

WISCONSIN CATHOLIC CONFERENCE

Capitol Update

July 22, 2011

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WCC Overview of State Budget

This summarizes the final disposition of the \$66 billion biennial budget as affected by the Governor’s signing and partial vetoes on June 26, 2011. The summary is limited to issues of greatest interest to the WCC and Catholic groups. For the most part, it describes the final outcome and does not address how particular budget items or programs evolved through the process. It also is limited to noting where changes have occurred and does not report on programs that remain unchanged from the previous biennium.

The budget eliminates the state’s \$3 billion structural deficit and provides a surplus of \$300 million for the next biennium. It achieves this through reduced spending and without raising general or property taxes. Indeed, the budget contains more than \$80 million in tax cuts or credits for business. This is in addition to the more than \$150 million in tax cuts enacted earlier this year in the budget adjustment bill.

State Aid to Local Governments

School Aids. The budget reduces school aids by almost \$800 million over the next two years. This is equal to about eight percent of current aid to school districts. This reduction is accompanied by stricter revenue limits on school districts that prevent accessing higher revenues through increased local property taxes.

Aid to Local Governments (Shared Revenue). The budget reduces total funding for county and municipal aid by over \$76 million. Municipalities are being reduced by \$47 million while counties are being reduced by \$29 million. As with schools districts, the budget limits the ability of local governments to offset the loss of state aid with tax increases.

Children and Families

Abortions at UW Hospitals and Clinics. The budget includes a provision that recognizes the University of Wisconsin Hospitals and Clinics Authority (UWHCA) as a state agency, barring it from performing abortions except as permitted by current law (i.e., rape, incest, and life of the mother).

Wisconsin Shares. This program provides child care subsidies for low-income families. The budget authorizes the Department of Children and Families (DCF) to reduce costs by implementing a child care waiting list, increasing parent copayments, and adjusting the income eligibility. The budget supports the continued development of YoungStar, a childcare rating system, though it lowers its reimbursement payments to providers.

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; imposes a 24-month time limit for recipients participating in W-2 subsidized jobs (though extensions are permissible in certain cases); increases the work requirements for W-2 recipients; and reduces from 12 weeks to eight weeks the time a caretaker of a newborn child may receive a Caretaker of a Newborn Infant Grant (which allows the caretaker of the newborn to be exempt from W-2 work requirements).

Child Labor. The budget modifies state laws governing employment of minors to be consistent with federal law. The change means that permissible work hours for 14 and 15-year-olds have changed (based on the time of year a student works), and for minors 16 and 17-years-old there is no longer a state limit on the hours and days of work, except for lunch or other rest periods.

Education

Milwaukee Parental Choice Program (MPCP). The budget expands the Milwaukee Parental Choice Program (MPCP) by eliminating the cap on enrollment, expanding the income eligibility level, and permitting married couples to reduce their income by \$7,000 prior to applying the eligibility test. The budget also establishes that once a student is eligible to participate in the program, he or she remains eligible to participate in future years. MPCP high schools are also now permitted to charge tuition and fees above the voucher payment amount for certain students, and all private schools are now eligible to participate in the MPCP (though only students residing in the City of Milwaukee may participate). The budget also contains several measures that provide for ease of administration in the program.

Parental Choice Program in Other Districts. The budget permits pupils in eligible public school districts to seek participation in a parental choice program. A district must meet certain criteria, as measured by the Department of Public Instruction (DPI), to trigger creation of the program and currently only the Racine Unified School District (RUSD) is eligible. Only pupils who reside within RUSD may participate in the program and a pupil can only participate if he or she was enrolled in RUSD in the prior year; was not enrolled in school; or is enrolling in kindergarten, first grade, or ninth grade in a school participating in program this year.

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 literacy.

Health and Human Services

Medicaid. While the budget dedicates almost all new additional revenues to Medicaid expenditures, there still remains a \$500 million gap in funding in the next biennium, with certain services reduced or eliminated. However most cuts are not enumerated in the budget, but rather the Department of Health Services (DHS), under broad authority, has been designated to make specific decisions regarding the reductions.

Family Care. For community-based long-term care services, such as the Family Care program, the budget caps enrollment in these programs to the number of participants within a county on a specific date, requires a study of the program, and prohibits the expansion of Family Care for counties in which the program is not yet available. However it permits new enrollments when an emergency situation arises.

