

WISCONSIN CATHOLIC CONFERENCE

Capitol Update

SPECIAL EDITION

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WCC Materials on Governor's Budget

The Governor's 2011-13 state budget, (companion bills [Senate Bill 27](#) and [Assembly Bill 40](#)), is the most significant in many years. The budget addresses the gap between spending commitments and anticipated revenues by reducing spending without raising taxes or deferring obligations to subsequent years. As such, the budget imposes cuts in spending to a greater degree than recent budgets. The WCC has prepared an [Issue Brief](#) on the Governor's budget, outlining which budget proposals it supports and which it opposes.

What follows is the WCC's summary of the budget, which, while not comprehensive, nevertheless reflects issues of interest or relevance to the Catholic community in Wisconsin. The proposals are listed under eight headings: 1) State Aids to Local Governments; 2) Children and Families; 3) Education; 4) Health and Social Services; 5) Criminal Justice; 6) Immigration; 7) Tax Policy; and 8) Insurance.

In future *Capitol Updates*, the WCC will report on changes made to the Governor's proposal.

State Aids to Local Governments

School Aids. The budget reduces school aids by about \$841 million over the next two years. This is equal to about 8 percent of current aid to school districts. This reduction is accompanied by stricter revenue limits that will restrict schools from offsetting cuts with higher property taxes. The budget gives school districts the option to reduce the length of the school year by removing the current mandate that schools be in session for 180 days (though the requisite hours of instruction have not been reduced).

The budget also eliminates, effective July 1, 2012, a number of state funded categorical aid programs in education, including children-at-risk, alternative

education, Preschool to Grade 5, advanced placement, alcohol and substance abuse prevention and intervention, English for Southeast Asian children, Milwaukee Public Schools (MPS) grants for improving pupil academic achievement, science, technology, engineering, and mathematics (STEM) grants, and supplemental aids.

Aid to Local Governments. The budget reduces total funding for county and municipal aid programs by \$96 million. Municipalities are being reduced by \$59,500,000 (an 8.8 percent reduction), while counties are being reduced by \$36,500,000 (a 24.1 percent reduction). As with schools districts, the budget limits the ability of local governments to offset the loss of state aid with tax increases. The budget also reduces state payments for municipal services by 10 percent. The budget eliminates the recycling grant program which provides local governments with \$32 million annually to help cover local government recycling costs.

Children and Families

The budget makes several changes to the Department of Children and Families (DCF). It transfers the FoodShare (food stamps), State Supplement to Federal Supplemental Security Income, and Caretaker Supplement programs from the Department of Health Services (DHS) to DCF to make the latter responsible for all economic welfare programs.

Wisconsin Shares. This program provides child care subsidies for low-income families. The budget authorizes DCF to reduce costs by implementing a child care waiting list, increasing parent copayments, and adjusting the income eligibility.

The YoungStar rating plan, which began in 2010, provides an incentive system to reward child care programs that deliver higher quality care to children who receive Wisconsin Shares subsidies. The budget supports YoungStar's development, though it changes its reimbursement system.

Home Visiting. Home Visiting is a service provided in the homes of pregnant women, children from birth to eight years, and their families in order to improve parenting, school readiness, and health. The budget continues the program.

Wisconsin Works (W-2). This program provides cash assistance, job training, and other services to families who are unable to find work on their own. The budget makes the following changes:

- Reduces the maximum cash assistance payment by \$20 a month.

- Limits to 24 months the time a participant can remain in a trial job placement, community service job placement, or a transitional placement.
- Limits the time a participant may participate in educational or training activities to 10 hours per week for a community service job placement and 12 hours per week for a transitional placement, thereby reinstating a previous rule that participants work 28 to 30 hours a week.
- Eliminates the transitional jobs demonstration project, under which DCF provides wage subsidies to employers who employ eligible individuals.

Kinship Care. This program provides funds to a nonparent relative for the care of a child who could be at-risk of abuse or neglect in his or her own home. The budget continues the program.

Education

Mandates. The budget eliminates several mandates that were enacted last session affecting both public and private schools:

- Department of Public Instruction (DPI) approval of training in the administration of drugs to pupils.
- DPI-established indoor environmental quality model management plan and practices to be implemented by each school board and the governing body of each Milwaukee Parental Choice Program (MPCP) school.

Transportation. The budget limits the transportation stipend a family with multiple students attending the same private school receives when a school district provides a stipend in lieu of transportation services. This practice is already permitted for Milwaukee Public Schools (MPS).

Milwaukee Parental Choice Program (MPCP). The budget includes major changes to the state's only private school voucher program:

- Eliminates the 22,500 pupil cap on MPCP enrollment.
- Expands MPCP participation to private schools in Milwaukee County.
- Restores the requirement that MPCP participating schools administer nationally-normed standardized tests in reading, mathematics, and science to MPCP pupils attending grades four, eight, and ten.
- Removes the income eligibility requirement for students who did not attend a MPCP participating school in the 2011-12 school year.

- Requires a MPCP school to determine household income at the time of initial application.
- Allows schools to charge tuition above the voucher payment amount for MPCP eligible families that earn over 325% of the federal poverty level (over \$72,000 for a family of four).
- Requires DPI to notify MPCP participating schools and families of any proposed changes to administrative rules and deadlines prior to the beginning of the school year in which they take effect.

Four-Year-Old Kindergarten. Four-year-old kindergarten is funded through the school funding formula and likely to be affected by the overall decrease in school aids generally. Four-year-old kindergarten start-up funding has been allotted \$1.35 million in the budget, 10 percent less than the base funding for fiscal year 2011 of \$1.5 million.

