



# Comparative Analysis of 2011-13 Biennial Budget Bill

Updated July 6, 2011

## TABLE OF CONTENTS

Click on topic to go to that page

INTRODUCTION..... 5

HEALTH..... 6

    Medicaid-Related Funding ..... 6

    BadgerCare and Medicaid – Unspecified Cuts ..... 6

    Family Care – Enrollment Cap ..... 7

    Family Care – Aging and Disability Resource Centers ..... 7

    Reimbursement for End Stage Renal Disease ..... 7

    SeniorCare – Policy Change ..... 8

    State Family Planning Funding ..... 8

    Medicaid Coverage of Family Planning Services for Men ..... 9

    Medicaid and FoodShare Administration Base Reestimate ..... 9

    Repeals the “Contraceptive Equity” Requirement ..... 9

    Wisconsin Medicaid Cost Reporting Program ..... 10

    Income Maintenance Centralization..... 10

    Third-Party Claims Administration..... 11

    Centers for Developmentally Disabled ..... 11

    Coinsurance Requirements for Medicare Part A Services ..... 11

    Wisconsin Quality Home Care Authority ..... 11

    Wisconsin Resource Center ..... 12

    Contracted Services for Mental Health Clients..... 12

    Mendota Juvenile Treatment Center ..... 12

    Ten Percent Cuts in Health Care Programs ..... 13

HUMAN SERVICES ..... 14

    State Only FoodShare Program..... 14

    Transfer of FoodShare, SSI and Caretaker Supplement to DCF ..... 14

    Child Welfare: Alternative Response ..... 14

    Child Welfare: Program Improvement Plan (PIP) ..... 14

    Milwaukee Child Welfare Re-estimate ..... 15

    Child Welfare Provider Rate Regulation ..... 15

Child and Family Aids .....	15
Child Support.....	16
Foster Care, Adoption Assistance, & Guardianship .....	16
<b>EARLY CARE &amp; EDUCATION .....</b>	<b>17</b>
Wisconsin Shares .....	17
4-Year-Old Kindergarten Start-Up.....	18
Home Visiting (Child Abuse and Neglect Prevention).....	18
Head Start Supplement.....	18
Young Star and Quality Care for Quality Kids .....	19
<b>K-12 EDUCATION.....</b>	<b>20</b>
General School Aid.....	20
High Poverty Aid.....	20
Categorical Aid Repeals and Reductions.....	20
Repeal Certain Revenue Limit Exemptions .....	21
School Library Aids .....	21
School District Revenue Limits.....	21
Changes to Parental Choice Program .....	22
Wisconsin Covenant Program .....	23
Reading Task Force .....	23
Student Information System.....	23
Repeal Selected School Mandates .....	23
Changes to Charter School Program .....	24
<b>HIGHER EDUCATION .....</b>	<b>25</b>
Splitting UW-Madison .....	25
Cuts to UW-Madison.....	25
Freeze Financial Aid .....	25
Cuts to Remainder of UW System.....	26
Tuition Increase at UW System.....	26
Repeal In-State Tuition for Undocumented Persons.....	26
Cuts to Technical College System, Levy Cap .....	27
<b>WISCONSIN WORKS AND OTHER TANF-FUNDED PROGRAMS .....</b>	<b>28</b>
Earned Income Tax Credit Funding and Structure .....	28
Transitional Jobs Program.....	29
W-2 Payment Levels.....	29
W-2 Agency Contracts – Benefits.....	30
W-2 Agency Contracts – Services & Administration .....	30
Reducing Time Period for Caretaker of Newborn Infant (CNI) Benefits .....	30

W-2 Policy Change – Removing Oral Notice Requirement .....	31
Emergency Assistance .....	31
Kinship Care .....	31
W-2 Time Limits .....	32
W-2 – Removing “Good Cause” Test and Conciliation Period .....	32
TANF Funding – Support for Other Programs .....	32
W-2 Flexibility for Educational Hours .....	33
Transfer to the Social Services Block Grant .....	33
Caretaker Supplement .....	33
AID TO LOCAL GOVERNMENTS .....	34
Aids to Counties and Municipalities.....	34
Public Library Maintenance of Effort .....	34
Transportation Assistance.....	34
CORRECTIONS .....	35
Consolidate Juvenile Correctional Institutions .....	35
Increase Daily Rate for Juv. Correctional Services .....	35
Reduction in Youth Aids Funding .....	36
Funding for Community Intervention Program Grants.....	36
Daily Rates for Non-Custodial Juv. Corrections Services .....	36
Reduction in Funding for Serious Juvenile Offender Program.....	37
Repeal Early Release .....	37
ENVIRONMENT/NATURAL RESOURCES .....	38
Eliminate Office of Energy Independence .....	38
Elimination of Agricultural Conservation Easements .....	38
Eliminate Funding for Recycling.....	38
Shift Mass Transit Costs to General Fund .....	39
TAX CUTS, TAX CREDITS, AND REVENUE.....	40
Changes to Capital Gains Exclusions .....	40
Corporate & Individual Income Tax – Domestic Production Activities Credit .....	40
Minnesota-Wisconsin Tax Reciprocity Agreement .....	41
Repeal Homestead Tax Credit Inflation Indexing.....	41
Changes to Combined Reporting .....	41
Shift Sales Tax Revenues to Transportation Fund.....	42
Restrictions on Local Property Tax Levies.....	42
MISCELLANEOUS.....	43
GPR Debt Restructuring .....	43
Eliminate Requirement for Cost-Benefit Analysis Before Contracting Out .....	43

Unemployment Insurance (UI) – Eligibility for Benefits ..... 43  
Fringe Benefits for Public Safety Employees..... 44  
Required General Fund Statutory Reserve ..... 44

## INTRODUCTION

Governor Scott Walker introduced the executive 2011-13 budget on March 1<sup>st</sup>, 2011. The Governor and Legislature confronted a difficult task in crafting this biennium's budget, with the state facing a \$3.6 billion deficit and state tax revenues still not fully recovered from the national recession. The Governor has repeatedly spoken about his unwillingness to increase revenues to address the budget gap, choosing instead to rely on an all-cuts approach to balance the budget.

The Governor's budget proposed \$83 million in new GPR tax cuts (in addition to \$117 million GPR of tax cuts approved in the Special Session), and his bill recommended a number of GPR spending increases, such as the use of \$106 million GPR for transit initiatives that formerly were funded from the transportation fund. Those changes dug the deficit hole even deeper.

The cornerstone of the budget proposed by the Governor and passed by the Legislature is a steep cut in aid to local governments, including counties, municipalities, and school districts. In both the biennial budget bill and the 2011 budget adjustment bill, the Governor recommended a number of policy changes relating to collective bargaining that he has said will allow local governments to reduce costs by an amount that will more than make up for reductions in state aid. Whether that is the case for some governments remains to be seen, but a number of other factors affecting local governments mean that the reductions in aid will likely lead to reduced local employment and services in many communities.

This budget comparison focuses primarily on budget items that affect children and families, broken down into general topic areas. It includes links to the Legislative Fiscal Bureau's most recent comparative summary and to specific LFB Budget Papers.

The governor signed the budget bill on June 26<sup>th</sup>, 2011, as 2011 Wisconsin Act 32. We have updated this summary to reflect the Legislature's work on the bill and the Governor's item vetoes.

## HEALTH

### Medicaid-Related Funding LFB Summary p. [313](#); LFB Paper [# 340](#))

Governor	<p><u>Change to FY'11 base:</u> Cuts about \$500 million GPR over two years</p>	<p><u>Description:</u> The DHS and DOA summary documents indicate that \$500 million GPR would be cut during the biennium relative to the amount needed to fund “pre-recession growth.” The LFB summary shows \$377 million in GPR cuts and -\$499 million in federal match (measured relative to a DHS estimate of the cost to continue the program). Some of the cuts are indicated below, but much of the cutting hasn’t been revealed yet – which reflects the fact that the “budget repair” legislation (Act 10) would delegate those choices to DHS.</p>
Joint Finance	<p>The LFB paper (#340) suggested that the committee might want to add about \$63.6 million GPR to reflect more realistic assumptions about enrollment growth and a 1% per year increase for nursing homes based on increased acuity of their Medicaid population. The committee added \$53.6 million – apparently based on somewhat lower assumptions about enrollment growth.</p>	
Legislature/Act 32	<p>No change (same as Joint Finance)</p>	
Other resources	<p><a href="#">“\$81 Million GPR Increase for Medicaid Spending, But Small Reduction in Cuts”</a>, Wisconsin Budget Project blog post, 5/26/11</p>	

### BadgerCare and Medicaid – Unspecified Cuts (LFB Summary [p. 314](#), LFB Paper [# 341](#))

Governor	<p><u>Change to FY'11 base:</u> FY'12: - \$56 million GPR FY'13: - \$134.6 million GPR</p>	<p><u>Description:</u> The budget bill sheds little light on specifically how BadgerCare Plus (BC+) &amp; Medicaid cuts would be made because these decisions are delegated to DHS by Act 10. However, the LFB document indicates that DHS will have to find \$190.6 million GPR (\$467 million all funds) of MA and BC+ cuts. The Budget in Brief and Budget Repair bill suggest that likely changes include reducing income eligibility, reducing services covered, increasing premiums and co-pays, ending eligibility for anyone with access to any sort of employer coverage, and increasing the frequency of reviews of eligibility.</p>
Joint Finance	<p>Accepted the Governor’s proposal and folded into the bill most of the provisions of Act 10 transferring responsibility for Medicaid policy-making to DHS . However, the JFC revised those provisions by deleting requirement for rulemaking (which would include public hearings), and instead requires that policy changes that conflict with the statutes be submitted to the JFC for review – substantially reducing the opportunity for public input.</p>	
Legislature/Act 32	<p>No change (same as Joint Finance)</p>	
Other resources	<p><a href="#">Save BadgerCare Statement on Joint Finance Committee’s Medicaid Vote</a>, 5/25/11 <a href="#">“Bill Approves Sweeping Shift in Authority for Medicaid Policymaking.”</a> WCCF paper, 6/21/11</p>	

**Family Care – Enrollment Cap** (LFB Summary [p. 320](#), LFB Paper [# 342](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: - \$26.7 million GPR  FY'13: - \$89.2 million GPR</p>	<p><u>Description:</u> Freezes the number of counties participating in Family Care and the number of people served in each county, which will result in waiting lists for this program, which provides home- or community-based health care services for the elderly and people with disabilities.</p>
Joint Finance	<p>Adopted nearly all of the Governor's proposal, including the administration's minor requested changes. However, the committee provided an additional \$5 million GPR annually for individuals on waitlists who are in urgent need of long-term care services. In addition, the committee required DHS to study the cost-effectiveness of the program and report findings to JFC by March 1, 2012.</p>	
Legislature	<p>No change (same as Joint Finance)</p>	
Governor/Act 32	<p>Partial veto removes the due date for a study of the program's cost effectiveness.</p>	
Other resources	<p><a href="#">"Cap on Family Care Program Approved by Committee,"</a> Associated Press, 5/24/11.  <a href="#">"Disability Organizations Stunned by Legislature's Decision to Freeze Funding for Community Long-Term Care: More People Headed to Nursing Homes and Waiting Lists,"</a> Survival Coalition, 5/25/11.</p>	

