

WAFCA 2025-27 Biennial Budget Final Overview

The 2025-27 State biennial budget was adopted in early July following down-to-the wire bipartisan budget negotiations to adopt a package that would buffer the anticipated impact of proposed federal Medicaid cuts.

While the Governor had proposed a two year operating budget totalling \$119 billion over the biennium, the final plan adopted by the legislature and line-item vetoed by the Governor is projected to spend just over \$111 billion over the biennium – a 12.5% increase in spending over the 2023-25 biennium.

The final budget delivered tax cuts along with significant investments in K-12 special education, the UW System and new state-funding commitments to child care.

The following provides highlights of items of interest adopted or modified by JFC in the final package along with select items proposed by the Governor that were set aside.

[[Comparative Summary of Governor/Joint Finance](#) | [Final Summary 2025 WI Act 15 \(2025-27 Biennial Budget\)](#)]

Department of Children and Families ([LFB DCF Budget Summary](#))

CHILD WELFARE AND YOUTH SERVICES

JFC Included or Modified

- *Tribal High-Cost Placement and Prevention:* Modified the Governor's proposal to allocate \$7.3 million in GPR and instead allocate \$1 million annually from tribal gaming revenues to increase base funding for the tribal high-cost out-of-home care placement pool.

Governor's Proposals Not Adopted

- *Children and Family Aids:* Provide \$2.5 million in 2025–26 and \$6.2 million in 2026–27 to raise the base funding for counties' child welfare services under the CFA program from \$101.9 million.
- *Child Support When Entering Out-of-Home Placements:* \$1.8 million towards assignment of child support when entering out-of-home placements.
- *Independent Living Supports:* \$10.5 million for Independent Living Supports.
- *Services for Runaway and Homeless Youths:* Provide \$7.5 million in GPR to expand programs and add new regional providers.
- *Family Foundations Home Visiting Program:* Provide \$1.2 million in 2025–26 and \$4 million in 2026–27 to expand Family Foundations Home Visiting (FFHV) services to currently unserved areas.
- *Specialized Congregate Care – Chileda Institute Contract:* \$2.7 million annually to continue funding a contract for specialized behavioral health care for children with high needs.

FOSTER CARE & ADOPTION

JFC Included or Modified

- *Foster Care and Kinship Care Rate Increase:* An increase of 2.5% in rates, effective January 1, 2026 (instead of 5% proposed by gov.)
 - Level 1: \$384 (up from \$375)
 - Level 2 and above:
 - Up to Age 5: \$452 (up from \$441)
 - Ages 5-11: \$495 (up from \$483)
 - Ages 12-14: \$562 (up from \$548)
 - Ages 15 and Over: \$586 (up from \$572)

Questions?

Contact: [Kathy Markeland](#); [Sandy Plascencia Karri](#)

- *Triple P (Positive Parenting Program) Online*: Include a one-time payment of \$3 million for online parenting program initiative using uncommitted Title IV-E funds.
- *Division of Milwaukee Child Protective Services (DMCPS)*: Modified the Governor's proposal by reducing the proposed increases by over \$6 million annually in 2025-2027; limiting increase to re-estimated costs for out-of-home care and wraparound services (total adjusted funding increase of \$9.56 million over the biennium).

Governor's Proposals Not Adopted

- *Age-Based Level 1 and Kinship Care Payment Rates*: Modify monthly rates for kinship care providers and Level 1 foster care providers to match age-based rates paid to basic and treatment foster care providers (*This would have replaced the flat \$375 payment with age-based rates ranging from \$463 to \$601 depending on the child's age*).
- *Eligibility for Exceptional payments*: Make all foster homes and kinship care providers eligible for exceptional payments, such as initial clothing allowances and payments for keeping siblings together.
- *Emergency Payments for Foster and Kinship Care Providers*: Proposed emergency payments for providers in cases of declared emergencies, natural disasters, or other significant events.
 - *Division of Milwaukee Child Protective Services (DMCPS)*: Removed \$357,900 in funding and 2.0 positions for quality improvement.

