



## 2017-19 STATE BUDGET BILL

### INTRODUCTION

In February, Governor Walker introduced his proposed biennial state budget for 2017-19 (Senate Bill 30 and Assembly Bill 64). 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 the WCC does not take a position for or against the state budget as a whole, it recognizes that budgets are moral documents through which our state makes choices and sets priorities. The WCC therefore does address aspects of the budget that advance or hinder important moral principles. For Catholics, two vital principles are respect for the life and dignity of the human person and promotion of the common good. More specifically, every public policy should be measured by how it addresses the needs of the poor, disadvantaged, and marginalized so that they can have the opportunity to lead dignified lives and participate as fully as possible in the life of the community.

Several budget provisions uphold these principles and deserve to be included in the final document, while others do not and should be removed. Additionally, we urge that one item be incorporated into the budget proposal.

### BUDGET ITEMS THAT SHOULD BE RETAINED

**EITC Expansion.** Expands the state's Earned Income Tax Credit, which benefits working parents with low incomes, in tax year 2018, increasing the EITC for parents with one child from 4 percent to 11 percent of the federal EITC. Newly married couples may also avoid tax penalties. Poverty scholars, including the University of Wisconsin Institute for Research on Poverty, acknowledge that the EITC has a significant impact on helping families fend off poverty.

**Education Funding.** Increases K-12 education funding by \$649 million over the two-year budget period and provides commensurate increases for private parental choice programs.

**Children and Family Aids.** Increases aid to families, including increased Children and Family Aids allocation by \$5 million annually starting in 2018; increases foster care rates; and eliminates the "fiscal cliff" in child care subsidies by allowing families participating in Wisconsin Shares with incomes above 200 percent of federal poverty level to continue in the program with graduated copayments.

**Child Survivors of Sex Trafficking.** Increases by \$2 million in fiscal year 2018-19 treatment services to sex-trafficked children.

**Criminal Justice Reform.** Increases funding for the Treatment Alternatives and Diversion program, as well as for similar program in counties. Provides greater opportunities for employment by increasing support for the Windows to Work (W2W) and the Opening Avenues to Reentry Success (OARS) programs.

**Transitional Jobs.** Increases by \$1 million in 2019 the Transitional Jobs initiative for four rural counties, a program which provides subsidized employment and related services for low-income individuals.

## **BUDGET ITEMS THAT SHOULD BE REMOVED OR REVISED**

**Drug Testing of Public Benefits Recipients.** Expands drug testing requirements for new W-2 recipients. The WCC strongly opposed similar measures last session. While the WCC supports helping people escape drug dependency and embrace healthy and responsible lifestyles, these kinds of measures fail to recognize that drug abuse afflicts all income levels and that most of those in drug treatment programs relapse several times before achieving lasting recovery. Nor is the partial payment that will continue to a recipient's child likely to help alleviate family hardship.

**Homestead Tax Credit Changes.** Like the EITC, the Homestead Tax Credit aids owners and renters with low incomes by offsetting expenses tied to property. While the budget includes indexing the credit for certain claimants, those who are non-disabled and under the age of 62 would be significantly harmed due to new eligibility rules. The WCC supports measures that recognize a preferential option for poor, especially in areas that significantly affect those living with poverty, such as housing, food, and medical costs.

## **ITEM THAT SHOULD BE ADDED**

**Juvenile Justice.** The WCC supports returning first-time, nonviolent 17-year-old offenders to the juvenile justice system. Because the adolescent brain is still being formed, the age-appropriate programming found in the juvenile system is the best means to rehabilitate a young offender. Adolescents are far more likely to reoffend, be victimized, or attempt suicide when they are housed in adult institutions.

## **ACTION REQUESTED**

Please contact your legislators to support the positions identified above.

To contact your State Senator or Representative, visit the Wisconsin State Legislature website at <http://legis.wisconsin.gov> and click on "Find My Legislators," or call the State Legislative Hotline, 1-800-362-9472.