



## **2011-13 BIENNIAL BUDGET BILL**

### **INTRODUCTION**

In March, Governor Walker introduced his proposed biennial state budget for 2011-13 (Senate Bill 27 and Assembly Bill 40). Between now and July, the Legislature will review the Governor's proposal, as modified by the Joint Committee on Finance, and consider amendments to it.

### **BUDGETS FROM A CATHOLIC PERSPECTIVE**

While government budgets are laden with numbers, statistics, and estimates, fundamentally they are legislative proposals with moral implications. Budgets are about people and the priorities of the community. While the Wisconsin Catholic Conference (WCC) does not take a position on the budget as a whole, the WCC does urge individuals to assess budgets in light of their impact on the common good, the extent to which they show a preferential option for the poor, and the degree to which they foster solidarity among the citizens of our state.

Based upon these broad principles, the WCC has identified several areas of interest and concern in the Governor's budget.

### **BUDGET PROVISIONS THE WCC SUPPORTS**

**Milwaukee Parental Choice Program (MPCP).** The budget includes a number of provisions to expand access to the MPCP. It also restores nationally-normed standardized testing and fosters improved communication between the Department of Public Instruction (DPI), MPCP participating schools, and families. The WCC supports these changes.

**Contraception Mandate.** The budget eliminates the requirement that all health insurance policies provide coverage for contraceptives and contraceptive services, regardless of religious objections. The WCC supports eliminating this restriction on religious liberty. Once removed, conscientious employers will be able to continue to purchase health insurance on the private market without ethical reservations.

**Family Planning Services.** The budget eliminates extension of Medicaid family planning services to men. It also eliminates funding for community-based family planning programs and specific annual family planning services grants. The WCC supports these provisions and asks that these funds be redirected to programs that promote maternal and child health.

### **BUDGET PROVISIONS THE WCC OPPOSES**

**Homestead Tax Credit Program.** The homestead tax credit program directs property tax relief to low-income homeowners and renters through a credit, which reduces individual income tax liability, or as a cash refund, if the credit exceeds income tax due. The credits are limited to

Wisconsin residents 18 years of age or older and in 2010 went to approximately 247,000 households. The credits are indexed for inflation. The budget repeals this indexing for a savings of about \$8 million. As a result, low-income families who rely on the credit will receive no increase this year.

**Earned Income Tax Credit (EITC).** The EITC is offered at both the federal and state levels as a means of providing assistance to lower-income workers. Under current law, an individual may claim the refundable Wisconsin EITC if he or she has one or more qualifying children. The budget adjusts the credit available to 5 percent of the federal EITC for a claimant with one qualifying child, and lowers it to 8 percent for those with two children, and 40 percent for those with three or more children. Statewide low-income families will receive about \$20 million less each year as a result of this change.

Both the EITC and the Homestead Tax Credit programs serve needy families who are less able than others to sustain the higher costs of property taxes. Tax relief should be equitable and take into account the needs of those most vulnerable. For this reason, the WCC requests that the Legislature retain current law for both the Homestead Tax Credit and the EITC.

**Wisconsin Works (W-2).** W-2 provides cash assistance, job training, and other services to families who are unable to find work on their own. The budget reduces the maximum cash assistance payment by \$20 a month. The WCC opposes this cut for the neediest families.

**Medicaid and Health Services.** The budget will reduce Medicaid expenditures by over \$500 million in the next biennium, with certain services reduced or eliminated completely. Examples include eliminating supplemental payments to essential access city hospitals for Medicaid care and capping enrollment in the community-based Family Care program. The budget also limits reimbursement rates for the treatment of end stage renal disease. The WCC opposes limiting enrollment in programs that provide effective treatment for the poor and vulnerable.

**State-Only FoodShare.** The budget prohibits legal immigrants who do not meet federal residency requirements (e.g. have not resided lawfully in the U.S. for at least five years) from receiving FoodShare benefits (food stamps). The WCC opposes denying this basic assistance to legal immigrants.

**Resident Tuition.** The budget repeals a provision that allows immigrants who are not legal permanent residents of the U.S. to qualify for resident tuition at a University of Wisconsin system institution or state technical college. The WCC opposes this repeal. If we want unauthorized immigrants to fully acculturate and legalize their status, providing them with affordable higher education is one of the most effective and efficient ways to do so.

## **ACTION REQUESTED**

Write or call your legislator to support the positions identified above.

*For more information, please contact the Wisconsin Catholic Conference at 608/257-0004.*