



Wisconsin Legislature

P.O. Box 8952, Madison, WI 53708

February 16, 2026

Dear Governor Evers,

Thank you for meeting with us over the last week to discuss our current budget surplus and how it can be used in a manner that best benefits Wisconsin residents. As you know, we have expressed serious concerns for the budgetary pressures experienced by most Wisconsinites due to the rising costs of everyday goods and services as well as the huge property tax increases many homeowners realized at the end of 2025. Because the state currently has a \$2.4 billion surplus, we believe this money should be returned to taxpayers to help ease the burden on their monthly budgets.

While we know you believe that your 400-year veto was a way to permanently send increases to schools for the next 400 years, the truth is it creates a strong disincentive for school districts to find efficiencies while creating an increased property tax burden on taxpayers.

We've seen time and time again that no amount of funding increase can address the root causes of the education funding problem. As state support for education reaches record levels and property taxpayers are feeling the pressure, student achievement is in decline. We have more school districts than the state of California, and we are facing an enrollment cliff that will challenge how we fund schools in Wisconsin. More than ever, we need reform, not guaranteed funding to prop up a broken system. Unfortunately, you have vetoed our attempts at beginning to look at these problems.

However, we realize that these are not things you are willing to work with us on, so we accept that, and in the spirit of compromise and out of the urgent need to return this surplus to the taxpayers, we will agree to your outlined bottom line in this negotiation. You have stipulated that any agreement must contain:

- \$200 million additional GPR for Special Education Reimbursement
 - \$80 million GPR to reach 42% reimbursement in FY26
 - \$120 million GPR to reach 45% reimbursement in FY27
- \$450 million in FY27 for General Equalization Aid

We agree to your \$200 million request for Special Education and propose providing an additional \$500 million to schools via the School Levy Tax Credit.

We also agree to provide an individual income tax deduction for up to \$300 of educator expenses per year per educator. This is estimated to cost \$1.4 million in 2026-27.

We further agree to Foodshare funding and positions to help ensure our error rate remains low via fraud and overpayment detection to comply with the federal One Big Beautiful Bill. We ask that instead of creating all new positions, any positions at DHS that have been vacant for 18 months be used instead of creating totally new positions.

Finally, we agree to fund disaster assistance via Department of Military Affairs. The bill will provide \$10 million in 2025-26 for awards of no greater than \$25,000 per household and \$20 million for a business grant program for grants no larger than \$50,000 per business.

In exchange for agreeing to your stipulations and the additions mentioned above, we propose returning the surplus to taxpayers via an income tax rebate. Our proposal provides that an individual who filed an individual income tax return for tax year 2024 would be eligible to receive a rebate equal to \$500 (\$1,000 married-joint), or their net tax liability, whichever is less. This is estimated to return \$1,488.6 million in 2026-27.

This is a generous, good-faith attempt to achieve our mutual goals of limiting the property tax impact caused by your misguided 400-year veto, helping families address rising costs, and ultimately doing what is best for the people of Wisconsin.

Majority caucuses in both houses have agreed to this plan in principle.

With the legislative session soon ending, time is of the essence. We both stand ready to meet at your earliest convenience. We hope to hear from you soon.

Sincerely,



Devin LeMahieu
Senate Majority Leader
9th Senate District



Robin Vos
Assembly Speaker
33rd Assembly District