**Family Care – Aging and Disability Resource Centers** (LFB Summary [p. 322](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: + \$273,200 GPR  FY'13: + \$4.3 million GPR</p>	<p><u>Description:</u> Adds \$4.56 million GPR and \$1.77 million FED to fully fund the resource centers that began offering services in 2009-11 and centers expected to begin in 13 additional counties.</p>
Joint Finance	<p>Accepted the Governor's proposal.</p>	
Legislature/Act 32	<p>No change (same as Joint Finance)</p>	

**Reimbursement for End Stage Renal Disease** (LFB Summary pp. [329 & 354](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: - \$595,700 GPR  FY'13: - \$856,800 GPR</p>	<p><u>Description:</u> Limits Medicaid reimbursement for end stage renal disease (ESRD), which is the last step on the road to a kidney transplant.</p>
Joint Finance	<p>Accepted the Governor's proposal.</p>	
Legislature/Act 32	<p>Same</p>	

**SeniorCare – Policy Change** (LFB Summary [p. 325](#), LFB Paper # [344](#))

Governor	<p><u>Change to FY'11 base:</u> FY'12: - \$5 million GPR FY'13: - \$10 million GPR</p>	<p><u>Description:</u> Requires individuals enrolled in SeniorCare to also enroll in Medicare Part D, which would become their primary drug coverage, with SeniorCare a secondary plan covering some expenses, such as co-payments and the federal plan's "donut hole." This will significantly increase costs for some seniors and may reduce access to drugs for seniors that choose a Part D plan that doesn't cover something they need.</p>
Joint Finance	<p>Deleted the Governor's proposal requiring individuals enrolled in SeniorCare to also enroll in Medicare Part D, and added \$14.4 million GPR for SeniorCare – which reflects the restoration of the \$15 million noted above, minus \$555,000 because of a lower estimate of the program's base level cost. (LFB Summary <a href="#">p. 322</a>)</p>	
Legislature/Act 32	<p>No change (same as Joint Finance)</p>	
Other resources	<p><a href="#">"Walker's Budget Would Force Many People In SeniorCare Into Federal Program,"</a> Wisconsin State Journal, 3/2/11. <a href="#">"Changes to SeniorCare Rejected,"</a> La Crosse Tribune, 5/25/11</p>	

**State Family Planning Funding** (LFB Summary [p. 352](#), LFB Paper #[366](#))

Governor	<p><u>Change to FY'11 base:</u> Cuts all GPR funding: - \$3,871,200</p>	<p><u>Description:</u> Undermines state family planning provider network of 52 health centers that offer basic preventative health care to 30,000 patients each year. The elimination of these state funds also puts Wisconsin at risk of losing federal funds, up to \$10 million from the Maternal Child Health block grant.</p>
Joint Finance	<p>The Finance Committee voted 12-4 to approve Motion 231 (renaming the family planning appropriation the "Women's health block grant). The move reinstates 90% of family planning funding (\$3.4 million GPR), while mandating that the funding may not go to health centers that provide abortion services or referrals for such services, or have affiliates that provide abortion services or make referrals for such services.</p>	
Legislature	<p>No change (same as Joint Finance)</p>	
Governor/Act 32	<p>Partial veto removes a requirement that DHS request and implement a federal waiver.</p>	
Other resources	<p><a href="#">"Walker's Elimination of Family Planning Funds Could Jeopardize Federal Dollars, Close Clinics,"</a> The Cap Times, 3/8/11. <a href="#">"Budget Committee Votes To Ban State Grants for Abortion Linked Groups,"</a> The Wisconsin State Journal, 5/18/11</p>	

**Medicaid Coverage of Family Planning Services for Men** (LFB Summary [p. 330](#), LFB Paper [#368](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$15,900 GPR  FY'13: -\$57,300 GPR</p>	<p><u>Description:</u> Eliminates the current Medicaid coverage of family planning services for men, which includes selected services for males age 15-44 (with income below 200% of the poverty level), including testing and treatment of sexually transmitted infections.</p>
Joint Finance	<p>Approved the Governor's provision discontinuing the Medicaid family planning waiver for men and allowing DHS to provide optional family planning services to women between 15 and 44 with family income not greater than 200% FPL. Added a provision direct DHS to request federal approval to require parental notification for family planning services to women under 18, and provides that eligibility will be determined using family income rather than just the recipient's income.</p>	
Legislature/Act 32	<p>No change (same as Joint Finance)</p>	
Other resources	<p><a href="#">"Family Planning Cuts in the Budget Proposal,"</a> blog post by Wisconsin Women's Health Budget Project, 3/2/11.  <a href="#">"Scott Walker Tries to Cut Men Out of Wisconsin Family Planning Program"</a> Huffington Post, 6/2/2011</p>	

**Medicaid and FoodShare Administration Base Reestimate** (LFB Summary [p. 346](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: \$15.4 million GPR  FY'13: \$15.3 million GPR</p>	<p><u>Description:</u> Increases funding to reflect reestimates of administrative costs, based on increased enrollment.</p>
Joint Finance	<p>Accepted the Governor's proposal.</p>	
Legislature/Act 32	<p>No change (same as Joint Finance)</p>	

**Repeals the "Contraceptive Equity" Requirement** (Executive Budget [p. 264](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: none  FY'13: none</p>	<p><u>Description:</u> Eliminates the requirement that health insurance policies provide coverage for contraceptives prescribed by a health care provider and outpatient medical services related to contraceptives.</p>
Joint Finance	<p>This provision was removed from the budget as a non-fiscal policy item.</p>	
Legislature/Act 32	<p>No change (same as Joint Finance)</p>	
Other resources	<p><a href="#">"Family Planning Cuts in the Budget Proposal,"</a> blog post by Wisconsin Women's Health Budget Project, 3/2/11.</p>	

**Wisconsin Medicaid Cost Reporting Program** (LFB Summary [p. 327](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: - \$7.2 million GPR  FY'13: - \$8.6 million GPR</p>	<p><u>Description:</u> Makes various changes related to the program that captures federal MA matching funds for MA-eligible county services -- with a net effect of saving \$15.8 million GPR over 2 years while increasing SEG spending by \$28.5 million from federal MA match deposited in the MA Trust Fund.</p>
Joint Finance	Accepted the Governor's proposal.	
Legislature/Act 32	Same	

**Income Maintenance Centralization** (LFB Summary [p. 338](#), LFB Paper [#355](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: \$10.2 million GPR  FY'13: -\$18.7 million GPR</p>	<p><u>Description:</u> Transfers administration of income maintenance administration from counties and tribes to the state, and allows this work to be privatized. The DOA document contends these changes will improve the accuracy and timeliness of eligibility determinations, while cutting overall staff by 270 FTE positions and \$48 million per year, but the LFB documents indicate a far smaller savings.</p>
Joint Finance	<p>Removes the Governor's proposal and replaces it with a plan that consolidates some functions but maintains the responsibility of local public employees for meeting with program applicants and participants. Requires the development of 10 multi-county consortia, outside Milwaukee County, and directs the state to replace Milwaukee County IM workers with state positions. Requires counties (except Milwaukee) to contribute the cost of their current IM overmatch to support the cost of DHS contracts with the IM consortia; but provides \$3 million GPR for administration to limit Kenosha County's net contribution to \$673,000. In addition, provides funding to support fraud prevention and program integrity activities.</p> <p>Relative to the Gov's plan, adds a total of \$9 million GPR and 232 state positions.</p>	
Legislature/Act 32	No change (same as Joint Finance)	
Other resources	<p><a href="#">"Walker Wants Private Sector to Run Assistance Programs,"</a> The Capital Times, 5/11/11.</p> <p><a href="#">"County earns budget victory,"</a> Wisconsin Rapids Tribune, June 4,20011</p>	

**Third-Party Claims Administration** (LFB Summary [p. 331](#)) , LFB Paper [#347](#))

Governor	<u>Change to FY'11 base:</u> FY'12: \$11.2 PR FY'13: \$12.8 PR	<u>Description:</u> Creates a new appropriation of \$24 million (program revenue) over two years to permit use of a third-party administrator to process claims for the Children's Long-Term Supports waiver, in order to meet federal reporting requirements.
Joint Finance	Adopted LFB modification – reduced funding by \$532,600 PR in 2011-12 and \$607,800 PR in 2012-13 to reflect revised estimates of projected payments to WI Physician's Services.	
Legislature/Act 32	No change (same as Joint Finance)	

**Centers for Developmentally Disabled** (LFB Summary [p. 366](#))

Governor	<u>Change to FY'11 base:</u> FY'12: +\$8.7 million GPR FY'13: +\$9.3 million GPR	<u>Description:</u> Restores funding and about 105 positions to reflect a much lower than expected number of residents of the Centers shifted to community placements (11 during the current biennium instead of the goal of 70), and also to reflect an increase in bed assessment fees.
Joint Finance	Accepted the Governor's proposal.	
Legislature/Act 32	Same	

**Coinsurance Requirements for Medicare Part A Services** (LFB Summary [p. 326](#), LFB Paper [#345](#))

Governor	<u>Change to FY'11 base:</u> FY'12: - \$6 million GPR FY'13: - \$8.6 million GPR	<u>Description:</u> Cuts \$14.6 million GPR (and \$36.8 million all funds) over two years by reducing MA payments to providers for services covered under Medicare Part A to qualified Medicare beneficiaries (QMBs).
Joint Finance	Adopted the Governor's modified proposal. The reductions apply to: (a) categorically eligible and medically needy full-benefit duals and QMBs; (b) inpatient hospital services (and not other Part A services such as nursing home services; and (c) repeal statutory provisions that exempt "outpatient hospital services" from the current Medicare Part B cutback. Funding will be reduced by -\$661,700 GPR in 2011-12 and -\$969,400 GPR in 2012-13 to reflect updated savings estimates related to this item.	
Legislature/Act 32	No change (same as Joint Finance)	

**Wisconsin Quality Home Care Authority** (LFB Summary [p. 332](#))

Governor	<u>Change to FY'11 base:</u> FY'12: \$275,000 GPR FY'13: \$275,000 GPR	<u>Description:</u> Eliminates all the funding (\$550,000 GPR and \$450,000 FED over two years) relating to the WI Quality Home Care Authority and its precursor organization, the Dane County Quality Home Care Commission.
Joint Finance	Accepted the Governor's proposal.	
Legislature/Act 32	Same	

**Wisconsin Resource Center** (LFB Summary [p. 362](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$3.8 million GPR  FY'13: -\$5 million GPR</p>	<p><u>Description:</u> Adds \$1.9 million over two years for the opening of the Female Treatment Unit at the WRC in August, while cutting about \$10.6 million over the biennium to reflect closing treatment units and moving sexually violent persons to the Sand Ridge Secure Treatment Center.</p>
Joint Finance	Accepted the Governor's proposal.	
Legislature/Act 32	Same	

