



Tony Evers

Office of the Governor | State of Wisconsin

September 12, 2025

The Honorable Ron Johnson
328 Hart Senate Office Building
Washington, DC 20510

The Honorable Tammy Baldwin
141 Hart Senate Office Building
Washington, DC 20510

The Honorable Bryan Steil
1526 Longworth House Office Building
Washington, DC 20515

The Honorable Mark Pocan
1026 Longworth House Office Building
Washington, DC 20515

The Honorable Derrick Van Orden
1513 Longworth House Office Building
Washington, DC 20515

The Honorable Gwen Moore
2252 Rayburn House Office Building
Washington, DC 20515

The Honorable Scott Fitzgerald
2444 Rayburn House Office Building
Washington, DC 20515

The Honorable Glenn Grothman
1211 Longworth House Office Building
Washington, DC 20515

The Honorable Tom Tiffany
451 Cannon House Office Building
Washington, DC 20515

The Honorable Tony Wied
424 Cannon House Office Building
Washington, DC 20515

Dear Duly Elected Members of Congress:

As we enter the fall season and colder weather approaches, household utility costs are front of mind for many Wisconsinites. For many Wisconsin families, those costs are the difference between staying ahead and falling behind. Folks shouldn't have to choose between paying for child care or filling a prescription and staying warm throughout the winter. High energy costs are just one of the pressures families work through every day to make ends meet. I've traveled to every corner of our state—from Racine to Rhinelander—and I've heard the same thing: people want the basics to be affordable, their goals to be attainable, and their communities to feel supported, not left behind.

While we have continued to make progress here in Wisconsin, President Trump's FY26 budget request would be a step squarely in the wrong direction. The president's proposal guts proven programs that lower energy bills, keep housing within reach, and help small towns finance the services they count on. As Congress considers funding for the coming fiscal year, I want to make clear how the president's request would impact Wisconsin families and communities.

Energy Affordability and Resilience

DOE Weatherization Assistance Program (WAP)

Energy affordability is a kitchen-table issue, and President Trump's budget shows little concern for that reality by eliminating the very programs that ease the burden. Specifically, his proposal would eliminate the U.S. Department of Energy's (DOE) Weatherization Assistance Program (WAP). This critical program lowers utility bills for low-income households, keeps seniors and kids safe during frigid Wisconsin winters, and helps folks stay in their homes when the weather turns.

Families should not be bracing for higher energy bills because President Trump chose to zero out critical supports like WAP. Wisconsin's Weatherization Assistance Program improves the energy efficiency of homes occupied by low-income households with priority for seniors, households with kids, and people with disabilities, so no one has to choose between buying groceries and paying their utility bill. Last year alone, Wisconsin's program was able to deliver assistance to 5,100 households, providing insulation, furnace repairs, and health and safety improvements.

This important work is delivered by a statewide network of county agencies, Tribal governments, community-based organizations, and housing authorities, and by braiding the funding with other state and federal funds like the Low Income Home Energy Assistance Program (LIHEAP) and state Public Benefits funding, Wisconsin can stretch every project further and deliver more results throughout our communities. However, the plan to eliminate WAP funding comes at the same time the president is proposing to eliminate LIHEAP outright, the energy-bill relief program that helped more than 148,000 Wisconsin households with nearly \$54 million in assistance last winter. Zeroing out LIHEAP while also eliminating WAP would hit many of the same families twice, undercutting the very programs that serve the most vulnerable members of our communities. With energy costs continuing to put pressure on Wisconsin's budgets, continuing robust funding for WAP is essential to countless families across the state.

DOE State Energy Program (SEP)

As the Trump Administration is proposing cuts to critical affordability programs, Congressional Republicans are considering a 16.7 percent cut to the State Energy Program (SEP). The federal SEP provides critical funding and technical assistance to state energy offices to enhance energy security, advance state-led energy initiatives, and increase energy affordability.

