Breaking with Tradition

How Wisconsin Lawmakers Have Shortchanged a Legacy of Investment in the State's Future

August 6, 2014

INTRODUCTION

In Wisconsin we value opportunity, responsibility and community. We want all of our children to be healthy, successful in school and part of supportive families who live in safe neighborhoods. But since 2011, a majority of state lawmakers have turned their backs on Wisconsin's long and proud history of investment in education, health care and other assets that once ensured the state's civic and economic progress.

They have given large tax cuts primarily to the highest-earning taxpayers, while raising taxes for working families and low-income seniors. The result is that low-income taxpayers have a harder time meeting their basic needs, and Wisconsin has fewer resources to support investments in the state's public schools, university system, and education for our youngest residents – investments that help create the building blocks for broad prosperity and a strong economy.

Lawmakers gave tax cuts to the wealthy and cut investment in Wisconsin's communities amid claims that the changes would spur job growth. But over the last four years, Wisconsin's job growth has been slower than both the national and regional average.

Four years ago Wisconsin was made a promise. The promise was that the best way to generate economic growth was through significant tax and spending cuts. The tax and spending cuts have occurred, but unfortunately for all of us, the promised job growth has not.

As a 501(c)(3) non-profit organization, the Wisconsin Council on Children and Families (WCCF), home of the Wisconsin Budget Project, is required to be non-partisan. This has become increasingly difficult in today's hyper-partisan political culture when everything that is written or said is interpreted through a partisan lens.

For WCCF, being non-partisan is not the same as being non-critical. At our core we are an analytic organization that believes that facts exist, that they matter, and that they need to form the basis of our decisions about how we best move forward together as a state. Throughout our 133 year history, what is in the best interest of Wisconsin's children and families has been fundamental to us, and when those interests are not being protected we are compelled to say so.

TAXES AND BUDGETING

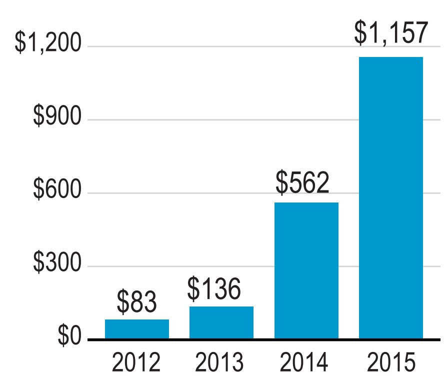
State lawmakers have passed dozens of tax cuts since 2011, many aimed at people who earn the most. Low income taxpayers have received much smaller tax cuts, and some may even be paying higher taxes than they did before 2011. The emphasis on tax cuts has thrown the state's upcoming budget out of balance, contributed to rising debt, and diverted money that would otherwise go to the state's rainy day fund to cushion the blow of the next economic downturn or some other unforeseen event.

Many tax cuts, but those with lowest incomes miss out

Wisconsin lawmakers have cut taxes 43 times since 2011, draining $1.9 billion in revenue for education and other priorities over that period.[1]

Cost of Tax Cuts in Wisconsin Rises

State revenue lost due to tax changes, in millions. Over four years, revenue losses total $1.9 billion.



Source: Legislative Fiscal Bureau
WISCONSIN BUDGET PROJECT

1 "Tax Law Changes Since January 2011," Legislative Fiscal Bureau memo, April 30, 2014.

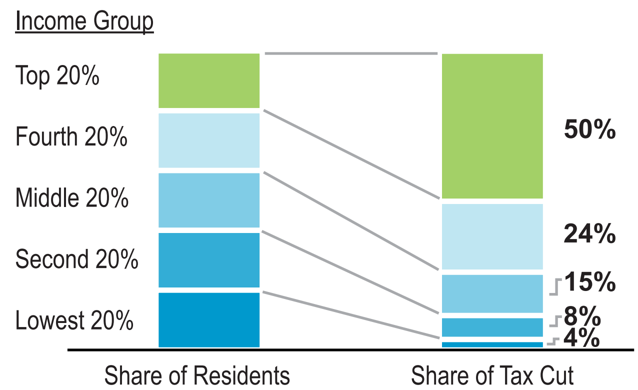
Few of the tax cuts require businesses to create jobs in order to qualify.