**Contracted Services for Mental Health Clients** (LFB Summary [p. 363](#), LFB Paper [#377](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: \$10,200 GPR  FY'13: + \$526,000 GPR</p>	<p><u>Description:</u> Adds about \$516,000 GPR during the biennium to fund projected increases in the costs of certain contracted services for mental health clients served by DHS facilities.</p>
Joint Finance	Reduce funding by \$300,200 GPR in FY'12 and by \$288,000 GPR in FY'13 to reflect reestimates of the costs of contracted services.	
Legislature/Act 32	No change (same as Joint Finance)	

**Mendota Juvenile Treatment Center** (LFB Summary [p. 366](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: + \$200,200 PR  FY'13: + \$273,500 PR</p>	<p><u>Description:</u> Provides funding for projected increases in the cost of salary and fringe benefits for staff at the Mendota Juvenile Treatment Center.</p>
Joint Finance	Accepted the Governor's proposal.	
Legislature/Act 32	Same	

**Ten Percent Cuts in Health Care Programs** (LFB Summary [p. 368](#), LFB Paper [#380](#))

Governor	<p><u>Change to FY'11 base:</u> Cuts about \$7.7 million per year (GPR and program revenue)</p> <p><u>Description:</u> The bill proposes 10%cuts in a long list of health care appropriations of GPR and program revenue (PR) – cutting a total of about \$7.7 million/yr. from 48 different programs. The largest of these cuts are: \$1,062,800 GPR from mental health treatment services, \$959,200 PR from DHS licensing and certification activities, \$685,000 GPR from tobacco use control grants, \$638,700 GPR from AIDS/HIV services, \$610,000 GPR from community health centers, \$417,500 GPR from Community Support Programs and psychological services, \$316,000 GPR from services and operations for congenital disorders, \$300,500 GPR from funding for dental services, \$217,800 GPR from emergency medical service aids, \$99,500 GPR from rural health dental clinics, and \$99,400 GPR from lead poisoning and exposure services.</p> <p>The DOA “errata” letter recommended restoring the proposed cut of \$222,800 in the Well Woman Program.</p>
Joint Finance	<p>Keeps the 10% cuts in health programs as recommended by the Governor, but restores the cut to the Well Woman Program, which DOA said was inadvertently included on the list of programs slated for cuts.</p> <p>A subsequent motion cut tobacco use control grants by an additional \$850,000 GPR each year, while appropriation \$850,000/yr. for grants to dental clinics and \$250,000 GPR in 2012-13 for the Seal-a-Smile program, to support school-based programs for applying dental sealants.</p>
Legislature/Act 32	No change (same as Joint Finance)
Other resources	<p><a href="#">“State Budget Committee Doubles Previously-Approved Cuts to Tobacco Control Program,”</a> Health First WI Coalition Press Statement, 5/19/2011</p>

## HUMAN SERVICES

### State Only FoodShare Program (LFB Summary [p. 348](#); LFB Paper [#356](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: - \$0.4 million GPR  FY'13: - \$0.4 million GPR</p>	<p><u>Description:</u> Eliminates the GPR funded Food Share program which provides benefits to lawfully present immigrants who meet all other eligibility criteria for FoodShare but have been in the US less than 5 years. In 2010, an average of 1,682 individuals per month received benefits.</p>
Joint Finance	Accepted the Governor's recommendation.	
Legislature/Act 32	Same	
Other resources	<a href="#">"Cutting Food Share for Immigrants"</a> , Wisconsin Women's Health Budget Project blog post, 3/4/11.	

### Transfer of FoodShare, SSI and Caretaker Supplement to DCF (LFB Summ. pp. [117](#), [349](#), [351](#), Paper [365](#))

Governor	<p><u>Change to FY'11 base:</u>  N/A</p>	<p><u>Description:</u> Transfers the administration of FoodShare, SSI and Caretaker Supplement programs from the Dept. of Health Services to the Dept. of Children and Families beginning 1/1/2013.</p>
Joint Finance	Keeps the Food Share and SSI programs in DHS and increases funding for SSI benefits by about \$9.6 million GPR over two years to reflect program reestimates.	
Legislature/Act 32	No change (same as Joint Finance)	

### Child Welfare: Alternative Response (LFB Summary p. [127](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: No change  FY'13: No change</p>	<p><u>Description:</u> Removes limits on the number and size of counties to pilot alternative response models. The pilot was limited to 5 counties with Milwaukee county required to participate.</p>
Joint Finance	Accepted the Governor's proposal.	
Legislature/Act 32	Same	

### Child Welfare: Program Improvement Plan (PIP) (LFB Summary p. [124](#), LFB Paper [#202](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: +\$1.9 million PR  +\$680,400 FED  FY'13: +\$1.2 million PR  + \$1.3 million FED</p>	<p><u>Description:</u> Implements changes in the child welfare system program improvement plan necessary as a result of the federal Family Services Reviews (CFSR). Funding includes competitive grants to counties for in home safety services.</p>
Joint Finance	Reduce funding by \$25,000 PR annually to delete funding for guardianship new curriculum and training. Instead require DCF to submit to DOA By 9/1/11 a proposal for a guardianship curriculum and training program, including an estimate of costs.	
Legislature/Act 32	No change (same as Joint Finance)	
Other resources	<a href="#">"Wisconsin's Program Improvement Plan (PIP) Strategies to Improve Child Welfare,"</a> DCF PowerPoint demonstration.	

**Milwaukee Child Welfare Re-estimate** (LFB Summary p. [128](#), LFB Paper [#200](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: +\$3.4 million GPR  -\$8.1 million PR-F  <u>+6.0 million PR-O</u>  FY'12 total: +\$1.3 million</p> <p>FY'13: +\$9.6 million GPR  -\$8.0 million PR-F  <u>FY'13 total: +\$1.6 million</u></p>	<p><u>Description:</u> Increases funding in response to out of home placement case loads and decreasing federal reimbursement.</p>
Joint Finance	<p>Modify the Governor's recommendation to reduce funding to reflect estimates from the most recent three-month period from January, 2011, through March, 2011.</p> <p>GPR - \$5,158,300  <u>FED - 1,642,500</u>  Total - \$6,800,800</p>	
Legislature/Act 32	No change (same as Joint Finance)	

**Child Welfare Provider Rate Regulation** (LFB Summary p. [126](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: +\$35,700 FED  +\$288,600 PR  FY'13: +\$53,700 FED  + 435,100 PR</p>	<p><u>Description:</u> Funding to implement the third phase of the rate regulation. Establishes per-client rates for residential care center and group homes, establishes factors for reviewing rates.</p>
Joint Finance	Accepted the Governor's proposal.	
Legislature/Act 32	Same.	

**Child and Family Aids** (LFB Summary p. [123](#), LFB Paper [#203](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$3.9 million PR-F  <u>+\$6.3 million PR-S</u>  Total FY'12: \$2.3 million</p> <p>FY'13: -\$5.5 million PR-F  <u>+\$7.8 million PR-S</u>  Total FY'12: +\$2.3 million</p>	<p><u>Description:</u> Increases funding for children and families allocation to counties to fully fund an increase in foster care rates and to implement the graduated foster care licensing and to reflect reestimates of federal and program revenue.</p>
Joint Finance	<p>The amount of the basic county allocation for children and family aids is specified in statute. The committee changes the statute to match the funding amount requested by the Governor.</p>	
Legislature/Act 32	No change (same as Joint Finance)	

**Child Support** (LFB Summary p. [156](#), LFB Paper [#226](#))

Governor	<p><u>Change to FY'11 base:</u> No change to the GPR funding base.</p>	<p><u>Description:</u> Maintains the \$4,250,000/year GPR for local child support agencies, which generates \$8,250,000 in federal matching funds, for a total of \$12,500,000. However, because of federal changes a couple of years ago, that total is still \$12.5 million per year below the funding level in recent years. The result is likely to be a very substantial reduction in child support collections – considering that each dollar expended for enforcement in 2009 brought in an average of \$6.82 in child support.</p>
Joint Finance	Approves Governor's plan, and requires DCF to submit a plan by Aug. 31 to the JFC that specifies the proposed child support allocations to each county in 2012 & 2013.	
Legislature	Modifies JFC plan by authorizing, rather than requiring, DCF to reward counties that demonstrate proficiency measures, and by authorizing, rather than requiring, the DCF proficiency measures to be based on certain performance standards.	
Governor/Act 32	Partial veto removes requirement for DCF to develop plan for distributing child support incentive payments to counties.	
Other resources	<p><a href="#">"Dane County Says it will collect less in child support payments under Walker's plan"</a>, Wisconsin State Journal, 3/23/11.</p> <p><a href="#">WCCF memo to the Joint Finance Committee</a>, 4/25/11.</p> <p><a href="#">"GOP, Dems fight over child support funding"</a>, WisPolitics Budget Blog, 4/26/11.</p>	

**Foster Care, Adoption Assistance, & Guardianship** (LFB Summary p. [120](#), LFB Paper [#201](#), [#202](#))

Governor	<p><u>Change to FY'11 base:</u> FY'12: +\$1.9 million GPR       +\$0.2 million PR-F Total FY'12: +\$2.1 million  FY'13: +\$3.3 million GPR       +\$2.2 million PR-F Total FY'13: +\$5.4 million</p>	<p><u>Description:</u> Funding adjusted to reflect reestimate of state adoption and foster care expenditures for children with special needs who are under the state's guardianship. Includes funding for rate increases approved in the 2009 state budget bill. Funding for Subsidized Guardianship is eliminated in the second year due to expiring federal waiver.</p>
Joint Finance	<p>Increases funding for subsidized guardianship based on a reestimate of the amount of funding needed for the subsidized guardianship program in Milwaukee County due to more recent expenditures and an update of the estimated FMAP in 2011-12 and 2011-13 for the level of federal funding available.</p> <p>Foster care &amp; adoption assistance: JFC adopted the Governor's suggested reduction in funding to reflect more recent expenditure information.</p>	
Legislature/Act 32	No change (same as Joint Finance)	

See also: [Emergency Assistance](#), [Kinship Care](#), [Caretaker Supplement](#), [Transfer to the Social Services Block Grant](#), [Home Visiting \(Child Abuse and Neglect Prevention\)](#)

## EARLY CARE & EDUCATION

**Wisconsin Shares** (LFB Summary pp. [102-104](#), LFB Paper [#216](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$52million  FY'13: -\$54 million</p> <p><u>Description:</u> Under the Governor's budget, the Wisconsin Shares budget would be cut by \$52 million in year one and \$54 million in year two.</p> <p>Payment rates to providers would continue to be frozen at 2006 levels, and DCF would have authority to take a variety of cost saving measures, including: waiting lists; increasing family copayment amounts; adjusting payments to providers; and adjusting income levels for eligibility.</p> <p>DCF also would have the authority to adjust payments to providers based on their YoungStar quality rating, including paying 5% <u>lower</u> rates to 2-star programs and disqualifying 1-star programs from receiving payments.</p> <p>The proposal estimates biennial savings of \$29 million from the change in tiered reimbursement, \$4.4 million from cost-saving measures, and \$11 million from an automated attendance tracking system and program integrity measures.</p>
Joint Finance	<p>Approved the Governor's budget for WI Shares, with several modifications:</p> <ul style="list-style-type: none"> <li>• Adding \$16 million over the biennium to WI Shares, bringing the total to \$297.7 million in FY'12 and \$297.3 million in FY'13.</li> <li>• Establishing lower estimates of the cost to continue Shares (\$304.7 million in FY'12 and \$309.5 million in FY'13); therefore reducing cost savings needed.</li> <li>• Adjusting estimates for needed cost savings: <ul style="list-style-type: none"> <li>○ Program integrity measures: -\$2.7 million in both years</li> <li>○ Savings from the tiered reimbursement system: -\$3.5 million in year one, and -\$5.9 in year two (much lower than earlier estimates)</li> <li>○ Other cost saving measures in basic program requirements (income eligibility, copays, waiting lists, rate changes): -\$0.8 million in year one, and -\$3.6 million in year two.</li> </ul> </li> </ul> <p>Because the estimated ongoing cost of Shares dropped, the cost savings in Shares also dropped (by \$25 million). Depending on the future trends in expenditures, it is possible that basic WI Shares program requirements will not need to be changed, or will need only minor adjustments. The Committee passed provisions that would make W-2 participant s exempt from waiting lists, and require DCF to submit a report to the Committee with a plan for implementing cost saving measures.</p>
Legislature	No change (same as Joint Finance)
Governor/Act 32	Partial veto narrows fingerprinting requirement for providers.

