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*Testimony before the Assembly Committee on Public Benefit Reform
Representative Jim Piwowarczyk
April 10, 2025*

Thank you, Chairman Knodl, and members of the Assembly Committee on Public Benefit Reform, for holding a public hearing on Assembly Bill 165, which prohibits counties and municipalities from expanding taxpayer dollars on guaranteed income programs.

Across the nation, many larger cities have started implementing guaranteed income programs, which are often funded by taxpayers and provide cash payments on top of other public benefits an individual may already receive. These programs typically do not have work requirements or restrictions on how the money can be spent. While guaranteed income programs differ from universal basic income in that they are mainly aimed at low-income individuals, both approaches involve providing unconditional monthly cash payments with no work requirements.

Recent results from the nation's most comprehensive study, involving 3,000 people in Illinois and Texas over 3 years, found that "those paid a guaranteed income atop any other public benefits worked less, were less likely to work at all, and their households' income fell relative to those not receiving unconditional cash payments."

In short, these programs did nothing to permanently lift people out of poverty and dependency.

In 2022 the City of Madison has launched the Madison Forward Fund, a privately funded initiative that provides \$500 per month for one year to households earning less than 200% of the Federal Poverty Line. While this program had no conditions attached, it is offered in addition to other taxpayer-funded benefits that participants may already be receiving. Milwaukee launched its pilot program in 2024, known as The Bridge Project, which includes 100 participants. The program is specifically designed for expectant mothers living in certain low-income ZIP codes within the city.

The funding approval from the Milwaukee Common Council occurred in October, despite opposition from Mayor Cavalier Johnson, who argued that the city's funding of "unconditional cash transfers" was not sustainable. He advocated for the funding to come solely from private sources.

Assembly Bill 165 would not prevent privately funded guaranteed income programs, like the Madison Forward Fund, but it would prohibit the use of taxpayer dollars for such programs. Currently, Wisconsin has very low unemployment and a historically low labor force participation rate, with employers across the state struggling to find workers. Many businesses are offering sign-on bonuses and other incentives. Taxpayers already fund numerous state programs aimed at helping low-income individuals and families, and it is not appropriate to ask them to fund additional financial support on top of existing government benefits, especially when there is a pressing need for more workers in the labor market.

Given the ongoing workforce shortage in Wisconsin and the increasing demand for state funding to address inflationary pressures, local governments should not be allowed to divert taxpayer dollars from critical programs to fund initiatives that encourage dependency on the government rather than fostering self-reliance. Additionally, those targeted by guaranteed income programs already receive substantial benefits from existing social safety net programs like Medicaid, FoodShare, subsidized child care, and state supplemental security income, which make up a significant portion of the state budget.

Through the statewide advisory referendum in 2023, 80% of Wisconsin voters voiced their support to require able-bodied childless adults to look for work in order to receive tax-payer-funded welfare benefits.

It's important that the Legislature pass AB 165 to ensure that Wisconsin taxpayers do not end up paying for guaranteed income programs that reduce self-reliance and increase government dependency.

Thank you for considering Assembly Bill 165 and I will be happy to answer any questions you may have.



DAVE MAXEY

STATE REPRESENTATIVE • 83RD ASSEMBLY DISTRICT

Testimony on Assembly Bill 165 Assembly Committee on Public Benefit Reform April 10, 2025

Thank you, Chairman Knodl and committee members, for hearing my testimony on Assembly Bill 165.

I am before you today because I'm deeply concerned about the direction our state is headed with taxpayer-funded guaranteed income programs. These programs, which provide cash with no work requirements, are nothing more than a government handout.

We are already facing historic inflation, and businesses are struggling with worker shortages. Instead of addressing these real issues, guaranteed income programs only make the problem worse. By giving people money without any requirement to work, we're just creating more dependency on government. But in reality, isn't that the goal for some? To keep people reliant on the government rather than helping them get back on their feet?

Wisconsin taxpayers are already paying for state-funded programs to help those in need. They shouldn't be forced to fund more handouts that do nothing to encourage work or independence. Assembly Bill 165 will prevent local governments from using taxpayer dollars for these guaranteed income programs, while still allowing privately funded efforts such as the Madison Forward Fund.

