

## **Unraveling the Safety Net**

Governor Scott Walker's proposed 2011-2013 biennial budget will severely affect Wisconsin's most vulnerable residents – children, seniors, people with disabilities, and people with low-incomes. Many of these vulnerable residents seek assistance from various programs to ensure they can secure safe and affordable housing, access health care, obtain education and training to get a decent job that pays a living wage, get child care subsidies to help pay for daycare for their children, access public transportation, and feed their families. These programs serve as a “safety net” for these residents and help them meet their needs, get back on their feet, and improve their overall quality of life. The proposed biennial budget includes cuts and other devastating and unnecessary changes to many of these programs. Simply put, it unravels the safety net for many people living in our area and throughout Wisconsin.

### **How will the Biennial Budget affect Wisconsin Residents?**

On March 1, 2011, Governor Walker introduced his 2011-2013 biennial budget proposal. This legislation calls for a \$4.2 billion reduction in spending, a reduction equal to a cut of 6.7%. The proposed budget will affect Wisconsin residents in countless ways:

- **Health Care – Deep Cuts and Sweeping Policy Changes without Legislative Approval**

The biennial budget bill cuts about \$500 million (General Purpose Revenue) from Medicaid (including \$111 million GPR from Family Care). \$500 million in cuts to Medicaid programs will be devastating to many of the state's most vulnerable families. Funding for long-term, in-home care for the elderly and disabled, and healthcare for children and families will be reduced.

The biennial budget says nothing about how BadgerCare, which serves 775,000 Wisconsin residents, will be changed because that is no longer for the legislature to decide. If the Wisconsin Department of Health Services (DHS) doesn't get a waiver from “maintenance of effort” (MOE) requirements by the end of the year, it is directed to lower the income ceiling from 200% of the poverty level to 133% for parents and childless adults, effective July 1, 2012. The 133% income ceiling will exclude single adults from participating if they have a full-time minimum wage job, and it will exclude parents in a two-parent family with one or two children, if both parents are working full-time and making at least minimum wage.

The budget replaces current Income Maintenance (IM) workers with a plan that consolidates some functions but maintains the responsibility of local public employees for meeting with program applicants and participants. The bill requires the development of 10 multi-county consortia, outside Milwaukee County, and directs the state to replace Milwaukee County IM workers with state positions.

The bill will cut funding by 10% for the state's only women's health and family planning program. This is Maternal Child Health Block grant money that funds 50 family planning clinics in the State.

- **Education and Training Opportunities – Diminished for Low-Wage Workers**

Funding for technical colleges is being cut by \$35.2 million each year of the biennium, or about 25%. Collectively, Wisconsin's 16 technical colleges enroll over 400,000 students. Technical colleges are one of the state's primary engines driving economic development. Yet Governor Walker slashes state support to the colleges and freezes their levies, effectively rendering them unable to respond to increasing student demand and employer's evolving workforce needs. Major cuts in technical college and vocational education will mean fewer opportunities for working parents to improve their skills and credentials in order to earn family-supporting wages. Under this budget bill, technical colleges will have little choice but to eliminate skill straining programs and student services. As a result, technical colleges' waiting lists will grow longer; students will have more limited access to courses and programs; and ultimately, Wisconsin manufacturers, healthcare providers, and other employers will have a more difficult time finding highly skilled workers.

University tuition is expected to increase by 5.5% each year for the UW System, and 20% or more over the biennium for UW-Madison. These tuition increases mean students will need more help than ever to attend higher education, but Governor Walker freezes higher education grants (WHEG) allowing no new funding, limiting access to all forms of higher education. Governor Walker also prohibits students from enrolling in the Covenant Program after September 2011, preventing students from obtaining need-based grants to attend technical colleges or higher education, even though it is largely funded with private dollars.

The Transitional Jobs program, which helps individuals develop marketable job skills through subsidized employment experience, is also being eliminated in the bill, while W-2 payments are being cut by \$20 per month and the ability of W-2 participants to use a portion of their required hours for education is being reduced.

- **K-12 Education - Dramatically Reduces Revenue Controls**

The biennial budget will decimate funding for public education while expanding opportunities for taxpayer supported private schools. It reduces per pupil funding to public school districts by 5.5%. In 2009-2010, the average allowable revenue per pupil was \$10,107.42. A 5.5% reduction translates into a \$551 loss per pupil. Historically, per pupil amounts have increased every year and, in fact, the DPI (Department of Public Instruction) has proposed a \$200 per pupil increase next school year. Thus, Governor Walker is, in effect, promoting an overall \$751 cut in per pupil funding. With 872,436 students in the state, the total reduction amounts to \$655,199,436 loss in funding for Wisconsin's children, which could mean 5,000 teachers lose their jobs, crowded classes, and closed schools. These cuts to K-12 education will hurt schools across the state, and their impact on school equalization will mean that the poorest districts will be hit the hardest.

- **Earned Income Tax Credit - \$56 Million Tax Increase for 145,000 Working Families**

The biennial budget bill cuts \$56 million over two years in tax relief for low-wage workers with children.