#### 4-Year-Old Kindergarten Start-Up

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$0.2 million GPR  FY'13: -\$0.2 million GPR</p>	<p><u>Description:</u> 4-Year-Old Kindergarten (4K) start-up grants to school districts are reduced by 10%. The funding helps districts start new 4K programs, with a priority on community approaches to 4K delivery. The amount in grants per year would be \$1.35 million.</p>
Joint Finance	No change from Governor's budget.	
Legislature/Act 32	Same	
Other resources	<a href="#">"Budget Issues Could Keep Some Area Districts From Adding 4-Year-Old Kindergarten"</a> Green Bay Press Gazette , 4/26/11.	

#### Home Visiting (Child Abuse and Neglect Prevention)

Governor	<p><u>Change to FY'11 base:</u>  FY'12: No change  FY'13: No change</p>	<p><u>Description:</u> Home visiting provides services to families at risk of abuse or neglects to provide support to families and encourage healthy child development. Funding continued at \$985,700.</p>
Joint Finance	No change from Governor's budget	
Legislature/Act 32	Same	

#### Head Start Supplement

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$0.7 million  FY'13: -\$0.7 million</p>	<p><u>Description:</u> The state supplement to Head Start is reduced by 10%. This state funding supplements federal Head Start funds. The amount per year would be \$6.25 million.</p>
Joint Finance	No change from Governor's budget	
Legislature/Act 32	Same	

**Young Star and Quality Care for Quality Kids ([Budget in Brief](#) p. 65, LFB Paper [#217](#))**

Governor	<p><u>Change to FY'11 base:</u> To be determined</p> <p><u>Description:</u> Funding to improve child care quality includes \$8.3 million in year 1 and \$8.0 million in year 2 for YoungStar.</p> <p>Under the proposal, reimbursement payments would be adjusted so that :</p> <p>1-star programs cannot get WI Shares payments                  2-star programs would get a cut up to 5 percent                  3-star programs: no change                  4-star programs would get up to 5 percent increase                  5-star programs would get up to 10 percent increase.</p> <p>The budget also adds \$500,000 for scholarships and bonuses under the TEACH Early Childhood Program. The budget continues training and technical assistance, quality assurance monitoring, and micro-grants to help child care programs improve their quality at a level lower than the start-up period. Child care resource and referral is funded at the 2010-11 base level.</p>
Joint Finance	<p>The Governor's budget for child care quality improvement was approved with very few modifications. The Committee approved the Governor's recommendations for a tiered reimbursement:</p> <p>There were several modifications to the Governor's tiered reimbursement proposal</p> <ol style="list-style-type: none"> <li>1. The effective date of the tiered reimbursement schedule was changed to be July 1, 2012</li> <li>2. As of January 1, 2013, the increase to the payment rate for five-star programs will be up to 25%. \$1.7 million was added to the tiered reimbursement budget for this purpose.</li> <li>3. The severity index to determine programs out of compliance is up to DCF - no rule process.</li> <li>4. Child care providers accredited from the Council on Accreditation are automatically assigned a four-star or five-star rating, as appropriate, under YoungStar.</li> </ol>
Legislature/Act 32	No change (same as Joint Finance)

## K-12 EDUCATION

### General School Aid (LFB Summary p. [493](#), LFB Paper [#525](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$390.5 million GPR  FY'13: -\$358.8 million GPR</p>	<p><u>Description:</u> General school aid cut by 8.4% in FY'12 and 7.7% in FY'13 compared to FY'11. According to the Governor, increases in required employee contributions to fringe benefit costs and repeal of selected mandates will help counteract cuts.</p>
Joint Finance	<p>In addition to accepting the Governor's cuts, created a one-time general aid appropriation of \$6.2 million GPR in FY'12, for low-spending school districts. This additional state aid cannot exceed \$40 per student.</p>	
Legislature/Act 32	<p>No change (same as Joint Finance)</p>	
Other resources	<p><a href="#">"Evers: Walker's Budget Presents 'Crushing Challenge,'" Wisconsin Radio Network, 3/31/11.</a>  <a href="#">"GOP eases school funding cuts, but Dems say it's a drop in the bucket," WI State Journal, 5/28/11</a>  <a href="#">"Walker's plan falls short at local level," Green Bay Press Gazette, guest column by Professor Andrew Reschovsky, 5/29/11</a></p>	

### High Poverty Aid (LFB Summary p. [493](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$1.9 million GPR  FY'13: -\$1.9 million GPR</p>	<p><u>Description:</u> Cut 10% relative to base in high poverty aid, which is distributed to districts with at least 50% of their enrollment eligible for free or reduced-price lunch.</p>
Joint Finance	<p>Accepted Governor's cuts.</p>	
Legislature/Act 32	<p>Same</p>	

### Categorical Aid Repeals and Reductions (LFB Summary p. [497-502](#), LFB Papers [#535](#) & [#536](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$37.4 million GPR  FY'13: -\$37.4 million GPR</p>	<p><u>Description:</u> A number of categorical aid programs are targeted for elimination, including aid for children-at-risk programs, grants for nursing services, grants for preschool to grade 5 grants, and alternative education grants. Remaining categorical aids have a 10% reduction.</p>
Joint Finance	<p>Accepted the Governor's cuts, but created a one-time \$42.5 million GPR categorical aid appropriation in FY'13. Districts that levy the maximum allowed under revenue limits would get \$50 per pupil; districts that levy less would get a pro-rated amount. The overall result would be a \$32.3 million cut in state aid compared to the base year.</p>	
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>	

**Repeal Certain Revenue Limit Exemptions** (LFB Summary p. [495-497](#), LFB Paper [#530](#))

Governor	<p><u>Change to FY'11 base:</u> No fiscal impact for the state.</p>	<p><u>Description:</u> Eliminates revenue limit exemptions for school nursing costs, above-average transportation costs, and safety expenditures. These exemptions were scheduled to go into effect in the 2011-12 school year.</p>
Joint Finance	Accepted Governor's recommendations.	
Legislature/Act 32	Same.	

**School Library Aids** (LFB Summary p. [502](#))

Governor	<p><u>Change to FY'11 base:</u> FY'12: -\$4.6 million SEG FY'13: -\$2.6 million SEG</p>	<p><u>Description:</u> Cut aid for school libraries, based on a re-estimate of the interest earned by the Common School Fund.</p>
Joint Finance	Accepted the Governor's recommendation.	
Legislature/Act 32	Same.	

**School District Revenue Limits** (LFB Summary p. [493](#), LFB Paper [#525](#))

Governor	<p><u>Change to FY'11 base:</u> No fiscal impact for the state.</p>	<p><u>Description:</u> Under revenue limits, the amount of revenue a school district can raise from general school aid and property taxes is restricted. The budget would require school districts to reduce their revenue limit by 5.5% in FY'12 compared to FY'11. The revenue limit in FY'13 would remain at the FY'12 level.</p> <p>These changes would not only restrict school districts from raising property taxes to make up for cuts in state aid, but would also require most school districts to decrease the amount they raise from property taxes in order to stay under the new, lower levy limits.</p>
Joint Finance	Provides a \$50 per pupil increase under revenue limits in FY'13 (See <a href="#">Categorical Aid Repeals and Reductions.</a> ) Districts have a one-time levy limit exemption equal to the amount of rescinded or refunded taxes.	
Legislature/Act 32	Keep Joint Finance provisions, and allow districts that received "hold harmless" adjustments in the 2011-12 school year to receive a one-time revenue limit adjustment.	
Other resources	<a href="#">"Poorer districts will take larger aid hit in budget,"</a> WI Budget Project Blog, 5/17/11	

**Changes to Parental Choice Program** (LFB Summary p. [503-510](#), LFB Papers [550](#), [551](#) & [552](#))

Governor	<p><u>Over the biennium:</u>                  +\$13.9 million GPR                  (includes \$8.7 million reduction in aid to Milwaukee Public Schools)</p> <p><u>Description:</u> Adds funding to Milwaukee Parental Choice programs to reflect policy changes expanding eligibility. Repeals enrollment cap, allows any school in Milwaukee County to participate, and drops income eligibility requirements. Repeals requirement that choice schools use a particular test to measure performance of their students. Keeps per-pupil payments at the same level as FY'11.</p>
Joint Finance	<p>Approved Governor's funding recommendations and deletion of enrollment cap for Milwaukee choice program. Deleted any geographical requirements for schools participating in the school choice program (students must still live in the City of Milwaukee). Deleted Governor's recommendation to drop income eligibility requirements, and instead capped participation at three times the federal poverty level. Restored requirement for choice schools to use a particular test to measure the performance of their students, which would allow comparison between students in choice and non-choice programs.</p> <p>Expand school choice program to students living in the Racine Unified School District. Enrollment in the Racine choice program would be capped for the first two years. Add \$4.8 million GPR for Racine choice, and reduce Racine School District aid by \$1.9 million.</p> <p>Allow school choice program to expand to Green Bay if a certain number of signatures are gathered. The number of students would be capped for the first two years.</p> <p>Followed the Governor's recommendations for per-pupil payment levels.</p>
Legislature/Act 32	<p>Deleted the Joint Finance provisions regarding Racine and Green Bay. Instead, specify that school choice could expand to districts meeting a set of criteria. The only district currently meeting the criteria is Racine, but other districts in mid-size cities could come into the program as their demographics change. Cap participation for the first two years for any districts in the choice program.</p>
Other resources	<p><a href="#">Voucher Numbers Might Not Soar Initially</a>, Milwaukee Journal-Sentinel, 3/7/11.  <a href="#">Choice schools need testing too</a>, La Crosse Tribune editorial, 4/3/11.  <a href="#">Could your district soon qualify for school choice under Assembly bill?</a>, Journal-Sentinel blog 6/16/11. <a href="http://www.jsonline.com/blogs/news/124026659.html">http://www.jsonline.com/blogs/news/124026659.html</a></p>

