which could trigger runaway warming. With the federal government likely pulling back from its climate investments until at least 2029, it is critical that state leaders pick up the slack. What follows is our specific budget requests.

- **Statewide Climate Planning:** Wisconsin has committed to long-term carbon neutrality because of your leadership, yet specific strategies to meet the 2030 interim greenhouse gas reduction targets remain undefined, a crucial step for aligning with international commitments like the Paris Climate Accord. To address this, Citizen Action, alongside Representative Supreme Moore Omokunde, is pushing for legislation that mandates the State Legislature to develop a robust climate action plan by the end of the legislative session. This plan would not only articulate clear steps to achieve the 2030 emissions reduction targets.
  - We urge you to integrate this proposed legislation into your budget plans, underscoring your administration's commitment to climate action and international agreements. This measure would provide Wisconsin with a structured approach to meeting its environmental goals efficiently and align state efforts with the broader, global targets set by the Paris Climate Accord. This action would reinforce Wisconsin's leadership in sustainable policy development, encouraging comprehensive and cooperative climate strategies that extend beyond state borders.
- **Mandatory Utility On-Bill Financing:** Wisconsin's large Investor-Owned Utilities are planning large new fossil fuel infrastructure while not enabling more rapid progress on large-scale residential energy conservation and distributed renewable energy such as

rooftop solar and community solar. No large Wisconsin utilities offer on-bill financing, which allows consumers to use the savings of energy conservation and distributed energy to finance such upgrades at no upfront cost to them. In other states, including Illinois, the major utilities provide on-bill financing and heavily promote it. We believe that one of the best ways to dramatically improve the energy efficiency of residential housing and to expand distributed renewable energy to scale is to use the billing systems utilities have built due to the monopoly status mandated by the state government. Because of the magnitude of energy savings, utility bills go down even when repayment for energy conservation and distributed energy upgrades is included. This financing can come from the utilities themselves, from Wisconsin's new Green Bank (managed by WEDC), or other sources.

- We request that you add language to his proposed budget mandating that major utilities open their billing and payment systems to enable financing of energy conservation upgrades and distributed solar without up front cost to consumers. We further request that this financing obligation be attached to the property, not the individual consumer (repayment remains with the owner of the property if the property is transferred). This will dramatically increase the number of homeowners willing to undertake these critical sustainability upgrades.
- **2% Utility Rate Cap:** Citizen Action supports introduction of a 2% utility rate cap for households earning up to 250% of the Federal Poverty Level (FPL). This policy is designed to alleviate the disproportionate energy burden faced by lower-income households in economically marginalized communities, including many rural areas and communities of color. In Milwaukee, research by the Sierra Club shows that high energy burdens are closely correlated to redlining boundaries which segregated African Americans in areas of the city with the oldest housing stock. These households often contend with high utility costs due to older, less energy-efficient housing and limited access to distributed renewable energy solutions. Implementing a utility rate cap would prevent families from having to choose between essential services such as food, healthcare, rent, and utilities. Moreover, it would incentivize major utilities to promote energy efficiency and renewable energy adoption more aggressively. States like Nevada and Ohio have successfully implemented similar caps. This measure not only supports individual household resilience but also aligns with broader state goals of reducing energy consumption and transitioning to a more sustainable energy infrastructure.
- **Building Code Reform:** Wisconsin's building codes urgently require comprehensive reform to align with the critical need to reduce carbon emissions swiftly. Current codes have not been updated to reflect the latest sustainability practices, leaving Wisconsin behind in terms of energy efficiency and environmental protection. We urge you to mandate a rapid update of our state's building codes, ensuring they embody the best practices for sustainability currently seen in more progressive states. This update should not only aim for improved energy efficiency but also incorporate measures to substantially reduce carbon footprints across new and existing infrastructure.
  - In addition to statewide reforms, it is essential to empower local municipalities with the authority to exceed these updated standards if they choose. Giving local governments the flexibility to implement higher standards allows communities to

address specific environmental challenges and goals proactively. This approach has been successful in other states such as California and New York, where local jurisdictions tailor building regulations to promote greater sustainability and resilience in construction practices, often going beyond the baseline requirements set by state law. By adopting a similar model, Wisconsin can foster a more robust and community-specific response to climate change and energy consumption challenges.