YOUTH JUSTICE

JFC Included or Modified

- *Youth Aids Allocation*: A technical update to the calendar years for Youth Aids was made to update the reference from 2023-25 to 2025-27.

Governor's Proposals Not Adopted

- *Youth Justice Aids for 17-year-olds*: \$10 million GPR to provide youth justice aids to counties to support services for 17-year-olds who would be included in the juvenile justice system under the "Raise the Age" initiative.
- *Youth Aids Funding Modifications and Increase*: \$8.48 million GPR to increase Youth Aids funding to counties for juvenile justice services.
- *Youth Justice Reform Review Committee*: Create a Juvenile Justice Reform Review Committee to evaluate and recommend changes to the juvenile justice system.

CHILD CARE

JFC Included or Modified

- *Child Care Counts*: \$110 million in federal funds for bridge payments to childcare providers, with the appropriation repealed on July 1, 2026.
- *Direct Child Care Services Reimbursement Rates*: \$33 million annually to increase payment rates for direct child care subsidies.
- *"Get Kids Ready" pre-K*: \$66 million a new fully state-funded pre-K program for 4-year-olds beginning in 2026.
- *Copayment Waiver and Income Limit*: \$4.2 million over the biennium to maintain waiver for families earning up to 100% FPL and retaining current law for subsidy phaseout.

Governor's Proposals Not Adopted

- *Child Care Counts*: \$442 million in state GPR (\$221 million annually) to establish the Child Care Counts program as a permanent childcare quality improvement initiative.
- *Child Care Partnership Grant Program*: \$5.5 million for grants to support childcare partnerships with employers.
- *Direct Care Services Eligibility for Like-Kin*: Expand Wisconsin Shares eligibility to like-kin.
- *Child Care Foundational Training*: \$4.3 million for foundational training for childcare providers.
- *Out-of-school time program grants*: \$11.5 million over the biennium in GPR funding for out-of-school programs for school aged children.

Other TANF & Economic Support Related Funding Items

JFC Included or Modified

- *Case management services for homeless individuals program*: Repealed \$1 million in JFC supplemental appropriation for DOA for the program.

Child Abuse and Neglect Prevention Board ([LFB CANPB Summary](#))

Governor's Proposals Not Adopted

- *Family Resource Centers (FRC)*: Proposed total increase of \$9.7 million over the biennium for family resource center grants.

Department of Health Services ([LFB DHS Budget Summary](#))

MEDICAID

JFC Included or Modified

- *Medicaid Base Re-estimate*: Reduce funding for Medicaid cost-to-continue estimates by \$478.9 million.
- *Hospital Assessment and Reimbursement Payments*: Increase hospital assessment revenues and access payments by \$379.5 million annually with new formula and federal approval requirements.
- *Personal Care Rate Increase*: Reduce Governor's proposed funding for personal care reimbursement rates, resulting in a net increase of \$19.1 million over the biennium.
- *Residential Substance Use Disorder Treatment Rate Increase*: Provide 3% increase in reimbursement rates (\$1.8 million increase in AF over the biennium).
- *Medication-Assisted Treatment Rate Increase*: Provide \$6.2 million instead of the Governor's proposal of \$9.3 million over the biennium to increase reimbursement rates for medication-assisted treatment services.

Governor's Proposals Not Adopted

- *Community Support Program (CSP) Full State Funding*: Proposed \$41 million GPR to cover state match for Medicaid-funded CSP.
- *Children's Behavioral Health Specialty Managed Care Program*: Proposed seeking a federal waiver to create a Medicaid managed care program for children with complex behavioral health needs, with no funding allocated this biennium pending approval.
- *Full Medicaid Expansion*: Expansion of Medicaid eligibility to cover more low-income individuals, which would have increased access to healthcare services and brought additional federal funding to the state.