**Wisconsin Covenant Program** (LFB Summary p. [376](#), LFB Paper [#385](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$15.4 million GPR  FY'13: -\$5.8 million GPR</p>	<p><u>Description:</u> Eliminates the Wisconsin Covenant Scholars program. Provide grants to qualified students who have signed the covenant prior to sunset date of September 2011. Decrease the funding in 2011-13 biennium based on estimates of program demand.</p>
Joint Finance	<p>Approve Governor's recommendation to sunset the program. On top of the Governor's cuts, cut an additional \$5.7 million in FY'12 and \$11.3 million in FY'13 based on re-estimates of program participation.</p>	
Legislature/Act 32	<p>No change (same as Joint Finance)</p>	
Other resources	<p><a href="#">"Walker Plans to Phase Out Covenant Program,"</a> The Capital Times, 3/2/11.  <a href="#">"State to phase out Wisconsin Covenant aid program,"</a> UW Badger Herald, 5/25/11</p>	

**Reading Task Force** (LFB Summary p. [23](#), LFB Paper [#100](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: +\$0.6 million GPR  FY'13: +\$0.6 million GPR</p>	<p><u>Description:</u> Provides funding to develop a program to improve literacy in elementary school children.</p>
Joint Finance	<p>Accepted Governor's recommendation.</p>	
Legislature/Act 32	<p>Same.</p>	
Other resources	<p><a href="#">Wisconsin Governor's Agenda, for Third Grade,</a> Education Week blog post, 3/8/11.</p>	

**Student Information System** (LFB Summary p. [521](#), LFB Paper [#563](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: +\$15.0 million GPR</p>	<p><u>Description:</u> Creates a statewide student information system to track academic performance and demographic information.</p>
Joint Finance	<p>Moved the funding from DPI to the Joint Finance Committee's reserve appropriation, and require the State Superintendent and the Governor to submit a plan to the Committee for release of the money. Districts would have five years to phase in the use of the new system.</p>	
Legislature/Act 32	<p>Same.</p>	

**Repeal Selected School Mandates** (LFB Summary p. [353-355](#))

Governor	<p><u>Change to FY'11 base:</u>  No fiscal effect for the state.</p>	<p><u>Description:</u> Repeals selected school mandates, including: requirement for a school year of at least 180 days; Milwaukee Public Schools hold no more than 200 days of teaching service a year; schools employ reading specialists; and others.</p>
Joint Finance	<p>These items were removed from the budget as non-fiscal policy items.</p>	
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>	

**Changes to Charter School Program** (LFB Summary p. [511-513](#)), LFB Papers [553](#) & [554](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: \$0 GPR, net  FY'13: \$0 GPR, net</p>	<p><u>Description:</u> Increase funding for charter schools by \$18.4 million over the biennium and reduce general school aids by the same amount. The Governor recommends deleting a provision in current law that would cap the reduction in school aid for all school districts, related to the charter school program, at the amount of the reduction taken in the 2010-11 school year, and paid additional amounts for the program in future years from the general fund. (LFB Paper <a href="#">553</a>)</p> <p>Keeps per-pupil payments for charter schools at the same level as FY'11. Repeals licensing requirements for teachers in charter schools, although teachers must still have a bachelor's degree, and expand authorization for creation of new charter schools to include any UW four-year campus or school district. Repeals the enrollment cap for virtual charter schools. (LFB Paper <a href="#">554</a>)</p>
Joint Finance	<p>The provision regarding licensure for teachers in charter schools was removed from the budget as a policy change that did not have a fiscal effect.</p> <p>Approved the Governor's recommendation to modify the funding mechanism so that the entire amount of aid paid to charter schools, general school aid for all districts would be reduced by the same amount. Delete the Governor's recommendation to expand the authorization for independent charter schools.</p>	
Legislature/Act 32	No change. (Same as Joint Finance.)	

**Pupil Assessment** (LFB summary pp. [521-522](#), LFB Budget Paper [# 561](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: +\$2.3 million  FY'13: \$2.3 million</p>	<p><u>Description:</u> Provide \$2.3 million annually above base level funding of \$3.1 million for standardized pupil assessments to contract for and administer the Wisconsin knowledge and concepts exams required by state law in grades 3, 4, 8, and 10. This appropriation would also be subject to a 10% across-the-board reduction to the base.</p>
Joint Finance	<p>Reduce the Governor's recommendation by \$2.3 million in FY'12 and \$0.5 million in FY'13. DPI could use federal carryover funds to cover the shortfall.</p>	
Legislature/Act 32	No change (same as Joint Finance)	

See also: [4-Year-Old Kindergarten Start-Up](#)

## HIGHER EDUCATION

### Splitting UW-Madison from UW System (LFB Summary p. [649](#), LFB Paper [690](#))

Governor	<p><u>Over the biennium, change to FY'11 base:</u>                  +\$839.9 million GPR                  +\$184.6 million PR                  +\$51.7 million SEG</p>	<p><u>Description:</u> Restructures UW-Madison as a public authority with greater independence, separate from the UW System. UW-Madison would be governed by a 21 member board with 11 members appointed by the Governor. The UW-Madison Chancellor has proposed an 8.5% tuition increase for in-state residents.</p> <p>Requires the Board of Regents to submit a plan to convert UW-Milwaukee to a public authority.</p>
Joint Finance	Rejected the proposal, thereby retaining Madison in the UW system.	
Legislature/Act 32	No change. (Same as Joint Finance.)	
Other resources	<p><a href="#">"Overview and Review 2011-13 State of Wisconsin Biennial Budget,"</a> UW-Madison Chancellor Biddy Martin and Vice-Chancellor Darrell Bazzell PowerPoint.                  Joint Finance Committee's <a href="#">omnibus UW motion</a> -6/3/11</p>	

### Cuts to UW-Madison (LFB Summary p. [652](#))

Governor	<p><u>Change to FY'11 base:</u>                  FY'12: -\$62.5 million GPR                  FY'13: -\$62.5 million GPR</p>	<p><u>Description:</u> Requires cuts to "create additional operational efficiencies and balance the budget." This is in addition to the cut that reflects savings from having employees pay a higher share of their fringe benefit costs. The total cut to UW-Madison and UW System combined is \$250 million over the biennium.</p>
Joint Finance	Keep the total amount of cuts to the UW System and UW-Madison at a total of \$250 million, but reduce the cuts to UW-Madison to \$47.2 million per year.	
Legislature/Act 32	No change. (Same as Joint Finance.)	
Other resources	<a href="#">"Chancellor Martin's Statement on Governor Walker's Budget Proposal,"</a> 3/1/11.	

### Freeze Financial Aid (LFB Summary p. [378](#), LFB Paper [#386](#))

Governor	<p><u>Change to FY'11 base:</u>                  None</p>	<p><u>Description:</u> Freeze financial aid amounts, despite a proposed 5.5 percent increase in tuition at most UW campuses. In addition, suspends link between UW System tuition increases and financial aid funding. That link has been suspended in every budget since 2001, when it was established.</p>
Joint Finance	Accepted Governor's recommendation.	
Legislature/Act 32	No change (same as Joint Finance)	

**Cuts to Remainder of UW System** (LFB Summary p. [652](#), LFB Paper [740](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$62.5 million GPR  FY'13: -\$62.5 million GPR</p>	<p><u>Description:</u> The rest of the UW System would be required to cut \$125 million over the biennium, as would UW-Madison. This is in addition to a \$48.5 million cut over the biennium to reflect savings from having employees pay a higher share of their fringe benefit costs</p>
Joint Finance	<p>Approved the Governor's recommendations for total combined cuts to UW-Madison and UW System, but reduced the cuts to UW-Madison, which means that cuts to the remainder of UW System increased to \$77.8 million GPR per year.</p>	
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>	
Other resources	<p><a href="#">"Walker's Proposal Cuts UW System Budget,"</a> Milwaukee Journal Sentinel, 3/1/11</p>	

**Tuition Increase at UW System** (LFB Paper [655](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: +\$35.8 million GPR  FY'13: +\$71.5 million GPR</p>	<p><u>Description:</u> Adjust tuition expenditure authority to allow for a 5.5% tuition increase in each of the next two years.</p>
Joint Finance	<p>Accepted Governor's recommendation.</p>	
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>	

**Repeal In-State Tuition for Undocumented Persons** (LFB Summary pp. [658](#), [702](#), LFB Paper [750](#))

Governor	<p><u>Change to FY'11 base:</u>  Minimal</p>	<p><u>Description:</u> Repeals the provision that allows undocumented students to pay in-state tuition rates, providing they have lived in Wisconsin for three years before graduating from high school, and promise to file for permanent residency as soon as possible.</p>
Joint Finance	<p>Accepted Governor's recommendation.</p>	
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>	
Other resources	<p><a href="#">"Grass Roots: Budget Targets Tuition for Undocumented Students,"</a> The Capital Times, 3/2/11.  <a href="#">"About 100 illegal immigrants paid in-state tuition in 2010-11"</a> Capital Times, 6/20</p>	

**Cuts to Technical College System, Levy Cap** (LFB Summary p. [699,700](#), LFB Paper [#805](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$35.8 million GPR  FY'13: -\$35.8 million GPR</p>	<p><u>Description:</u> Cut state support to the technical college system by \$71.6 million over the biennium. Implement an operational levy cap to freeze local property tax levies for technical colleges in 2011 and 2012 at the 2010 level.</p>
Joint Finance	<p>Approve Governor's cuts. Technical college districts may exceed the levy freeze if a referendum is approved by the voters, with 1.5 mills the maximum amount that could be levied. Districts could increase levy amount to account for growth in property values. Districts have a one-time levy limit exemption equal to the amount of rescinded or refunded taxes.</p>	
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>	
Other resources	<p><a href="#">"Tech Colleges Brace for Budget Hit,"</a> Wisconsin Radio Network, 3/14/11.</p>	

See also: [Elimination of Wisconsin Covenant Program](#)

## WISCONSIN WORKS AND OTHER TANF-FUNDED PROGRAMS

### Earned Income Tax Credit Funding and Structure (LFB Summary pp. [152](#) & [263](#), LFB Paper [#312](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$57.3 million GPR  <u>+\$37.0 million TANF</u>  FY'12 total: -\$20.3 million</p> <p>FY'13: -\$58.0 million GPR  <u>+\$37.0 million TANF</u>  FY'13 total: -\$21.0 million</p> <p>The figures above are superseded by subsequent LFB estimates (see below).</p>	<p><u>Description:</u> Uses \$37 million more per year of TANF funding for the state EITC, but cuts state GPR funds for the EITC by \$57.3 million the first year and \$58 million the 2<sup>nd</sup> year (relative to the cost-to-continue level), thereby cutting the tax credit for low-income working families by \$41.3 million in 2011-13, and reducing TANF available for other purposes by \$74 million (and another \$37 million cut in FY'11 in the budget repair bill). Achieves the cuts by reducing the credit for families with 2 kids to 8 % of the federal EITC (from 14% now) and to 40% (from 43%) for families with 3 or more kids.</p>
Joint Finance	<p>Cuts deeper by decreasing the credit to 34% of the federal level for families with 3 or more kids, while setting it at 11% (instead of 8%) for those with 2 children. These changes amount to a total cut of about \$56 million (relative to the cost to continue). The credit will be unchanged for families with one child, but will fall by as much as \$154 for those with 2 kids, and \$518 for families with 3 or more children.</p> <p>Note that LFB reestimates raised the cost to maintain the program because the DOA failed to account for part of the continuation of Recovery Act changes to the federal EITC. Those changes increased the cost of maintaining current law to \$55.6 million, or about \$14.3 million more than DOA had estimated.</p>	
Legislature/Act 32	No change. (Same as Joint Finance.)	
Other resources	<p><a href="#">"Budget Includes Tax Increase for Poor and Tax Cut for Wealthiest,"</a> Wisconsin Budget Project blog post, 3/14/11.</p> <p><a href="#">"Use Higher Revenues to Restore State's Earned Income Tax Credit,"</a> May 27 op-ed column, Janesville Gazette</p>	