In Wisconsin, SEP is how the Public Service Commission (PSC) performs the core readiness and affordability work communities count on. It funds development of Wisconsin's Energy Security Plan for federal certification, day-to-day coordination with liquid fuel suppliers so the state can act quickly when shortages hit, and a Refueling Readiness program that wires designated stations and bulk depots for generator use so first responders can access diesel and gasoline during outages. SEP dollars also support propane-saving incentives delivered with Focus on Energy, cutting demand in agriculture and easing winter strain on residential supply. The same SEP team provides hands-on help to local governments and Tribal nations, and carries the compliance load for other federal energy programs, so funds move to projects quickly and in full compliance with federal requirements. If the proposed House reduction were applied proportionally, Wisconsin's SEP formula award would drop by roughly \$217,000.

Exacerbating the possible budget cuts in the House appropriations bill, under a new policy directive issued by President Trump's Department of Energy, Wisconsin would be required to immediately reduce its fringe and indirect costs to a combined 10 percent of the award. Under the cut and the cap, the PSC estimates SEP-funded staffing would need to be reduced by more than half to be in compliance. If Congress's proposed reduced

appropriation is enacted, combined with the Trump Administration's new Indirect Cap policy, essential programs and staffing will be dramatically impacted. This would result in reduced assistance to local governments for energy security planning and implementation, and potential gaps in tracking heating oil and propane pricing and shortages needed to be ready to respond to energy emergencies. Put plainly, a 16.7 percent cut layered with the 10 percent indirect cap means fewer people doing the essential work that keeps the heat and fuel flowing when it matters most.

Taken together, eliminating WAP and cutting SEP—while capping basic cost recovery at the same time—will drive up energy burdens for vulnerable Wisconsin families and leave underserved communities less prepared when storms or supply disruptions hit. Wisconsinites deserve federal leaders who keep heat affordable and emergency fuel flowing when it's needed the most. I urge you to reject these irresponsible cuts and protect Wisconsin families and communities who would bear the brunt.

Housing Stability and Community Development

HUD Topline Cut

Building more affordable housing has been a priority for my administration, and we've secured important, bipartisan wins to move us forward, such as signing historic legislation to create new programs to incentivize the construction of workforce and senior housing and converting vacant commercial buildings into new housing options for Wisconsinites. In contrast with our state-led progress, as our nation faces an acute and worsening housing shortage, President Trump is proposing to slash U.S. Department of Housing and Urban Development (HUD) funding by nearly 44 percent. Cutting HUD's funding by such a drastic amount would shrink gap-financing sources for critical affordable housing projects, tighten underwriting, and stall marginal deals, further intensifying the housing crisis. The Wisconsin Housing and Economic Development Authority (WHEDA), the Department of Administration, and local housing authorities depend on predictable HUD funding to keep voucher payments flowing and project-based contracts stable.

A topline reduction of this magnitude could mean fewer rural and supportive housing projects penciling out, deferring needed preservation and letting existing affordable units slip into disrepair, and owners facing harder math to keep properties stable. The squeeze does not stop at the topline. The budget would also eliminate PRO Housing and the Fair Housing Initiatives Program and reduce Lead Hazard Reduction and Healthy Homes, stripping away tenant protections and healthy homes programs that communities use to unlock housing supply, protect renters, and make older homes safe for kids. Wisconsin families deserve safe, stable housing they can afford, and leaders committed to solving the problem, not making the housing crisis worse. That starts with funding the programs that communities use to unlock housing supply, preserve existing affordable units, and backstop rural and supportive housing that rarely pencils out.

State Rental Assistance Block Grant

President Trump's FY26 budget would also upend rental assistance by rolling Housing Choice Vouchers, Project-Based Rental Assistance, Public Housing Operating Funds, and the Section 202 and 811 programs into a single state block grant, with new time limits and work requirements. Currently, one in every thirteen units in Wisconsin is supported by one of these programs. This approach introduces new barriers to assistance and offers nothing that would reduce market rents or construction costs. Scrapping long-standing federal standards and replacing them with a new state program would inject uncertainty into every lease and financing plan in Wisconsin, just as families face higher costs.