- *Postpartum Eligibility Extension*: Extension of Medicaid eligibility for postpartum care from 60 days to 12 months, aiming to improve maternal health outcomes.
- *Pediatric Inpatient Supplement*: Provide \$15 million in supplemental funding for pediatric inpatient services.
- *Autism Services Rate Increase*: Increase the rate for the ABA procedure to \$54.64 per hour (\$12.3 million budget allocation over the biennium).
- *Rural Health Clinic Reimbursement*: Provide \$24 million in 2026-27 AF to support the transition of rural health clinics—located in medically underserved rural areas—from cost-based reimbursement to a prospective payment system (PPS) model.
- *Coverage of Community Health Worker Services*: Proposed \$10.9 million AF in 2026-27 to fund Medicaid coverage for community health worker services, aiming to improve access to care and service delivery through trusted community-based support under medical supervision.
- *Coverage of Certified Peer Specialist Services*: Proposed \$3.7 million AF in 2026-27 to establish Medicaid reimbursement for certified peer specialist services as a standalone benefit, supporting individuals in mental health or substance use recovery through trained peers under professional supervision, with funding and implementation contingent on Medicaid expansion and federal approval.
- *School-Based Services*: \$53 million over the biennium to increase the rate of return on federal reimbursement to schools for delivery of Medicaid-eligible services. Schools currently receive 60% of the federal match and this proposal would have increased the return to 100% of federal match.

LONG-TERM SUPPORT/AGING AND DISABILITY SERVICES

JFC Included or Modified

- *Independent Living Centers*: JFC increased funding by an additional \$203,600 annually, providing a total increase of \$610,800 for grants to independent living centers.
- *WisCaregiver Careers Program*: JFC reduced funding for the program but retained \$2 million (\$1,000,000 GPR and \$1,000,000 FED) to continue supporting nurse aide and direct care professional training and certification.
- *Aging and Disability Resource Centers*: JFC reduced Governor’s proposed funding for ADRCs but retained \$3.7 million AF to increase base allocations for ADRCs.

Governor’s Proposals Not Adopted

- *Children’s Long-Term Support Waiver Program*: Require DHS to ensure that children qualified for CLTS receive services.
- *Complex Patient Pilot Program*: Allocate a one-time \$15,000,000 in 2025-26 to launch a pilot program aimed at easing the transfer of complex patients from acute care settings to post-acute care facilities during the 2025-27 biennium.
- *Adult Protective Services*: Provide \$7.6 million to increase the APS allocation to counties.
- *Guardianship Grants*: The Governor proposed \$200,000 annually to fund grants for guardianship services.
- *Respite Care Grant*: Governor proposed \$400,000 annually to increase funding for respite care services.
- *No wrong door – Wisconsin Wayfinder*: \$2.6 million GPR over the biennium to support continuation of WI Wayfinder to replace ARPA funding.

CRISIS & PEER SERVICES

JFC Included or Modified

- *988 Suicide and Crisis Lifeline Support:* Instead of the Governor's proposed \$12.1 million over two years, JFC provided a \$7 million biennial appropriation in 2025-26. The \$7 million is a continuing appropriation and is based on a revised estimate of the amount needed to sustain the 988 Lifeline service during the biennium, aiming for an 80% in-state call answer rate.
- *Crisis Urgent Care and Observation Facility Grants:* Provide \$10 million GPR in 2025-26 in the Finance Committee's program supplements appropriation for crisis urgent care and observation facility grants (instead of governor's proposal of \$20.1 million).
- *Rogers Behavioral Health Grant:* Allocate \$10 million in GPR in 2025-26 through the Committee's program supplements appropriation to support grants for Rogers Behavioral Health to establish an integrated mental health campus in the Chippewa Valley.
- *Psychiatric Residential Treatment Facilities:* Allocate \$1.7 million in JFC's supplements appropriation in 2025-26 to support grants for PRTFs.