**Transitional Jobs Program** (LFB Summary p. [144](#), LFB Paper [#215](#))

Governor	<p><u>Change to FY'11 base:</u> Cuts \$17,151,500 TANF each year. (This isn't shown by the LFB as a cut because the funding was initially considered to be short-term and wasn't in the FY'11 base.)</p>	<p><u>Description:</u> Eliminates the transitional jobs demonstration program, which seeks to serve up to 2,500 unemployed, non-custodial parents who are ineligible for W-2 and unemployment insurance.</p>
Joint Finance	<p>Added \$12 million to the bill to allow the demonstration program to continue through June 30, 2012. Sunsets the program at the end of 2012-13, but doesn't fund it that year.</p>	
Legislature	<p>No change. (Same as Joint Finance.)</p>	
Governor/Act 32	<p>Partial veto removes the requirement that host sites be for-profit businesses. Though non-profit placements will be allowed, language in the veto specifies that preference will be given to for-profit businesses.</p>	
Other resources	<p><a href="#">"Shilling, Workforce Officials Hope State Will Continue Jobs Program,"</a> La Crosse Tribune, 5/14/11.</p>	

**W-2 Payment Levels and Benefits Funding** (LFB Summary p. [140](#), LFB Paper [#212](#))

Governor	<p><u>Change to FY'11 base:</u> FY'12: +\$8.3 million TANF FY'13: - \$8.7 million TANF</p>	<p><u>Description:</u> Reduces payments for W-2 placements by \$20 per month, "to further encourage W-2 recipients that the goal of W-2 is for participants to secure unsubsidized employment." These payments have been frozen since W-2 started in 1997, and have lost almost 28% of their purchasing power since then. The funding changes result primarily from the increase in program participation this year (which increases average cost next yr.) and from an estimated drop in enrollment from more than 14,500 in Jan 2011 to slightly less than 9,000 in June 2013.</p>
Joint Finance	<p>Approved Governor's changes, with a small change that reduces the hourly sanction for a W-2 participant who fails to participate in a required W-2 activity from \$5.15 to \$5.00 to reflect the hourly wage amount under the new grant amount. (See the next section – Agency Contracts – for the JFC changes in the funding level.)</p>	
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>	
Other resources	<p><a href="#">"Women respond to Gov. Walker's budget proposals,"</a> ThirdCoast Digest, 5/16/11</p>	

**W-2 Agency Contracts – Benefits** (LFB Summary p. [141](#), LFB Paper [#211](#)) and the “Job-Ready Category”

Governor	<p><u>Change to FY’11 base:</u>                      <u>Description:</u></p> <p>FY’12: +\$8.3 million TANF</p> <p>FY’13:- \$8.7 million TANF</p>
Joint Finance	<p>Increases funding by \$11.7 million in the biennium to reflect assumption of a larger caseload (slower decline) than the original bill. However, also reduced funding for W-2 benefits by \$1.6 million FED in 2011-12 and \$3.2 million FED in 2012-13 to reflect <u>reinstatement of the "job-ready" case management services category</u> in the W-2 program, beginning Jan. 1, 2012. (LFB Summary p. <a href="#">154</a>)</p>
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>
Other resources	<p><a href="#">“GOP-backed changes likely for rapidly growing W-2 program,”</a> Milwaukee Journal Sentinel, 6/2/2011</p>

**W-2 Agency Contracts – Services & Administration** (LFB Summary p. [142](#), LFB Paper [#211](#))

Governor	<p><u>Change to FY’11 base:</u>                      <u>Description:</u> Increases funding for services to W-2</p> <p>FY’12: +\$6.4 million TANF                      participants by \$9.2 million and \$713,000 for agency</p> <p>FY’13:- \$3.5 million TANF                      administration costs.</p>
Joint Finance	<p>Based on recent spending for W-2 services, reduces that portion of the agency contracts by about \$9.2 million over the next two years, and reduces spending for local agency administration by \$2.7 million.</p>
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>

**Reducing Time Period for Caretaker of Newborn Infant (CNI) Benefits** (LFB Summary p. [155](#))

Governor	<p>No change to current law (12-week benefit after a child’s birth)</p>
Joint Finance	<p>Cuts funding by \$268,500 FED in 2011-12 and \$537,100 the second year to reflect the net effect of reducing the time period for receipt of a CNI grant to 8 weeks (from 12). The cut in W-2 benefits is about \$2 million over the biennium, which is net reduction of about \$800,000 after accounting for the projected costs to the WI Shares child care subsidy program from the faster return of low-wage workers to the workforce.</p>
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>

**W-2 Policy Change – Removing Oral Notice Requirement** (LFB Summary p. [144](#), LFB Paper [#214](#))

Governor	<p><u>Change to FY'11 base:</u> No estimate available yet (The effect, if any, is presumably reflected in the W-2 contract amounts, above.)</p>	<p><u>Description:</u> Currently before a 20% reduction in a participant's monthly payment or the termination of payments is imposed the W-2 agency must provide written notice followed up with oral notice of the impending action, explain the basis of the action and provide the participant with time to rectify the failure or behavior that caused the reduction or termination. The bill eliminates each of those requirements.</p>
Joint Finance	Approved the Governor's proposals.	
Legislature/Act 32	Same.	

**Emergency Assistance** (LFB Summary p. [151](#))

Governor	<p><u>Change to FY'11 base:</u> FY'12: +\$200,000 FY'13: no change (returns to base level of \$6.0 million)</p>	<p><u>Description:</u> Provides a \$200,000 increase the first year to this program, which makes funds available to families at or below 115% of poverty in an immediate emergency due to fire, flood, natural disaster, energy crisis or homelessness. Families are only eligible once in a 12-month period.</p>
Joint Finance	Accepted the Governor's recommendation.	
Legislature/Act 32	Same.	

**Kinship Care** (LFB Summary p. [125](#), Paper [#210](#) p. 5)

Governor	<p><u>Change to FY'11 base:</u> Cuts \$1,642,400 per year</p>	<p><u>Description:</u> Provides about \$21.4 million/yr from TANF for the \$215/mo. payments to noncaretaker relatives for care and support of children who would be at risk of abuse and neglect if they remained at home. The cut represents a reduction in the cost to continue the program.</p>
Joint Finance	Approved the Governor's proposal.	
Legislature/Act 32	Same.	

**W-2 Time Limits** (LFB Summary p. [142](#), LFB Paper [#213](#))

Governor	<u>Change to FY'11 base:</u> No estimate available yet (The effect, if any, is presumably reflected in the W-2 contract amounts, above.)	<u>Description:</u> Restores the 24-month participation time limit for CSJs and W-2 Transition (W2T) positions. Those limits were removed by the Doyle administration in part to end the administrative burden associated with requesting extensions the W-2 agencies faced. The 60-month time limit on W2 participation wasn't changed, but eliminating the 24-month time limit gave the agencies more flexibility and reduced unnecessary paperwork.
Joint Finance	Approved the Governor's proposal.	
Legislature/Act 32	Same.	

**W-2 – Removing “Good Cause” Test and Conciliation Period** (LFB Summary p. [144](#), LFB Paper [#214](#))

Governor	<u>Change to FY'11 base:</u> No estimate available yet (The effect, if any, is presumably reflected in the W-2 contract amounts, above.)	<u>Description:</u> A W-2 participant who refuses to participate in W-2 activities faces payment sanctions and is ineligible to participate in the program for 3 months. Currently the agency must determine if there is good cause for the participant's failure before imposing the 3-month penalty, and if good cause doesn't exist must provide the participant with a conciliation period where s/he can “make-up” the failure and avoid the penalty. The bill removes the good cause determination and eliminates the conciliation requirement.
Joint Finance	Accepted the Governor's recommendation.	
Legislature/Act 32	Same.	

**TANF Funding – Support for Other Programs** (LFB Summary p. [140](#), Paper [#218](#))

Governor	<u>Change to FY'11 base:</u> No change in the transfers noted here.	<u>Description:</u> Maintains the base level of TANF support for the Children First program, grants to the Boys and Girls Clubs, Child Welfare Safety Services and Prevention Services, and Bureau of Milwaukee Child Welfare (while providing a new appropriation of \$680,400 in FY'12 and \$1,360,800 in FY'13 for the Child Welfare Program Improvement Plan).
Joint Finance	Approved the miscellaneous TANF appropriations noted above.	
Legislature/Act 32	Same.	

**W-2 Flexibility for Educational Hours** (LFB Summary p. [143](#), Paper [#213](#))

Governor	<p><u>Change to FY'11 base:</u> No estimate available yet (The effect, if any, is presumably reflected in the W-2 contract amounts, above.)</p>	<p><u>Description:</u> Restores the hourly work participation requirements removed in the last session. Both CSJs and W2T positions require up to 40 hours of participation. Until the last session, CSJs placements had to include at least 30 hours of work activities and education activities were limited to 10 hours. For W2Ts the hours are 28 work and 12 education and other activities. The removal of the hourly designation provided W-2 agencies with more flexibility in designing individual activities and allowed for attendance in training and technical school – both of which are countable activities for federal TANF requirements. The Gov.'s bill eliminates this flexibility and will discourage training and technical programs.</p>
Joint Finance	Approved the Governor's recommendation (effective in Jan. 2012), with minor modifications.	
Legislature/Act 32	Same.	

**Transfer to the Social Services Block Grant** (LFB Summary p. [152](#), LFB Budget Papers [#210](#) & [381](#))

Governor	<p><u>Change to FY'11 base:</u> FY'12: \$556,500 TANF FY'13: \$577,500 TANF</p>	<p><u>Description:</u> Increase the transfer of TANF funding to the Social Services Block Grant, which helps support the Community Aids program.</p>
Joint Finance	Approved the Gov.'s recommendation., with an upward adjustment of \$28,400/yr.	
Legislature/Act 32	Same.	

**Caretaker Supplement** (LFB Summary p. [151](#))

Governor	<p><u>Change to FY'11 base:</u> FY'12: +\$1.3M GPR FY'13: +\$1.3M GPR</p>	<p><u>Description:</u> Increases the funding for Caretaker Supplement by about \$1.3 million per year to reflect estimated caseload growth. The program provides monthly cash benefits to SSI recipients to support their dependent children.</p>
Joint Finance	Accepted the Governor's recommendation.	
Legislature/Act 32	Same.	