I urge you to support Assembly Bill 165 to protect Wisconsin taxpayers from being forced to fund programs that only expand government control and undermine the values of hard work that built this country.

Stephen L. Nass

Wisconsin State Senator

Prohibiting Taxpayer Funded Guaranteed Income Programs

Testimony of Senator Steve Nass

Assembly Committee on Public Benefit Reform

April 10, 2025 • 300 Northeast State Capitol

Thank you, Chairman and committee members for allowing me to testify in support of Assembly Bill 165. This legislation would prohibit counties and municipalities from expending taxpayer dollars on guaranteed income programs.

Shortly after President Biden signed the CARES Act, the Mayors for a Guaranteed Income (MGI) was established in June 2020 with the goal of creating permanent guaranteed income programs in cities across the country. According to MGI's report in 2024, there were 170 Mayors who supported the program including Madison's mayor.

In 2022 Madison launched the Madison Forward Grant which "provided a monthly, cash payment of \$500 given directly to 155 households for 12 months to spend however they need." The Madison program is limited to help those who have a household income 200% or less of the Federal Poverty Line, someone who is 18 or older, a resident of the City of Madison, and is living with at least one child aged 17 or younger.

Taxpayer dollars are already being sent to various programs to assist those who are in need, like Medicaid, FoodShare and other programs which help Wisconsinites get back on their feet. The Madison Forward Grant supplied money on top of these forms of assistance, and if this were expanded, government would be paying people not to work. If Madison's program were expanded, hardworking citizens would be paying their neighbors not to work rather than helping them find work.

AB 165 is designed to prohibit local governments from using taxpayer dollars to fund guaranteed income programs. Government should encourage its citizens to work, not provide incentives to and create a life of dependency.

Thank you for your support, and I am happy to answer any questions.

"In God We Trust"

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Testimony in Support of Assembly Bill 165

Presented to
Wisconsin Assembly Committee on Public Benefit Reform

April 10, 2025

Timothy Puglisi, *Visiting Fellow*
FGA Action

Chairman Knodl and members of the committee, thank you for the opportunity to submit testimony on behalf of FGA Action in support of Assembly Bill 165.¹ This bill prevents local governments from using hardworking Wisconsinites' tax dollars to run guaranteed income programs.

Guaranteed income programs are gaining in popularity across the country. These programs, often run by local or city governments, distribute no-strings-attached cash payments. Recipients can spend the payments on whatever they like, and there are no work or education requirements. Nationwide, there have been more than 160 programs implemented using both taxpayer and private dollars.² Madison already implemented a pilot for a guaranteed income program using private money, while Milwaukee considered using taxpayer money to start a program, though the city couldn't afford it.³⁻⁴⁻⁵

Supporting this bill is crucial because proponents of these programs are not just doing this for research; they are trying to create a narrative for the federal government to provide a universal basic income to every single American.⁶ Such a program would cost trillions of dollars, completely undermine the value of work, and cause economic turmoil.⁷

This push is being made despite studies of guaranteed income programs across multiple states revealing what we know from common sense—rather than empowering individuals, guaranteed income programs reduce workforce participation and trap more people in government dependency.

One of those studies revealed that those receiving monthly guaranteed income payments worked less, spent more time on leisure activities, and did not seek out better jobs.⁸ Similar research found that guaranteed income programs have no impact on physical health or improvements in mental health.⁹⁻¹⁰

Moreover, surveys of participants across guaranteed income programs show that only nine percent of funds are spent on housing and two percent on health care.¹¹ Most of the money received from these programs is spent on retail sales, like purchases from Walmart or Target.¹² Anecdotes from participants of the guaranteed income program currently being run in Washington, D.C., revealed that program money has been spent on a vacation to Miami, splurges on clothes, and birthday parties.¹³⁻¹⁴

Despite the studies, surveys, and stories, local governments across the country are still deciding to operate these programs with public funds. In California, one local program even paved the way for a statewide policy to provide guaranteed income to cities and towns across the state at a cost of \$35 million to the taxpayers.¹⁵ That's why Arkansas, Idaho, Iowa, Kansas, and South Dakota have banned these socialist programs in order to protect their workforces and local economies.¹⁶⁻¹⁷⁻¹⁸⁻¹⁹⁻

²⁰ Wisconsin should be next; it is clear that guaranteed income is a bad policy, regardless of who receives a check or what they choose to spend it on. This bill protects freedom, which, as President Reagan said, "is never more than one generation away from extinction."