Governor's Proposals Not Adopted

- *Regional Crisis Stabilization Facilities Grants:* Provide \$7.5 million over the biennium; The funding was intended to cover the operating expenses of five facilities that are presently supported by one-time federal grants.
- *Law Enforcement and Behavioral Health Collaboration Grants:* Allocate \$2 million to fund grants aimed at improving crisis response and coordination between law enforcement and mental health professionals.
- *Law Enforcement Officer Virtual Behavioral Health Crisis Care Program:* Provide \$400,000 annually to fund grants aimed to support the delivery of behavioral health crisis care remotely using two-way audio/video communication, with support from law enforcement.
- *Peer-Run Respite Centers:* Proposed \$1.8 million annually (\$2.7 million GPR and -\$900,000 PR) to sustain five peer-run respite centers, including a veteran-focused center in Pewaukee.
- *Peer Recovery Center Grants:* Allocate \$310,000 annually for grants to support regional peer recovery centers, which offer free, non-residential support for individuals recovering from mental health and substance use issues through peer connections.

OTHER HEALTH AND MENTAL HEALTH

JFC Included or Modified

- *Health Care Provider Training Grants:* Provide \$1 million GPR increase in the allied health professional training grants. The Governor had proposed \$5 million.
- *Grants to Dental Clinics Serving Low Income Patients.* Provide a \$500,000 increase to grants. The Governor proposed a \$3.6 million increase.
- *Free and Charitable Clinics.* Increase annual grants by \$500,000.
- *Minor Safety Plan Sharing Portal.* Provide \$819,000 over the biennium to support WISHIN to create and maintain an online portal where law enforcement, schools and medical professionals can access minor safety plans.

Governor's Proposals Not Adopted

- *Community Aids – Basic County Allocation.* Provide an increase of \$6.8 million GPR over the biennium for an increase in human services aid support to counties.

- *Maternal and Child Health Referral Services.* Provide \$5.9 million over the biennium to continue public health infrastructure in five regions to make personalized referrals for parents of children with specialized mental health and medical needs. Funding would have allowed local and tribal health departments to take over WI Wayfinder MCH coordination and referrals.

Department of Public Instruction ([LFB DPI Budget Summary](#))

GENERAL SCHOOL AIDS

JFC Included or Modified

- *Special Education Funding:* Reduced the Governor's proposed funding, increasing proration rates to 42% in 2025-26 and 45% in 2026-27 for a total GPR increase of \$504 million. (The Governor proposed 60%.)
- *Recovery High Schools:* An additional \$250,000 in grants will be provided annually during the biennium, on top of the base funding of \$500,000.

Governor's Proposals Not Adopted

- *Revenue Limit Per Pupil Adjustment:* Increase the low revenue adjustment amount to \$12,000 per pupil in 2025-26 and \$12,400 per pupil in 2026-27, along with removing restrictions for districts with failed referenda.
- *Peer to Peer Suicide Prevention Grant:* \$500,000 for peer-to-peer suicide prevention grants.

CATEGORICAL AIDS

JFC Included or Modified

- *Aid for Comprehensive School Mental Health Systems:* The Governor proposed \$168 million above base level funding to expand mental health services in schools. Joint Finance reduced this to a one-time increase of \$30 million in 2025-26, maintaining the base funding of \$10 million annually. Allocation over the biennium is flat compared to 2023-25.

Governor's Proposals Not Adopted

- *Early Literacy Investments:* \$50 million in 2025-26 to replace unreleased funding for a literacy program created under the 2023 Wisconsin Act 20.
- *Early Literacy Coaches:* \$18 million to expand the number of literacy coaches statewide and repeal the program's sunset date.