## AID TO LOCAL GOVERNMENTS

### Aids to Counties and Municipalities (LFB Summary p. [561, 566](#), LFB Papers [595 – 597](#))

Governor	<p><u>Change to FY'11 base:</u> FY'13: -\$96.0 million GPR</p>	<p><u>Description:</u> Reduces funding for county and municipal aid (Shared Revenue) in calendar year 2012 by \$96.0 million, a reduction of 11.6% relative to total 2011 payments. (<a href="#">LFB Paper 595</a>) Payments for municipal services would also be reduced by 10 percent in each year. (<a href="#">LFB Paper 597</a>)</p>
Joint Finance	Relative to the Governor's proposal, increase Shared Revenue by \$19.3 million in FY'13, leaving a net reduction of \$76.8 million. Eliminate the maintenance of effort requirements for local governments for emergency services.	
Legislature/Act 32	No change. (Same as Joint Finance.)	
Other resources	" <a href="#">Proposed Local Savings Cover Only 61% of State Funding Cuts</a> ," League of Wisconsin Municipalities, 4/6/11.	

### Public Library Maintenance of Effort (LFB Summary p. [525](#), LFB Paper [#562](#))

Governor	<p><u>Change to FY'11 base:</u> No fiscal effect for the state.</p>	<p><u>Description:</u> Eliminates the requirement that public libraries maintain a certain level of expenditures as a condition of being a member of a public library system.</p>
Joint Finance	No change to the Governor's recommendation to repeal maintenance of effort.	
Legislature/Act 32	Same.	

### Transportation Assistance (LFB Summary p. [611](#), LFB Paper [#650](#))

Governor	<p><u>Change to FY'11 base:</u> FY'12: -\$12.0 million SEG FY'13: -\$36.2 million SEG</p>	<p><u>Description:</u> Reduces transportation assistance to local governments.</p>
Joint Finance	Compared to Governor's budget, add back \$8.8 million in FY'12 and \$21.9 million in FY'13. This mitigates the cuts in transportation assistance to local governments.	
Legislature/Act 32	Compared to Joint Finance, reduce funding by \$10.0 million over the biennium.	

See also: [Eliminate Funding for Recycling](#), [Restrictions on Local Property Tax Levies](#), [Shift Mass Transit Costs to General Fund](#)

## CORRECTIONS

### Consolidate Juvenile Correctional Institutions (LFB Summary p. [209](#), LFB Paper #[271](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$23.4 million GPR  FY'13: -\$23.8 million GPR</p>	<p><u>Description:</u> Savings result from closing of Ethan Allen School for Boys and Southern Oaks School for girls and consolidating all JCI functions at Lincoln Hills School, including creating a separate portion of that facility for girls to be called Copper Lake School. There would be a net reduction of 269 PR positions and increase of 15 GPR positions related to maintaining facilities/properties that are closing.</p>
Joint Finance	<p>Approved closing EAS, transferring boys to Lincoln Hills; and approved closing Southern Oaks Girls School and transferring girls to a newly created Copper Hills School on the grounds of Lincoln Hills. Approved related position reductions and reallocations and, in addition, adopted a requirement that Corrections submit a report on juvenile correctional services (service providers, # of juveniles served, whether they are county or state- supervised, and costs of services) by 6/30/12 2012.</p>	
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>	
Other resources	<p><a href="#">"WI Department of Corrections to Consolidate Juvenile Institutions,"</a> Department of Corrections press release, 3/1/11.</p>	

### Increase Daily Rate for Juv. Correctional Services (LFB Summary p. [208](#), [211](#), [214](#), LFB Paper #[270](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: +\$9/day to \$284/day  FY'13: +\$5/day to \$289/day</p>	<p><u>Description:</u> This increases the daily rate charged to counties for placing a youth in a juvenile correctional institution; these rates include \$17/day to "pay back" the deficit incurred in recent years by the department. Increase rate by \$9 for FY'12 to \$284; additional increase of \$5 to \$289 for FY'13. The projected average daily population for the JCIs is 340 for both years of the biennium.</p>
Joint Finance	<p>Approved increase of daily rates for JCI placements as recommended by the Governor, those rates including \$17/day to pay off the deficit incurred in recent years as the result of rapidly declining JCI placements. Also approved a non-statutory provision that includes that \$17/day additional charge until the deficit is paid off (estimated over a 10-year period) Link to <a href="#">WCCF Memo on Daily Rates and Youth Aids allocations</a>.</p>	
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>	

**Reduction in Youth Aids Funding** (LFB Summary p.[212](#), LFB Paper #[272](#))

Governor	<u>Change to FY'11 base:</u> FY'12 and FY'13: Reduction of 10%, to approximately 2002 levels	<u>Description:</u> Reduces community youth and family aids (youth aids) funding by \$9.8 million annually associated with a 10% reduction to supplies and other nonpersonnel costs. Revises the calendar year allocations of youth aids to reflect adjusted distributions for the 2011-13 biennium, as follows: (a) \$45.5 million from the last six months of 2011; (b) \$91.0 million for 2012; and (c) \$45.5 million for the first six months of 2013.
Joint Finance	Approved the Governor's proposal for a 10% reduction in youth aids and repealing the federal appropriation created by Recovery funds in the 2009-11 budget.	
Legislature/Act 32	No change. (Same as Joint Finance.)	
Other resources	<a href="#">Memo on Daily Rates and Youth Aids allocations</a> , WCCF, 5/27/11.	

**Funding for Community Intervention Program Grants** (Budget Bill p. [257](#))

Governor	<u>Change to FY'11 base:</u> FY'12: No change FY'13: No change	<u>Description:</u> These grants are allocations to counties to support prevention & early intervention programming for youth at-risk of delinquency or for youth under delinquency supervision.
Joint Finance	Approved the Governor's proposal.	
Legislature/Act 32	No change. (Same as Joint Finance.)	

**Daily Rates for Non-Custodial Juv. Corrections Services** (LFB Summary, p.[208](#), [211](#)), LFB Paper # [270](#))

Governor	<u>Change to FY'11 base:</u> None	<u>Description:</u> Establishes the rates for counties purchasing Division of Juvenile Corrections corrective sanctions and other aftercare services. Sets rate of: \$99/day for Corrective Sanctions for FY'11 and \$100/day for FY'12; \$40/day for Aftercare supervision for both years. Daily populations for services are 340 in JCI, 136 in Corrective Sanctions, and 75 on Aftercare supervision.
Joint Finance	Approved the Governor's proposal for non-custodial daily rates .	
Legislature/Act 32	No change. (Same as Joint Finance.)	

**Reduction in Funding for Serious Juvenile Offender Program** (LFB Summary, p.[212](#), LFB Paper #[270](#))

Governor	Change to FY '11 Base: FY'12: -\$3.4 million GPR FY'13: -\$4.3 million GPR	Description: Reduces allocation to cover costs associated with the Serious Juvenile Offender (SJO) program, which reflects decreased costs associated with state-funded serious juvenile offenders (SJO) based on estimate ADP of 202 in 2011-12 and 182 in 2012-13.
Joint Finance	Approved the Governor's proposal.	
Legislature/Act 32	No change. (Same as Joint Finance.)	

**Repeal Early Release** (LFB Summary, p.[204](#), LFB Paper #[265](#))

Governor	Change to FY '11 Base: N/A	Description: Partly rolls back sentencing modification provisions enacted in 2009.  Eliminates the authority for prisons to release low-level offenders who have served all but 12 months of their sentence, and convert the remaining time to extended supervision. Eliminates the ability for inmates to earn a day of early release for a specified number of days served with good behavior, with unserved time added to extended supervision time. Eliminates ability for low-level offenders to apply for early release from extended supervision.  Streamlines the process through which eligible inmates who have served more than 75% of their sentence can apply for early release.
Joint Finance	Approved the Governor's proposal with minor changes. Senate Bill 57, which had similar (but not identical) provisions partly rolling back sentencing modifications passed the Legislature in June but was not sent to the Governor for his signature.	
Legislature/Act 32	No change.	
Other resources	<a href="#">"Wisconsin Governor Scott Walker's Budget Tightens Early Prison Release,"</a> Green Bay Press Gazette, 3/5/11.	

## ENVIRONMENT/NATURAL RESOURCES

### Eliminate Office of Energy Independence (LFB Summary p. [27 and 29](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$0.2 million PR-F  FY'13: -\$0.2 million PR-F</p>	<p><u>Description:</u> Eliminate the Office of Energy Independence, which focuses on promoting renewable resource markets and research. Loosen requirements that require state agencies to use biofuels when possible and reduce gasoline usage.</p>
Joint Finance	Accept Governor's recommendation.	
Legislature/Act 32	Same.	
Other resources	<p><a href="#">"Walker Budget Proposal Would Eliminate Office of Energy Independence,"</a>  Milwaukee Journal Sentinel, 3/4/11.</p>	

### Elimination of Agricultural Conservation Easements (LFB Summary p. [60](#), LFP Paper #[136](#))

Governor	<p><u>Change to FY'11 base:</u>  -\$12.0 million in general obligation bonding</p>	<p><u>Description:</u> Eliminate the purchase of agricultural conservation easements, which protect farmland from development.</p>
Joint Finance	<p>Include the Governor's recommendations to repeal fees and \$12 million in bonding authority for the program. Commitments to farmers that had already been approved for 2011 were honored, but no future funding was granted. Required DATCP to evaluate the program, identify alternatives that would be less costly, and report back to Joint Finance.</p>	
Legislature/Act 32	No change. (Same as Joint Finance.)	
Other resources	<p><a href="#">"Farmland Preservation Program on Chopping Block,"</a> Milwaukee Journal Sentinel, 3/13/11.</p>	

### Eliminate Funding for Recycling (LFB Summary p. [471](#), LFB Paper #[785](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$32.1 million SEG  FY'13: -\$32.1 million SEG</p>	<p><u>Description:</u> Eliminates financial assistance for local recycling programs. Repeal the requirement that local governments operate such a program. Recyclables are still banned from landfills.</p>
Joint Finance	<p>Added back in \$19 SEG million annually, for a total of \$38 million over the biennium, and reinstated the requirement that local governments operate recycling programs.</p>	
Legislature/Act 32	No change. (Same as Joint Finance.)	
Other resources	<p><a href="#">"Municipalities Preparing for Possible Loss of Recycling Funds,"</a> Green Bay Press Gazette, 4/6/11.</p>	

**Shift Mass Transit Costs to General Fund** (LFB Summary p. [611](#), LFB Paper #[651](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: \$0 GPR  <u>-\$0.4 million SEG</u>  FY'12 total: -\$0.4 million</p> <p>FY'13: +\$106.5 million GPR  <u>-\$115.7 million SEG</u>  FY'13 total: -\$9.2 million</p>	<p><u>Description:</u> Cuts state funding for transit by \$9.6 million over the next two years, and transfer funding source for transit operating aids from the transportation fund to the general fund, beginning in FY'13.</p> <p>The new collective bargaining restrictions imperil \$46 million federal aid to local bus systems.</p>
Joint Finance	<p>Moved mass transit costs back to the transportation fund, keeping the same level of support that the Governor recommended. Require DOA to transfer \$125 million from the general fund to the transportation fund over the biennium.</p>	
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>	
Other resources	<p><a href="#">"Walker Beefs Up Transportation Funding,"</a> Milwaukee Journal Sentinel, 4/4/11.  <a href="#">"Milwaukee-area leaders call for more transit aid,"</a> Milwaukee Journal Sentinel, 5/23/11</p>	

## TAX CUTS, TAX CREDITS, AND REVENUE

### Changes to Capital Gains Exclusions (LFB Summary p. [260-62](#), LFB Paper [#310](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$16.1 million GPR  FY'13: -\$20.2 million GPR</p>	<p><u>Description:</u> Creates an exclusion from the income tax for capital gains reinvested in Wisconsin businesses within 180 days.</p> <p>The budget also proposes creating an exclusion equal to 100% of the capital gains realized on investments in Wisconsin-based businesses held for at least five years, starting with purchases made in 2011. This change would not have a fiscal effect until FY'17, but the cost would gradually climb to \$79 million per year.</p>
Joint Finance	Approved the Governor's recommendations, with minor changes.	
Legislature/Act 32	No change. (Same as Joint Finance.)	
Other resources	<a href="#">"Walker's Proposed Capital Gains Tax Break Gets Lukewarm Backing,"</a> Milwaukee Journal Sentinel, 3/5/11.	