In Wisconsin, that uncertainty would fall on tenants and homeowners first. Along with local housing authorities, WHEDA administers vouchers in communities across Wisconsin and serves as HUD's project-based contract administrator. If funding or rules change midstream, voucher households will be asked to make up the difference at the end of the month, landlords will lose predictable payments, and both preservation and new construction will get harder to underwrite. This would be especially harmful for rural markets and supportive housing, where deals already run on thin margins. Wisconsin needs stable, reliable rental assistance that keeps roofs over people's heads and makes projects financeable, not a time-limited block grant that adds red tape and risk.

HOME Investment Partnerships

When families are already stretched by rising rents, President Trump's budget would scrap the HOME Investment Partnerships Program entirely, pulling roughly \$1.25 billion nationally out of the very projects that keep housing within reach. This weakens the soft-financing layer communities use to close deals, preserve aging homes, and provide tenant-based rental help when a family hits a rough patch.

In Wisconsin, HOME is the routine gap-closer that helps WHEDA's partners make underwriting work, especially in rural markets and supportive housing that have trouble penciling out on their own. These awards are multi-year by design, with several running into 2032 and 2033, to match construction and financing timelines. Cutting HOME now would strand projects mid-process, slow new construction and rehab of existing homes, and make housing more expensive for working families and seniors.

Community Development Block Grant (CDBG)

President Trump's budget would also eliminate Community Development Block Grants entirely, a sweeping \$3.3 billion cut nationwide. In Wisconsin, CDBG funding is used by small and rural communities to fix streets and water lines and rehab older homes. In the past few years alone, CDBG enabled needed improvements to sewer and water infrastructure in the city of Shawano, construction of a new food pantry and meal preparation kitchen space for seniors in the city of Prescott, and renovations to nursing home facilities in Bayfield County. Across the state, these dollars help small communities turn local priorities into projects that serve real people. In the most recent program year, non-entitlement CDBG supported about \$13 million for housing rehab that improved 351 homes, and more than \$23 million for local infrastructure that benefited over 19,000 Wisconsinites. Ending both entitlement and state-administered CDBG would slow local infrastructure and housing-rehab work, with the sharpest effects in small and rural communities that depend on non-entitlement CDBG.

The proposal goes even further by eliminating Housing Opportunities for Persons With AIDS (HOPWA) and trimming Emergency Solutions Grants (ESG). HOPWA kept 241 Wisconsin households with HIV/AIDS stably housed and connected to care in the most recent year. Zeroing out HOPWA creates immediate risk for people whose housing and health are tied together. In FFY 2024, ESG supported 11,650 Wisconsinites through outreach, shelter, and rapid rehousing. Even a "modest" reduction in ESG funding takes capacity off the front lines when need remains high. President Trump's proposal also abolishes the U.S. Interagency Council on Homelessness, removing the federal coordinating body that communities use to align HUD, HHS, and VA resources to reduce unsheltered homelessness.

The Trump Administration also proposes shuttering NeighborWorks America, which helps local nonprofits counsel first-time homebuyers, rehab aging homes, and bring small infill projects online. Eliminating this program would leave fewer Wisconsin families able to get mortgage-ready, more properties vacant, and allow older neighborhoods to fall further behind. That is a step backward for homeownership and neighborhood stability from Superior to Kenosha.

Each of these cuts, on its own, would hurt local housing pipelines and Wisconsin families who rely on steady assistance to stay housed. Taken together, they would set back housing supply and stability in every region of Wisconsin. My ask is straightforward: reject these shortsighted cuts, support Wisconsinites as they face a national housing crisis, and keep the federal housing toolbox intact so local partners can deliver homes people can afford.