Department of Justice ([LFB DOJ Summary](#))

JFC Included or Modified

- *Office of Crime Victim Services.* Provides \$20 million GPR in the first year of the biennium for grants to crime victim service providers and child advocacy centers to supplement federal Victims of Crime Act (VOCA) grants. Provides \$163,500 GPR in each year and 2.0 FTE GPR two-year project positions to administer grants for crime victim services. The Governor had proposed a new crime victim services surcharge and GPR supplement to offset federal VOCA funding losses up to \$44.5 million.
- *Office of School Safety.* Provides \$1,570,900 PR over the biennium and 13.0 FTE PR permanent positions to support the Office of School Safety.
- *Child Advocacy Centers.* Provide \$2 million annually for grants to child advocacy centers.

Governor's Proposals Not Adopted

- *Treatment and Diversion Programs.* The Governor proposed significant revisions to the TAD program including shifting oversight to the Supreme Court and renaming the program to alternatives to prosecution and incarceration that would allow fees collected to support local program operations for qualifying programs.
- *Firearms.* The Governor offered a number of firearm reforms including the ability for an individual to participate in a voluntary opt-out of ability to purchase a firearm and modifying prohibition on possessing a firearm following conviction for domestic violence.

Department of Corrections ([LFB Corrections Budget Summary](#))

JFC Included or Modified

- *Statutory Daily Rates for Juvenile Facilities:* Increase daily rates to \$2,501 in 2025-26 and \$2,758 in 2026-27, modifying the Governor's proposal which would have maintained the 2024-25 rate and funded the balance of JCI costs with \$20 million in GPR. The Governor line-item vetoed these increases to generate rates of \$501 and \$758.

Governor's Proposals Not Adopted

- *Age of Juvenile Jurisdiction.* Proposed raising the age of adult jurisdiction from 17 to 18 years old.

Department of Safety and Professional Services ([LFB DSPS Budget Summary](#))

JFC Included or Modified

- *Call Center Staff:* Extended 5.0 Project Positions (\$590,400) instead of 14.0 permanent positions in the Governor's proposal (\$2 million).
- *Transfer Health and Business Professional Program Revenue.* JFC approved an additional \$5 million transfer from the licensing fee fund to the general fund. Statutes require a 10% annual transfer of credentialing fees to the general fund. The Governor vetoes this additional transfer of dollars to GPR.

Governor's Proposals Not Adopted

- *License Processing staff:* Proposed \$1.7 million PR and 10 permanent positions to replace ARPA-funded project roles to ensure continued support for license processing and renewals.

Office of the Commissioner of Insurance ([LFB OCI Budget Summary](#))

Governor's Proposals Not Adopted

- *Health Insurance Claim Denial Practices:* Allocate \$650,000 and 2.0 positions starting in 2025-26 to support OCI in auditing insurers' claim denials (prohibit unfair denial practices, ensure transparency and timely processing, regulate AI use, etc.)
- *Health Insurance and Coverage Requirements:* Revise statutory provisions regarding health insurance and benefit plans – addressing policy issuance, renewal, premiums, cost-sharing, and coverage.
- *Insurer Network Adequacy Standards:* Authorize OCI to create administrative rules that set minimum standards for network travel time and distance, as well as minimum wait time standards for specific network and preferred provider plans.
- *Telehealth Coverage Parity:* Prohibit health insurance policies, state employee health plans, and government self-insured plans from denying coverage for medically necessary treatments or services delivered via telehealth (if those services are covered in person).

- *Prior Authorization for Inpatient Mental Health Services:* Prohibit health insurance policies, limited-service health organizations, preferred provider plans, defined network plans and government self-insured health plans from requiring prior authorization for inpatient mental health services, ensuring timely access to care.
- *Coverage for Services Provided by Qualified Treatment Trainees:* Prohibit health plans (mentioned above) from excluding coverage for mental health or behavioral health services provided by qualified treatment trainee's if those services are covered when delivered by other providers and fall within the trainee's scope of education and training.
- *Coverage for Services Provided by Substance Abuse Counselors:* Prohibit health plans from excluding coverage for substance abuse treatment provided by qualified substance abuse counselors if such services are covered when delivered by another provider and fall within the counselor's scope of training and education.