Among the largest tax cuts were:
- An income tax rate reduction, included in the state's two-year budget that passed in 2013, which reduced revenue by $648 million over two years;
- A 2013 property tax cut of $100 million; and
- A 2014 tax package that further cut income tax rates and also included another property tax cut. The combined package reduced revenue by $507 million over two years.

Those three tax cuts didn't do much to lower tax bills for Wisconsin's lowest-wage earners. The 20% who earn the least – a group with an average annual income of $14,000 – received an average tax cut of only $48 in 2014. In comparison, taxpayers in the top 1% of earners in Wisconsin, who had an average income of more than $1.1 million, received a tax cut of $2,518 on average.[2]

Highest Earners Receive Largest Share of Tax Cuts

Share of tax cuts by income group for Wisconsin residents, from the combination of three major income and property tax cut packages passed in 2013 and 2014. Based on 2014 income levels.



Source: Institute on Taxation and Economic Policy
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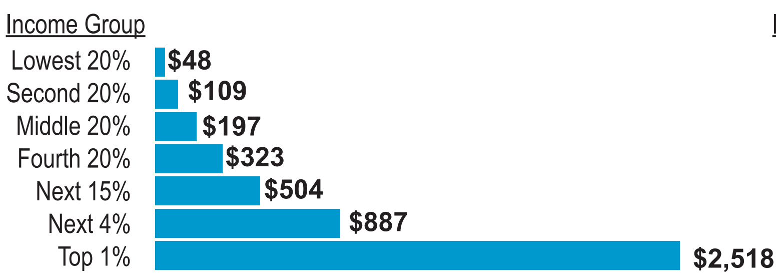
Fully half the value of the three large tax cuts went to the top 20% of taxpayers by income, and the remaining 80% of taxpayers shared the other half. The bottom 20% of taxpayers by income received only 4% of the value of the three large tax cuts.

Largest Tax Cuts Have Gone to Those Who Pay the Smallest Share of Income in Taxes

The top 1% received the largest tax cut in dollar terms, although they pay the smallest share of their income in state and local taxes.

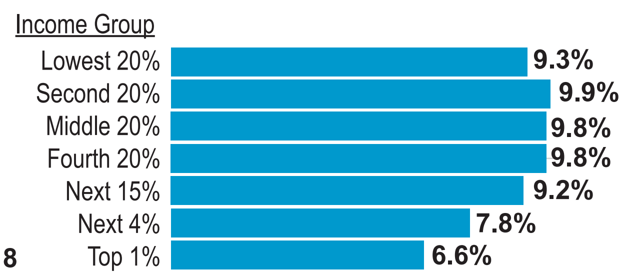
SIZE OF TAX CUTS

Average 2014 tax cut by income group for Wisconsin taxpayers, from the combination of three major income and property tax cut packages passed in 2013 and 2014.



SHARE OF INCOME PAID IN TAXES

Share of 2014 income paid in state and local taxes, after tax cuts. Shares take into account the effect of federal itemized deduction.



Source: Institute on Taxation and Economic Policy

WISCONSIN BUDGET PROJECT

2 "Missing Out: Recent Tax Cuts Deliver Little to People Who Earn the Least," Wisconsin Budget Project, June 3, 2014.

It's also important to note that Wisconsin taxpayers with the lowest incomes pay a larger share of their income in state and local taxes than do taxpayers with the highest incomes. In other words, under our state's tax laws, those who can least afford it devote a bigger share of their income to pay for services such as schools, roads and bridges, and public safety.

Tax hikes on working families and seniors

Policymakers raised taxes on working families and low-income seniors.

In 2011, the Governor and Legislature made significant cuts to two tax credits: one aimed at helping working parents lift their families out of poverty, and one that keeps property taxes affordable for people with low incomes, particularly seniors. Those cuts effectively raised taxes by reducing tax refunds for people who qualified for the credits. Combined, these tax increases resulted in an additional $170 million in taxes paid over the last four years by working families and people with low incomes.[3]

Rising debt levels

By borrowing money, the state can spread out the costs of big road, building, and other capital projects over many years. But if the state issues too much debt, future repayments will rise, it will be more difficult to balance future budgets, and high debt repayment costs will leave fewer resources for making other investments in Wisconsin.