Elementary Literacy. The budget creates the Elementary School Reading Initiative Task Force, a new program charged with developing and implementing a program to assess and improve elementary school children literacy.

Health and Social Services

Medicaid. The Governor's plan for Medicaid will reduce expenditures by over \$500 million in the next biennium, with certain services reduced or eliminated completely. The budget:

- Eliminates, as of January 1, 2012, the ability of the Department of Health Services (DHS) to extend Medical Assistance (MA) family planning services to men.
- Eliminates funding for community-based family planning programs and specific annual family planning services grants.

Family Care. Financially and functionally eligible elders and adults with disabilities can receive assistance in attaining community-based long-term care services through the Family Care program and other similar programs. For counties where these programs already exist, the budget caps enrollment to the number of participants in a program on a specific date. The budget also prohibits the expansion of Family Care for counties in which the program is not yet available on July 1, 2011, unless DHS determines that expansion is cost effective.

SeniorCare. SeniorCare is a prescription drug benefit program available for Wisconsin residents aged 65 or older who do not have prescription drug coverage through other MA programs. The budget requires, effective January 1, 2012, that eligible individuals enroll in Medicare Part D drug coverage as a condition of SeniorCare enrollment.

End-stage Renal Disease. The budget limits state reimbursement rates for the medical treatment of end stage renal disease.

Income Maintenance Program Administration. The budget moves the administration of income maintenance program assessment and administration from the counties and tribes to DHS, which is charged with establishing an income maintenance administration unit (IM unit).

Criminal Justice

The 2009 Wisconsin Act 28 signed into law by Governor Doyle made several significant changes to the state's correctional system. This budget repeals a number of the Act's provisions.

Adult Institutions. The budget cuts funding in the Department of Corrections (DOC) budget for adult institutions in anticipation of projected declines in the adult population.

Community Corrections. This provides services to offenders who are, or will soon be, on probation or extended supervision in order to reduce recidivism. The budget continues this program.

Treatment Alternatives and Diversion (TAD) Program. The Office of Justice Assistance (OJA) makes grants to counties that establish programs to divert nonviolent offenders with alcohol and drug problems from prisons into treatment programs. The budget requires that counties receiving TAD grants provide a 25 percent funding match.

Council on Offender Reentry. This DOC 22-member council oversees prisoner reentry efforts statewide. The budget continues the program.

Parole Commission. The budget restores the Commission to the responsibilities it had prior to 2009 WI Act 28.

Early Release. The budget repeals the sentencing changes in 2009 Wisconsin Act 28, which enabled the early release of certain offenders from prison.

Wisconsin Substance Abuse Program. The budget recommends creating this new program, so that the DOC and the Department of Health Services (DHS) can collaboratively assist inmates with mental health and substance abuse problems.

Juvenile Corrections. The budget reduces funding for juvenile corrections due to declining populations and closes two facilities, leaving only two in the state: Lincoln Hills School (boys) and Copper Lake School (girls), both in Irma.

Child Pornography. The budget provides increased funding to combat child pornography on the internet.

State Public Defender. The budget funds additional positions in the Office of the State Public Defender (SPD) because new indigency standards put in place in 2009 are expected to increase the number of cases that qualify for state public defender representation. The budget also provides additional funding for private bar attorneys hired by the SPD.

State Prosecutors. The budget increases funding to retain experienced district attorneys.

Immigration

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. Currently this program costs the state \$3,000,000 GPR per year.

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.

Tax Policy

Homestead Tax Credit Program. The homestead tax credit program directs property tax relief to low-income homeowners and renters. Relief is provided as a credit, reducing individual income tax liability, or as a cash refund if the credit exceeds income tax due. Credits are limited to Wisconsin residents 18 years of age or older.

These credits are provided to approximately 247,000 households and, under current law, are indexed for inflation. The budget repeals the indexing, saving the state approximately \$8 million. As a result, low-income families will not receive an increase in the credit 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 Wisconsin EITC is equal to 4 percent of the federal EITC for a claimant with one qualifying child, 14 percent for those with two qualifying children, and 43 percent for a claimant with three or more qualifying children.

The budget adjusts these percentages to 5 percent for a claimant with one qualifying child, 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.

Insurance

Contraceptive Coverage. The budget eliminates the requirement that health insurance policies provide coverage for contraceptives and contraceptive services.

Revised List of Public Hearings on Budget

The Joint Committee on Finance, charged with revising Governor Walker's proposed budget, held its first public hearing in Stevens Point. Three more hearings are scheduled. Times and locations are as follows:

Friday, April 8 (9:00am - 4:00pm) NEW LOCATION

University of Wisconsin – Superior
Wessman Arena
2701 Catlin Avenue
Superior, WI 54880

Monday, April 11 (10:00am - 6:00pm)

Wisconsin State Fair Park
Expo Center, Hall A
8200 W. Greenfield Ave.
West Allis, WI 53214 (Enter Gate 4 for Parking)

[Sign language interpreters will be onsite at the Expo Center from 11:00 a.m. to 1:00 p.m.]

Wednesday, April 13 (10:00am - 6:00pm) NEW LOCATION

Pickard Civic Auditorium
1275 Tullar Rd.
Neenah, WI 54956-4426

Anyone wishing to attend the hearings should arrive early and register if they wish to speak. Testimony will be limited to two minutes per speaker. The Committee will conclude taking testimony at the time specified. Written comments can be emailed to the Committee at BudgetComments@legis.wisconsin.gov, or sent via U.S. mail to: Joe Malkasian, Room 305 East, State Capitol, Madison, WI 53702.

Capitol Update is a periodic e-mail on legislative issues from the Wisconsin Catholic Conference.

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