Rural Development and Main Street Investment

Treasury CDFI Fund

Wisconsin's community development financial institutions (CDFIs) fill the financing gaps banks don't, pairing flexible federal awards with private capital to finance affordable housing, rehab neighborhood buildings, and support local businesses. President Trump's budget would eliminate the CDFI Fund's core discretionary grants, roughly \$291 million nationally, and replace them with a much smaller \$100 million Rural Financial Assistance program that reserves 60 percent for rural CDFIs. That shrinks the pot and narrows eligibility at the very moment families and small employers are feeling the economic pressures the most.

This trade-off could mean fewer gap loans to bring upper-floor apartments back into use on main streets, tougher financing for child care centers and grocers in small towns, and slower rehab of aging homes that workers rely on. Wisconsin CDFIs serve both rural communities and the regional hubs where rural residents go for work, healthcare, and services. They do this by maintaining balanced portfolios that braid federal grants with local capital. A smaller, narrower program would force lenders to chase a reduced pool of funds and leave good, community-priority projects on the sidelines across the state.

Please stand up for Wisconsin's rural communities and reject the proposal to eliminate this vital service that communities across the state rely on. Rural Wisconsin deserves tools that move projects forward and keep communities thriving.

Keeping Rural Homeownership and Thriving Communities Within Reach

Rural homeownership shouldn't be a lottery ticket or a far-fetched dream. President Trump's budget would push that dream further out of reach by eliminating USDA's Single Family Housing Direct Loans. For many very low-income rural families, this program is one of the few paths to a safe, modest home when bank financing or guarantees aren't available.

The president's budget seeks to replace this lifeline for rural communities with a Rural Development 'streamlining' that ends the direct loan option and points families to private credit. Simply replacing this program with "use a USDA-guaranteed private loan or go without" may not pass private underwriting at an affordable payment for a cashier in Medford or a CNA in Ladysmith. Moving from the Direct federal loan to a 'guarantee-only' model shifts rural homeownership toward higher-income, easier-to-serve borrowers, raises monthly costs with fees and market-rate pricing, and leaves very low-income families in credit-thin towns without a workable path to buy or repair a modest home. The Trump Administration is shutting the door on first-time buyers and young families who want to put down roots near family, school, and their community. That means fewer families are able to buy, more kids are switching out of their hometown schools, and main streets are losing the very neighbors who keep them thriving.

Homeownership only works when the community around it works too. On top of making it harder for first-time buyers, President Trump's budget proposal rebalances the USDA Community Facilities program away from grants and into loans under a single subsidy rate, targeting only the very highest-need projects. In practice, that makes it harder for small towns to close the gap on essentials like an ambulance bay, a clinic renovation, or a library roof. Telling villages to "just borrow more" shifts costs onto local taxpayers, slows public-safety projects, and leaves rural families waiting while prices climb.

The same proposal also pares back Rural Business and Cooperative Service non-credit assistance by rolling up or reducing grants and on-the-ground technical help in favor of telling our rural communities to lean more on credit. Credit is important, and so are guarantees, but in rural markets, the planning dollars, feasibility work, and hands-on technical assistance are often what make a project able to pencil out in the first place. Cutting those pieces could mean fewer expansions at a small cheesemaker, harder paths for worker-owned co-ops to scale, or higher costs for main-street entrepreneurs who already struggle to access affordable capital.

Our rural communities are not asking for special treatment, just a fair shot to buy a modest home, keep clinics and fire halls open, and grow local small businesses. I urge you to reject the Trump Administration's proposed elimination of these vital programs so Wisconsin's small towns and rural communities can keep moving forward.

At a time when families are paying more for heat, rent, and groceries, President Trump's budget would raise costs and pull back the very tools that keep Wisconsin families warm, housed, and working in their hometowns. Instead of solving problems, President Trump's proposal strips financing and staffing from proven programs that lower costs for Wisconsinites in every corner of the state. I urge you to reject these cuts and restore stable, predictable funding so our state agencies, local governments, Tribes, and community partners can deliver what Wisconsinites need: affordable energy, attainable housing, and thriving main streets.

Yours in service,

A handwritten signature in cursive script that reads "Tony Evers".

Tony Evers
Governor