In 2011, state lawmakers delayed debt payments and pushed those borrowing costs into the future. As a result of decisions like that over the last four years and even earlier, debt repayments reached a record high in 2014. The state has traditionally tried to keep principal and interest payments under 4.0% of tax revenues, but in 2014, they consumed 5.26% of General Fund tax revenues.[4]

Some progress, but state's budget cushion still too low

Over the past four years, Wisconsin has made significant progress toward establishing a meaningful budget reserve, but levels are still too low. Lawmakers used money that would normally be deposited in a budget reserve to fund tax cuts.

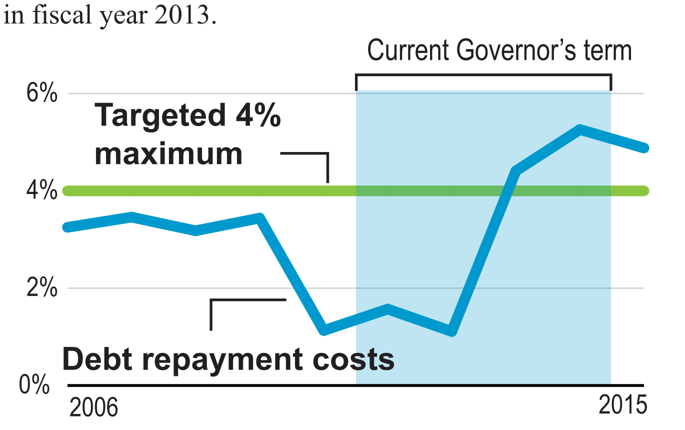
The state's budget reserves act like a family's emergency savings fund – cushions that can protect against unexpected events. When the state has a surplus, half the extra money is supposed to go into a reserve. The Legislature can use proceeds from reserves in the event that revenues are lower than expected (for instance, during a recession) or spending levels exceed projections.

Since the end of the recession, lawmakers have made several deposits into reserves when revenues have exceeded projected amounts. Wisconsin rarely made deposits into reserves prior to 2011.

Lawmakers have made a good start towards building up a meaningful budget cushion. But in their eagerness to provide tax cuts, in 2014 they pushed aside a law aimed at encouraging budget responsibility and took $443 million that would have gone into reserves and used it for tax cuts instead. In addition, lawmakers keep postponing the date that a new law would take

Debt Repayment Costs at Historical High

The state tries to keep debt service costs under 4% of general purpose tax revenues, but costs exceeded that level starting in fiscal year 2013.



Source: Legislative Fiscal Bureau WISCONSIN BUDGET PROJECT

3 Legislative Fiscal Bureau staff.
4 "State Debt Related Questions," June 25, 2013 and "State Level Debt Issuance: Informational Paper 78," January 2013, both from the Legislative Fiscal Bureau.

effect requiring a larger budget balance at the end of each fiscal year. As a result, Wisconsin's budget cushion is still too low – enough to cover only about 10 days of general operations.[5]

Digging a budget hole

One positive aspect of the 2011-13 budget bill was that it brought revenue and spending into line, thereby allowing the state to start the following biennial budget without having to climb out of a budget hole. Unfortunately, the same can't be said for the 2013-15 budget. Thanks in part to the size of the new tax cuts, Wisconsin will begin the 2015-17 budget period needing at least $640 million in General Fund revenue growth simply to provide flat funding for its current obligations. That budget challenge is likely to grow in the coming months because tax revenue was well below the anticipated level during the first five months of 2014.