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- ¹ Assembly Bill 165 (2025), <https://docs.legis.wisconsin.gov/2025/proposals/reg/asm/bill/ab165/>.
- ² Stanford University, "Basic income lab," Stanford University (2023), <https://basicincome.stanford.edu/experiments-map/>.
- ³ City of Madison, "City launches guaranteed income research program to support low-income families" (2022), <https://www.cityofmadison.com/news/city-launches-guaranteed-income-research-program-to-support-low-income-families>.
- ⁴ Jeramey Jannene, "Federal funds could be used for Milwaukee universal basic income program," Urban Milwaukee (2021), <https://urbanmilwaukee.com/2021/07/14/city-hall-federal-funds-could-be-used-for-milwaukee-universal-basic-income-program/>.
- ⁵ Drake Bentley, "Mayor Cavalier Johnson is open to the idea of guaranteed income, but says the city can't afford it right now," Milwaukee Journal Sentinel (2022), <https://www.jsonline.com/story/news/2022/07/14/milwaukee-mayor-cavalier-johnson-open-guaranteed-income-low-income-residents/7693116001/>.
- ⁶ Liesel Crocker, "Why states should ban universal basic income schemes," Foundation for Government Accountability (2024), <https://thefga.org/research/why-states-should-ban-universal-basic-income-schemes/>.
- ⁷ Ibid.
- ⁸ Eva Vivalt et al, "The employment effects of a guaranteed income: Experimental evidence from two U.S. states," University of Illinois at Urbana-Champaign (2024), <https://evavivalt.com/wp-content/uploads/Vivalt-et-al.-ORUS-employment.pdf>.
- ⁹ Sarah Miller et al., "Does income affect health? Evidence from a randomized controlled trial of a guaranteed income," National Bureau of Economic Research (2024), <https://www.nber.org/papers/w32711>.
- ¹⁰ Sarah Miller et al, "Does income affect health? Evidence from a randomized control trial of guaranteed income," University of Illinois at Urbana-Champaign (2024), https://public.websites.umich.edu/~mille/ORUS_Health.pdf.
- ¹¹ Guaranteed Income Pilots Dashboard, Center for Guaranteed Income Research (2024), <https://guaranteedincome.us>.
- ¹² Ibid.
- ¹³ Michael Brice-Saddler, "D.C. sent \$10,800 to dozens of new moms. Here's how it changed their lives," Washington Post (2024), <https://www.washingtonpost.com/dc-md-va/2024/02/01/dc-cash-payments-mothers-pilot-program/>.
- ¹⁴ Guaranteed Income Pilots Dashboard Stories, Center for Guaranteed Income Research (2024), <https://guaranteedincome.us/stories>.
- ¹⁵ Cinnamon Janzer, "Guaranteed income initiatives are moving from pilots to policies," Next City (2022), <https://nextcity.org/urbanist-news/guaranteed-income-initiatives-are-moving-from-pilots-to-policies>.
- ¹⁶ Arkansas House Bill 1681 (2023), <https://www.arkleg.state.ar.us/Bills/Detail?id=hb1681&ddBienniumSession=2023%2F2023R>.
- ¹⁷ Idaho House Bill 572 (2024), <https://legislature.idaho.gov/sessioninfo/2024/legislation/h0572>.
- ¹⁸ Iowa House File 2319 (2024), <https://www.legis.iowa.gov/legislation/BillBook?ba=HF2319&ga=90>.
- ¹⁹ Kansas House Bill 2101 (2025), https://kslegislature.gov/li/b2025_26/measures/hb2101.
- ²⁰ South Dakota Senate Bill 115 (2024), <https://sdlegislature.gov/Session/Bill/24851>.