### Corporate & Individual Income Tax – Domestic Production Activities Credit (LFB Summary [p. 276](#))

Governor	No provision	
Joint Finance	<p>FY'12: NA  FY'13: -\$10.1 million GPR  FY'14: -\$44.2 million GPR  FY'15: -\$72.3 million GPR  FY'16: -\$104.4 million GPR  FY'17: -\$128.7 million GPR</p>	<p>Creates a new 7.5 % income tax credit for business income generated by qualified production activities in WI. The credit would begin in 2013 and be phased in over 4 years, with the cost growing to almost \$129 million/year in 2016-17.</p>
Legislature/Act 32	No change. (Same as Joint Finance.)	
Other resources	<p><a href="#">"Icing on the Cake for Corporations, Crumbs for Working Families,"</a> Wisconsin Budget Project Blog post, 6/10/11.</p> <p>WI had a similar, but much less costly income tax deduction that was ended in 2009, and was described in <a href="#">2009 LFB Budget Paper # 361</a>. And see ITEP's publication. <a href="#">"The QPAI Corporate Tax Break: How It Works and How States Can Respond."</a></p>	

**Minnesota-Wisconsin Tax Reciprocity Agreement** (LFB Summary p. [265](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$1.3 million GPR  FY'13: -\$61.2 million GPR</p>	<p><u>Description:</u> In 2009, Minnesota terminated the income tax reciprocity agreement between the two states. Wisconsin was due to pay Minnesota \$58.9 million in 2010 to settle accounts, but the administration chose to defer the payment until FY'12. The decrease in FY'13 reflects the fact that the agreement is terminated and no additional payments will be needed.</p>
Joint Finance	Approved the Governor's recommendations.	
Legislature/Act 32	Same.	
Other resources	<a href="#">"MN: Don't Forget, WI You Owe Us \$59 Million,"</a> WI Budget Proj. blog post, 1/19/11.	

**Repeal Homestead Tax Credit Inflation Indexing** (LFB Summary p. [567](#), LFB Paper [#605](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$2.0 million GPR  FY'13: -\$6.1 million GPR</p>	<p><u>Description:</u> Until recently, the Homestead Credit was the only major part of the state tax code not adjusted for inflation. In 2009 the law was changed to make annual adjustments for inflation, resulting in the first increase in the maximum credit in 20 years. The governor would repeal the indexing beginning with tax year 2011.</p>
Joint Finance	Included the Governor's proposal to repeal indexing. New re-estimates show this will reduce the credits by a total of \$13.6 million over the biennium.	
Legislature/Act 32	No change. (Same as Joint Finance.)	
Other resources	<a href="#">"Effects of the Biennial Budget and Budget Repair Bills for Working Families,"</a> Wisconsin Council on Children and Families, 3/14/11.	

**Changes to Combined Reporting** (LFB Summary p. [272](#), LFB Paper [#317](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: -\$9.2 million GPR  FY'13: -\$37.2 million GPR</p>	<p><u>Description:</u> Allows corporate groups to share losses generated before the change to combined reporting.</p>
Joint Finance	Approved the Governor's recommendations, with minor changes.	
Legislature/Act 32	Same.	
Other resources	<a href="#">"Walker's Proposed Tax Change: More For Corporations, Less for State,"</a> Wisconsin State Journal, 5/1/11.	

**Shift Sales Tax Revenues to Transportation Fund** (LFB Summary p. [604](#), [605](#), LFB Paper #[644](#))

Governor	<p><u>Change to FY'11 base:</u>  FY'12: no change  FY'13: -\$35.1 million GPR  <u>+\$35.1 million SEG</u>  FY'13 total: \$0</p>	<p><u>Description:</u> Beginning in FY'13, deposit 7.5% of sales tax revenue generated from automobile-related sales into the transportation fund instead of the general fund, and increase the percentage over time until it reaches 50% in FY'22. In FY'13 this would represent a \$35.1 million loss to the general fund, growing to about \$292 million in FY'22.</p>
Joint Finance	<p>Delete. Instead, annually transfer 0.25% of general fund taxes to the transportation fund, beginning in 2013. The amount must be at least \$35.1 million. Separately transfer \$125 million from the general fund to the transportation fund during the 2011-13 biennium.</p>	
Legislature/Act 32	<p>No change. (Same as Joint Finance.)</p>	
Other resources	<p><a href="#">"Budget Would Invest in Transportation, But at What Cost?"</a> Wisconsin Budget Project blog post, 3/9/11.  <a href="#">"Darling Opposes Plan to Use General Tax Funds for Highways,"</a> Milwaukee Journal Sentinel, 4/28/11.  <a href="#">"Building Boondoggles?"</a> WISPIRG, 5/25/11</p>	

**Restrictions on Local Property Tax Levies** (LFB Summary p. [569](#), LFB Paper #[610](#))

Governor	<p><u>Change to FY'11 base:</u>  No impact on state.</p>	<p><u>Description:</u> Freezes municipal and county levy limits for two years, except to allow for new construction or if an increase is approved by referendum. Does not allow local governments to carry forward unused levy capacity. Allow municipalities and counties to exceed their levy limit if approved by referendum.</p>
Joint Finance	<p>Allow levy limits to increase only by the value of net new construction. Unused levy, up to a max of 0.5% of the prior levy, could be carried forward with a supermajority of the local governing body. This supermajority requirement would expire starting in 2013. If the carry forward is not claimed in 2011, local governments would not be required to reduce their allowable levies in the following year. Allowable increases in levies for 2013 and beyond would correspond to the value of new construction or 1.5%, whichever is greater.</p>	
Legislature	<p>No change. (Same as Joint Finance.)</p>	
Governor/Act 32	<p>Partial veto removes the abilities of localities to increase levies by at least 1.5% in 2013 and beyond. The Governor left in place Joint Finance's change that made the levy limits permanent.</p>	
Other resources	<p><a href="#">"State Budget Panel Adopts Limits on Local Property Taxes,"</a> MJS, 5/12/11.</p>	

See also: [Earned Income Tax Credit Funding](#)

## MISCELLANEOUS

### GPR Debt Restructuring (LFB Summary p. [96](#), LFB Budget Paper [#175](#) )

Governor	Change to FY'11 base Restructure \$364.3 million in GPR-supported debt.	Description: Provide \$364.3 million of general obligation refunding bonding for the purpose of restructuring outstanding principal on GPR-supported, general obligation bonds.
Joint Finance	Reduce the amount of GPR restructuring bonding authorized by \$100.1 million, to a total of \$264.2 million.	
Legislature/Act 32	No change. (Same as Joint Finance.)	

### Eliminate Requirement for Cost-Benefit Analysis Before Contracting Out (LFB Summary p. [29](#))

Governor	Change to FY'11 base: Unknown what the change would be.	Description: Delete the requirement for agencies to conduct a cost-benefit analysis before contracting for services, to see if it would be cheaper for state employees to perform the service.
Joint Finance	This provision was removed from the budget as a non-fiscal policy item.	
Legislature/Act 32	No change. (Same as Joint Finance.)	
Other resources	<a href="#">"State's Outsourcing Cost-Benefit Law Targeted,"</a> Milw. Journal Sentinel, 3/29/11. <a href="#">"DOT Outsourcing Costs Taxpayers Millions,"</a> WISC-TV, 5/25/11	

### Unemployment Insurance (UI) – Eligibility for Benefits (LFB Summary p. [710](#))

Governor	Change to FY'11 base: NA	Description: The Governor didn't recommend any change. In fact, traditionally no legislation relating to UI benefits is introduced unless it's been recommended by the UI Advisory Council, which hasn't developed a compromise bill yet.
Joint Finance	Added two changes relating to UI benefits: a) requiring a one- week waiting period before receiving unemployment benefits and b) denying eligibility for a year to people who fail a drug test required by an employer or prospective employer as a condition of employment. A one-week waiting period is estimated to reduce benefits paid to unemployment insurance claimants by between \$41 and \$56 million/year.	
Legislature/Act 32	Eliminates JFC provision on denying eligibility for people who fail a qualifying drug test. Instead specifies that an individual is ineligible for unemployment benefits if they lose their employment as a result of refusing a drug test or if a job offer is withdrawn or not extended due to a drug test failure. Estimated to reduce UI benefit payments by \$367,000 per year.	
Other resources	<a href="#">"JFC ties unemployment benefits to drug testing,"</a> WI Radio Network, 5/27/11 <a href="#">"A budget surprise: Departing from the usual consensus procedure in Unemployment insurance policy making,"</a> WI Budget Project Blog, 6/14/11 <a href="#">"Unemployment Insurance Council Unanimously Urges Veto of UI Changes in Budget Bill"</a> WI Budget Project Blog, 6/23/11	

**Fringe Benefits for Public Safety Employees**

Governor	<u>Change to FY'11 base:</u> NA	<u>Description:</u> In his budget bill, the Governor did not include any changes to fringe benefits for public safety employees.
Joint Finance	Require that law enforcement and firefighting personnel hired after 2011 Act 10 goes into effect pay half of their retirement contributions (5.8 percent of income). Limit collective bargaining rights of unionized public safety personnel, to a lesser degree than the restrictions in Act 10 for other unionized public employees.	
Legislature/Act 32	Exempt municipal transit workers from limitations on collective bargaining rights, similar to public safety personnel, to comply with strictures of federal funding. Include emergency medical services departments in Door and Waushara Counties in the definition of public safety workers to exempt those workers from limitations on collective bargaining rights.	
Other resources	<a href="#">Future public safety workers can expect to pay more for benefits</a> Ashland Current, 6/4/11	

**Required General Fund Statutory Reserve** (LFB Summary [p.93](#), LFB Paper [#167](#))

Governor	<u>Change to FY'11 base:</u> NA	<u>Description:</u> Maintain the required statutory balance at \$65 million in the 2011-13 biennium and the following two years. Delay until FY 2015-16, instead of 2013-14, when it is scheduled to increase to 2% of gross GPR appropriations (which would be \$296 million in 2012-13).
Joint Finance	Same	
Legislature/Act 32	Same	