- **Homestead Tax Credit – Ending Inflation Adjustment Costs Low-Income Households \$8 Million**

The Homestead Credit provides targeted property tax relief for about 250,000 low-income households, including both owners and renters. One-third of the credit recipients are 66 years of age or older and 45% are over age 55. In 2009, the law changed to make annual adjustment for inflation to this credit – resulting this year in the first increase in the maximum credit in 20 years, and the first increase in the income ceiling in about 10 years. Governor Walker proposes repealing the annual adjustments, which will cut the credits by \$2 million in tax year 2011 and \$6 million in 2012.

- **Child Care Subsidies - Threatened**

The biennial budget bill includes annual cuts of over \$112 million – from \$402.5 million to \$290 million in 2012, and \$288 million in 2013 for the Wisconsin Shares Child Care Subsidy Program. The bill also authorizes the Department of Children and Families (DCF) to reduce eligibility for the subsidy program, increase co-pays, begin waiting lists, and decrease reimbursement rates. Those changes could supersede state statutes, without rulemaking or any legislative oversight.

- **Public Transportation - Threatened**

The biennial budget includes a \$12 million cut in 2012 and \$36 million cut in 2013 for transportation aid to local governments. It also includes a \$10 million cut for local mass transit over the biennium.

For up to date information regarding a comparative analysis of the 2011-2013 biennial budget bill and the Joint Finance Committee's work on the bill, please visit the Wisconsin Council on Children and Families website at [www.wccf.org](http://www.wccf.org).

### **Local Concerns**

On March 28, 2011, the La Crosse Area Family Policy Board held a news conference to provide information to local media, public officials, and the general public regarding the impact the proposed budget will have on people in our area. The La Crosse Area Family Policy Board is a forum for policy makers in La Crosse to work collaboratively on key issues involving the health and welfare of families and children within the county. Approximately 40 local agencies are represented on the Family Policy Board.

Grace Jones, Couleecap's Executive Director spoke on behalf of the Family Policy Board. "The cuts come at a time when local poverty rates are the highest in years. I'm concerned about the cumulative effect of cuts, especially on children, seniors, and people with disabilities," Jones said.

Jill Billings, a La Crosse County Board Supervisor and Family Policy Board member, said she's concerned Governor Walker's proposal to privatize and consolidate income maintenance services in Madison – eliminating 26 county jobs – could result in individuals not getting vital assistance for which they're eligible. A staggering 19,000 La Crosse residents (1 in every 6 citizens) receive income maintenance benefits and could be impacted by this proposal. "I have little faith things will go smoothly," Billings said. "This model has proven to be a dismal failure in other states like Indiana."

"The cuts couldn't come at a worse time," said Jones. Couleecap saw food pantry use double in 2008, as the U.S. economy entered a recession, and demand has yet to drop off. "We're going to have at least a few more tough years, with people going through foreclosure," she said.

### **What Can You Do?**

Governor Walker's biennial budget proposal offers new tax breaks that the state cannot afford to the state's wealthiest residents and large corporations, while costing our most vulnerable residents money they cannot afford to lose. Meanwhile, the middle class gains no additional tax relief, but will receive significantly fewer and weaker local and state services in return for their tax dollars.

While the budget proposal significantly decreases support for public education and services for vulnerable families, it allocates an additional \$350 million for roads. Investing in the state's transportation infrastructure is important, but it needs to be balanced with crucial investments in our human infrastructure. The economic downturn from which we are only now beginning to recover has threatened the livelihood of many individuals and families. This is the wrong time to slash spending on crucial supports like Medicaid, education, child care subsidies, the Earned Income Tax Credit, and public transportation, all of which the biennial budget cuts significantly.

Each of us has the power to help stop this proposed biennial budget from passing. Here are some ways you can get involved:

- Educate yourself about the proposed budget and the impact it will have on people. Visit your local library or websites on the Internet. Some good websites are Wisconsin Council on Children and Families - [www.wccf.org](http://www.wccf.org); Wisconsin Education Association Council – [www.weac.org](http://www.weac.org); and Center on Budget and Policy Priorities – [www.cbpp.org](http://www.cbpp.org).
- Support and vote for local elected officials who care about vulnerable people and the issues they face.
- Talk/write to your Congressional and State legislators and tell them you oppose this budget proposal. Visit this website, [www.vpa.wi.gov](http://www.vpa.wi.gov), to find contact information on your legislator.
- Attend hearings or write to the Joint Finance Committee and tell them of your concerns.
- Join public efforts and actions to stop this budget proposal from passing.
- Talk to your friends, family, and co-workers about this budget proposal and encourage them to get involved in efforts to stop this proposed budget from passing.

Couleecap, Inc. is a private non-profit 501(c)3 charitable organization created in 1966. Our mission is to fight poverty and promote self-sufficiency for people in Crawford, La Crosse, Monroe, and Vernon counties in Wisconsin. We currently implement more than 50 contracts in the areas of housing, emergency assistance, child and family development, business development, employment, transportation, and health. Each year, Couleecap helps more than 38,000 people work towards self-sufficiency. For information about our People Helping People Initiative or to make a donation, contact Couleecap's Development Coordinator, Kadie Brueggen, at 608-634-7363 or [Kadie.Brueggen@couleecap.org](mailto:Kadie.Brueggen@couleecap.org).

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