Family Planning Services. The budget eliminates the 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. However, it retains most of the family planning funding regarding the maternal and child health grant program (renaming it the “Women’s Health Block Grant”), but bars the provision of funds to public or private entities that provide abortion services or referrals for abortion services, or their affiliates, unless services are those currently permitted with public funds. The budget also restores a lower income ceiling for family planning waiver program eligibility; requires parental

notification for those seeking services under 18-years-old; and requires that eligibility for family planning services be based on family income and not the minor's individual income. Further eligibility standards for this program will be defined by the Department of Health Services.

Criminal Justice

The 2009 Wisconsin Act 28 signed into law by Governor Doyle made several significant changes to the state's correctional system. The budget repeals a number of the Act's provisions, including Early Release. The budget puts additional funding into DNA analysts, child safety, and state public defenders.

Immigration

State-Only FoodShare. The budget eliminates state-funded food stamps for legal immigrants in need who do not meet federal residency requirements (i.e., have not resided lawfully in the U.S. for at least five years).

Resident Tuition for Unauthorized Immigrants. The budget repeals a 2009 law that allowed 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 through a credit, which reduces individual income tax liability, or acts 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 are indexed for inflation. The budget repeals this indexing.

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 retains the current credit of four percent of the federal EITC for a claimant with one qualifying child, and lowers it from 14 percent to 11 percent for those with two children, and from 43 percent to 34 percent for those with three or more children.

Other

Unemployment Compensation. The budget includes a provision to apply a one-week “waiting period” before a qualified applicant may receive his or her benefits. In addition, applicants lose eligibility if they refuse a drug test as mandated by their employers or if they are not employed because of failing a drug test.

Payday Lending. The budget eliminates some of the regulations put in place last session, including a provision to prohibit auto title loans.

USCCB Strongly Opposes Mandates for Birth Control and Sterilization

The Patient Protection and Affordable Care Act of 2010 (PPACA) authorizes the U.S. Department of Health and Human Services (HHS) to develop a list of "preventive services for women" to be mandated in almost all private health plans in the United States, including employer-sponsored plans.

A new report from the Institute of Medicine (IOM) advises the HHS to mandate coverage of all prescription contraceptives approved by the Food and Drug Administration (FDA) (including the "morning after" pill or drugs that can induce an abortion some weeks into pregnancy); surgical sterilization; and "education and counseling" for "all women of reproductive capacity."

In response to the IOM’s recommendation, Cardinal Daniel DiNardo of Galveston-Houston, chairman of the Committee on Pro-Life Activities of the United States Conference of Catholic Bishops (USCCB), issued a [statement](#) on July 19, strongly objecting to this threat to health care and conscience rights. In a separate [letter](#) to Congress sent today (July 22), Cardinal DiNardo urged Congress to pass Representative Jeff Fortenberry’s bill, the [“Respect for Rights of Conscience Act” \(HR 1179\)](#).

For more information, see the USCCB "Q and A" [fact sheet](#) on this issue.

WCC Urges “Circle of Protection” for Poor in Federal Budget Talks

As reported in the April 29 issue of the *Capitol Update*, the USCCB is a member of a broad coalition of Christian leaders that is urging Congress and the Obama administration to provide a [“Circle of Protection”](#) around programs for the poor rather than target them for deep cuts in the current federal budget. Members of this coalition, including Bishop Ricardo Ramirez of La Cruces, New Mexico, member of the USCCB Committee on Domestic Justice and Human Development, met with Representative Paul Ryan on July 8 and President Obama on July 20.

For more information, see <http://www.usccb.org/comm/archives/2011/11-144.shtml>

New Bills of Interest

AB-199. Gender Violence (Berceau) Creates a civil cause of action for gender violence; makes gender-based crimes subject to a penalty enhancer. To Criminal Justice and Corrections.

Web Sites of Interest

<http://www.legis.state.wi.us/waml>

- Who are my legislators

[Directory of Senate Members](#)

[Directory of Assembly Members](#)

<http://www.legis.state.wi.us/leginfo.html>

- 2011-12 Session Schedule
- Weekly Schedule of Committee Activities
- Senate and Assembly Daily Floor Calendar

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

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