- **Climate Scoring of Legislation:** In Wisconsin, while there is a well-established practice of fiscal scoring to assess the financial implications of all legislative proposals, we currently lack a similar process for evaluating their environmental impact, specifically in terms of carbon emissions. This omission hinders our ability to make informed decisions crucial for achieving our greenhouse gas reduction goals. We strongly recommend that you include in the state budget to mandate climate scoring for all legislation, including the budget bill itself. This would ensure that lawmakers and the public are fully aware of the potential climate impacts of legislative decisions.
  - To support this initiative, it is essential to also allocate resources to develop the necessary technical capacity for rapid and accurate climate impact assessments. Funding should be provided to establish a dedicated team or to enhance existing capabilities within relevant state agencies. This step will not only improve the quality of legislative decision-making but also increase transparency and public accountability, affirming Wisconsin's commitment to environmental responsibility and sustainable development.
- **Expand Transitional Jobs Programs to Meet Workforce and Climate Needs:** Transitional jobs are short-term, subsidized employment opportunities that provide immediate income while equipping participants with skills for long-term, unsubsidized employment. These programs address critical barriers to employment, such as gaps in work history, criminal justice involvement, or lack of formal training, and have a proven record of success. Since 2010, Wisconsin's Department of Children and Families (DCF) has operated transitional jobs programs with remarkable results—over 60% of participants have transitioned to stable, unsubsidized employment. These programs are key to advancing economic stability for marginalized populations and meeting workforce needs. However, current programs rely heavily on Temporary Assistance for Needy Families (TANF) funding, which limits eligibility and excludes many low-income individuals who do not meet TANF requirements.
  - We urge you to include General Purpose Revenue (GPR) funding in the upcoming budget to pilot two new transitional jobs programs that align with Wisconsin's workforce and climate priorities. First, a \$4.5 million annual investment would double the capacity of the Transform Milwaukee Jobs Program, enabling 1,300 participants from high-poverty neighborhoods to train for clean energy and climate-resilience roles. Second, a \$904,000 annual investment would expand the Transitional Jobs Region 8 program in Western Wisconsin, doubling its capacity to 380 participants and addressing rural workforce shortages. These programs will bridge the gap for underserved communities.

- This program could be used to address the severe workforce shortage in the growing green sector which is critical to achieve the state's climate goals. It could be used to prepare workers for high-demand roles in implementing the Inflation Reduction Act (IRA), and strengthen Wisconsin's economy while addressing environmental inequities. The City of Milwaukee's Climate and Economic Equity Plan calls for such a use of transitional jobs programs, but needs support from the state and programs such as the Transform Milwaukee Jobs Program to reach critical mass.
- We ask for your leadership in ensuring these critical investments are included in the state budget. Together, these programs would serve approximately 1,680 people annually, providing meaningful employment opportunities and building a skilled workforce to meet Wisconsin's climate and economic goals.
- **Regional Transportation Authority with Funding:** To strengthen transportation infrastructure across Wisconsin, it is imperative that your administration takes decisive action to reinstate and support Regional Transportation Authorities (RTAs). These authorities are crucial for enhancing connectivity, supporting economic growth, and improving accessibility for all Wisconsinites, especially in underserved rural and urban areas. We urge you to champion legislative efforts to re-enable the formation of RTAs, ensuring they have the capability to plan, fund, and execute comprehensive transit solutions that include buses, rail, and non-motorized pathways. Furthermore, we recommend establishing dedicated funding mechanisms for RTAs, potentially through localized revenue options to ensure sustainable operations and development.

### Other Issues

- **Minimum Wage:** Citizen Action asks for a \$20 minimum wage that is indexed annually to inflation to be included in the state budget. We also ask that you propose giving municipalities the authority to adopt higher minimum wages, and other employee benefits such as paid family leave.
- **Education Funding:** Citizen Action supports Wisconsin Public Education Networks's K-12 education requests, including funding special education and 90% of costs and increasing per pupil spending to a level that makes up for over a decade of state underfunding.
- **Criminal Justice Reform:**
  - Citizen Action supports WISDOM's budget requests on criminal justice reform, including:
    - Increase funding for TAD (Treatment Alternatives and Diversions) to \$15 million/year and expand eligibility for TAD programming to include people with mental health needs.
    - The budget should have no funding for a new prison or for expansion of current prisons. (We need to deal with prison problems by reducing the population, not by expanding capacity.)

- We need a substantial increase in funding for Earned Release Programs (This is part of the DOC budget request. It could reduce the prison population by thousands/
- Significantly increase the Alternatives to Revocation Budget.
- Citizen Action also supports the budget proposals of the Wisconsin Public Defender's Office, including limiting the overbroad definition of disorderly conduct and removing criminal charges for Marijuana possession, making it a civil offence, and limiting community supervision to no more than ten years.
- **Childcare:** Citizen Action is advocating for a pivotal \$2 billion funding proposal to elevate child care worker wages by \$10 per hour, recognizing the vital role these professionals play in the early development stages of Wisconsin's children. Currently, 54% of Wisconsin residents live in child care deserts, significantly impacting families' access to reliable and quality child care services and harming economic development and business sustainability by producing artificial workforce shortages. This increase in compensation aims to attract and retain qualified child care providers, ultimately enhancing the availability and quality of child care across the state, particularly in underserved areas.

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