



# DUEY STROEBEL

STATE SENATOR • 20<sup>TH</sup> DISTRICT

## Testimony on SB 236/AB 146

*September 27, 2023*

Thank you all for being here for today's public hearing on Senate Bill 236 and Assembly Bill 146, legislation I authored with Representative Binsfeld to prohibit counties and municipalities from expending taxpayer dollars on guaranteed income programs.

Guaranteed income programs provide monthly cash payments to recipients with no strings attached and no work requirements.

On the heels of the federal government's decision to issue \$300 billion in stimulus checks by way of the CARES Act, the organization Mayors for a Guaranteed Income (MGI) was established in June 2020 with the purpose of accelerating the development of guaranteed income programs in cities throughout the country. While most of the programs that have been implemented are still in their pilot phase, MGI's stated goal is to lay the groundwork to make these programs permanent.

According to MGI's 2022 End of Year Report, its membership had grown from 11 to 102 mayors representing cities in 31 different states. Among MGI's members in Wisconsin are the mayors of Madison, Milwaukee and Wausau, though only Madison has thus far launched a guaranteed income pilot program. While Madison's program was seeded with private donations, a number of cities' programs have utilized public dollars. For example, several cities earmarked a portion of the federal dollars they received through the American Rescue Plan Act (ARPA) for their guaranteed income programs.

In the face of a persistent workforce shortage affecting Wisconsin employers across nearly every sector of the economy, and following the enactment of legislation earlier this session to provide considerable increases in state aid to local governments in response to inflationary cost pressures, local officials should not be allowed to divert hard-working Wisconsin's tax dollars away from core government programs and services to instead pay individuals not to work. It also bears mentioning that the segment of the population targeted by guaranteed income programs already has access to existing social safety net programs (e.g., Medicaid, FoodShare, subsidized child care, state supplemental security income, etc.), which account for a significant portion of our state budget and can often times amount to a generous monetary value for many who are enrolled in these programs.

Through the statewide advisory referendum on the April 4 ballot, Wisconsin voters made it abundantly clear that they do not support government programs that incentivize individuals not to work. Thus, it is important that the Legislature pass SB 236/AB 146 to put limitations in place to ensure that Wisconsin taxpayers do not end up footing the bill for guaranteed income programs that reduce self-reliance and increase dependency on the government.

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# AMY BINSFELD

STATE REPRESENTATIVE • 27<sup>TH</sup> ASSEMBLY DISTRICT

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*Testimony before the Senate Committee on Government Operations*

*Representative Amy Binsfeld*

*September 27, 2023*

Chairman Stroebel and Members of the Senate Committee on Government Operations:

Thank you for the opportunity to testify before you today on Senate Bill 236, relating to local guaranteed income programs in Wisconsin.

Across the country, several larger cities have begun to implement guaranteed income programs. These programs are often taxpayer-funded and provide a cash benefit in addition to the public benefits an individual receives. Most of these programs do not include a work requirement or restrict what the money can be spent on.

In Wisconsin, the City of Madison has already implemented the Madison Forward Fund, while other cities including Wausau and Milwaukee have shown an interest in guaranteed income programs. The Madison Forward Fund is privately-funded and was advertised as a “no strings attached” program in which the city paid \$500 per month for a year to households with an income of less than 200% of the Federal Poverty line. As mentioned earlier, this program is in addition to other taxpayer-funded public benefits the individual may already receive and does not include work requirements.

SB 236 would not prohibit privately-funded guaranteed income programs like the Madison Forward Fund, but it would prohibit taxpayer dollars from being used for these programs. Currently, Wisconsin is experiencing very low unemployment and a historically low labor force participation rate. At the same time, employers around the state are begging for workers, many offering sign-on bonuses and other incentives.

Wisconsin taxpayers already help to fund countless state programs designed to assist low-income individuals and families. We should not be asking the taxpayers to fund handouts on top of the taxpayer-funded government benefits individuals already receive, especially when the labor market is begging for more workers.

Thank you for your consideration of Senate Bill 236.



# DAVE MAXEY

STATE REPRESENTATIVE • 15<sup>TH</sup> ASSEMBLY DISTRICT

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*Testimony before the Senate Committee on Government Operations*

*Representative Dave Maxey*

*September 27, 2023*

Chairman Stroebel and Members of the Senate Committee on Government Operations, I would like to thank you for hearing Senate Bill 236 relating to local guaranteed income programs.

Cities across the nation have implemented taxpayer-funded guaranteed income programs to provide monthly cash payments to low-income individuals with no strings attached and no work requirements. Wisconsinites and Americans across the nation are feeling the hard-hitting effects of historic inflation, and businesses are being plagued with worker shortages. Guaranteed income programs, while well-intentioned, will do more harm than good.

As of today, the average wage earner in the United States is living paycheck to paycheck, while the government continues to spend more and more of their hard-earned dollars on government handouts they will never see. While Madison has implemented a pilot guaranteed income program using the privately funded 'Madison Forward Fund,' the eventual reality is that these programs will use taxpayer dollars for government handouts that disincentive working and put the burden of its cost on the taxpayers.

Furthermore, the lack of work requirements often tied to guaranteed income programs will only perpetuate the workforce shortages that our state is currently experiencing. By implementing these programs, there is no incentive for individuals benefiting from guaranteed income programs to go out and get a job; rather, it will continue to further dependency on government.

Senate Bill 236 won't prohibit privately funded guaranteed income programs like the 'Madison Forward Fund'; rather, this legislation would prohibit local governments from using taxpayer dollars to fund such programs. Wisconsin taxpayers already pay for state-funded programs that aim to help low-income individuals. Taxpayers should not be on the hook for funding handouts when they already fund other programs that help address the needs of low-income families.

Thank you once again, members of the Senate Committee on Government Operations, for hearing my testimony on Senate Bill 236. I look forward to your support and recommendation for the passage of this bill.