

Highlights from the approved State Budget

Shared Revenue - As a follow up to 2023 Wisconsin Act 12, the first increase to shared revenue payments in over two decades, with action in this budget, cities and villages will see their first sales tax increase this year of 2.3%. Next year, the increase will be 3.4%, followed by an estimated 2.9% in 2027. With these increases and other budgetary actions, the League was able to **protect the penny** and ensure cities and villages see the growth in the sales tax reflected in their disbursements.

Environmental Improvement Fund - The Clean Water Fund Program for wastewater utilities and Safe Drinking Water Loan Program for water utilities, collectively known as the Environmental Improvement Fund, finances capital projects necessary for clean water around the state. After falling short of needs in the last biennium, a huge investment was critical to meet capitalization needs to draw down federal funds and ensure Wisconsin projects receive a loan. After just \$46.0 million was approved in the last budget, **\$732.3 million** was approved in this budget, ensuring projects aren't delayed and saving ratepayers money over the life of the loan!

General Transportation Aids - Cities and villages on average only have about 14% to 16% of their roadwork construction and maintenance costs covered by state aids through GTAs. Simply, GTAs have failed to keep pace with inflation over the last two and a half decades, resulting in more projects being delayed and more projects being bonded. A 3.0% increase in each year of the biennium for this budget doesn't cause us to close the gap and catch up, but it does help to ensure we don't fall further behind and represents a higher increase than we've seen in previous budgets.

Local Roads Improvement Program - While GTAs are meant to fund the day-to-day needs of municipalities, the Local Roads Improvement Program is meant to assist with those major reconstruction projects to lower annual maintenance costs in the near term for a municipal project that may otherwise be delayed. Now funded four budgets in a row, LRIP will provide \$100 million to local transportation projects over the next two years, creating a smoother ride ahead for many Wisconsinites.