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Krug on State Budget Passage: “It’s a Yes for us”

Madison – The state budget passed the State Senate on Wednesday and the State Assembly today, Thursday June 29. The budget now advances to be signed by Governor Evers.

There are myriad incredible investments in the 2023-25 State Budget, along with a truly historic tax cut. Over the summer I will be sharing more and more details about all the provisions within the budget bill. **I want to have a conversation about how we prioritize state spending over the next two years.**

Today I want to start that conversation about our **workforce and education plans**. In Wisconsin, the unemployment rate has reached historically low levels, but the participation rate in the labor force is still lower than it was before the pandemic. Employers in the state are facing difficulties in finding workers, despite offering higher wages, due to the competitive labor market.

Republicans acknowledge these challenges as significant for our state's businesses and economic well-being. To tackle these workforce issues, our budget focuses on supporting initiatives that attract and retain talented individuals, investing in workforce housing, and increasing funding for key partners involved in training our current and future workforce.

Republicans understand that we cannot overcome these workforce challenges without bringing new talent to our state. That's why we have instructed the Wisconsin Economic Development Corporation to allocate at least four million dollars towards initiatives that attract and recruit talented individuals. These funds aim to promote our state as an excellent place to live, work, and raise a family, which we, as residents, already know it to be.

However, attracting people to live and work in Wisconsin also requires ensuring that there is sufficient **housing** available. Our budget allocates over half a billion dollars to support the development of modern housing options. The housing shortage in our state particularly affects

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young families, seniors, and those seeking their first home. The programs we are supporting will facilitate the construction of new housing, repurposing of commercial buildings into livable spaces, and improvement of existing housing stock. This way, whether individuals are relocating or staying in their current homes, our budget guarantees affordable housing options.

Additionally, our budget invests in established programs that nurture our current and future workforce. This includes supporting our technical college system, providing new funding for the youth apprenticeship program, and increasing assistance for career and technical education grants. These programs are vital drivers of workforce growth, and investing in them promotes the expansion of our labor force.

I want to discuss education in the budget. Wisconsin Republicans firmly believe that every child should have access to a high-quality education. Our budget demonstrates this commitment by making significant investments in public schools, as well as providing funding for choice and charter schools. We are allocating an additional one billion dollars for K-12 schools, making K-12 support the largest General Purpose Revenue (GPR) expenditure in the state budget.

One of the key aspects of our budget is a **per pupil increase for K-12 school aids** of \$975, ensuring that schools receive tangible and usable funding increments. This funding follows a formula, with two-thirds being state-funded and the remainder potentially levied by local districts. We are also targeting investments in areas where students require additional support. **The budget will increase funding by nearly \$100 million for special education aids,** covering one-third of district costs related to special education. Additionally, we aim to reimburse half of the high-cost special education aid expenses by the end of the biennium.

Another significant investment in our K-12 budget is an effort to **address the decline in reading proficiency among students,** which has been exacerbated by the disruptions caused by the COVID-19 pandemic. We have allocated \$50 million to combat this concerning trend and help students get back on track.

Recognizing the declining well-being of students and youth in recent years, **our budget prioritizes supporting student mental health.** We have increased funding for school-based mental health grants by \$30 million over the biennium and transitioned the funding structure to be per pupil based, rather than competitive grants. These funds enable school districts to collaborate with community organizations to provide mental health services within schools, reducing barriers to access.

To **support school districts that make thoughtful economic decisions through shared services,** our budget sets aside five million dollars for legislative recommendations put forth by the Study Committee on Shared School District Services. These bills aim to incentivize and

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assist districts that choose to consolidate or share services.

As a result of our budget and the actions taken under 2023 Wisconsin Act 11, **choice and charter schools will receive a significant increase in state funding**. This ensures that parents and families have the freedom to choose the best educational environment for their children, empowering them as the champions of their child's education rather than being limited by government mandates.

I could go on, but that's already quite a lot to have said. In summary, our agency actions include a \$534.3 million increase in general school aids, a \$975 per pupil increase, increased funding for special education categorical aid, literacy programs, school-based mental health services grants, and various other initiatives to support education and student well-being.

We have made strategic funding allocations to prioritize the needs of students and improve the overall educational landscape in Wisconsin.

I voted "Yes" on this budget. It's a good budget for the 72nd Assembly District and it's a good budget for Wisconsin. In coming days I will be sharing more about why this budget needed to be a "Yes." I appreciate the chance to support this budget, which you entrusted me with when you elected me to the State Assembly. Thank you for your support. I look forward to continuing to work with you.

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