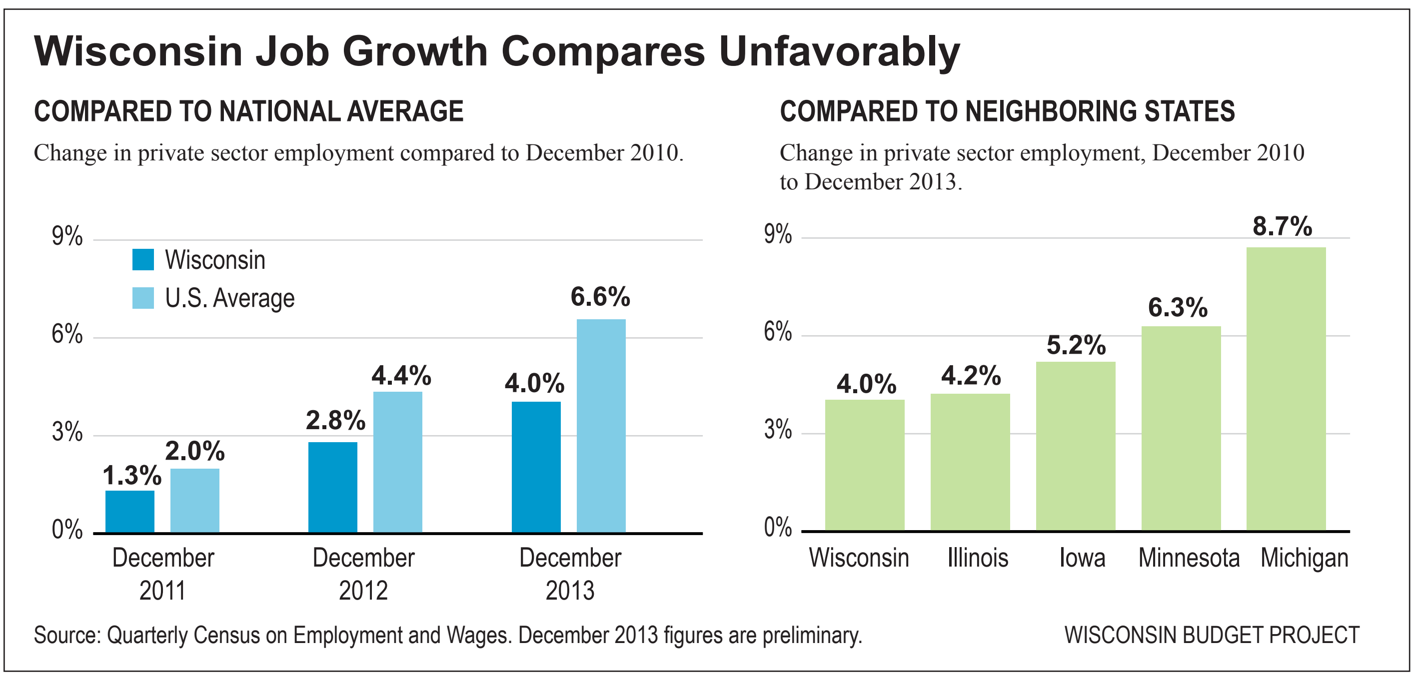
State lawmakers have also caused a mismatch between revenues and spending in the state's Transportation Fund. In the next budget, revenues are projected to fall $224 million short of the amount needed to maintain existing roads and bridges and fund other transportation projects at current levels.[6]

Wisconsin has closed larger budget gaps in the past, often by using budget gimmicks and one-time pots of money to support ongoing costs, which is considered a risky practice. While recent budget surpluses offered lawmakers an opportunity to get the state's budget on a sound footing, lawmakers instead chose to enact large tax cuts that have opened up a hole in the state's next budget.

JOBS

Governor Walker's administration has placed a high priority on job creation, but job growth in Wisconsin has been slower than the national average and neighboring states.

Governor Walker pledged to create 250,000 new private-sector jobs in his first term. As of May 2014, Wisconsin was only 40% of the way to that goal. At that point, there were seven months left in his four-year term.[7]



5 The Government Finance Officers Association recommends that "governments, regardless of size, maintain unrestricted fund balance in their General Fund of no less than two months of regular General Fund operating revenues or regular General Fund operating expenditures." A related footnote goes on to explain that a "significantly lower" level "may be appropriate for states," but does not specify what that level might be. Wisconsin has a budget stabilization fund, which serves many of the same functions as a fund balance, in addition to the actual balance in the state's General Fund. State statutes require half of budget surpluses to be transferred to the budget stabilization fund, although lawmakers overrode that provision in 2014. Wisconsin currently has a balance of $279 million in the budget stabilization fund, and another $165 million projected as a FY 2015 year-end balance in the General Fund, for combined budget reserves of $444 million.

6 Legislative Fiscal Bureau memo, January 16, 2014.

7 "Latest Numbers Show Little Progress on the Unlikely-to-be-Met Job Goal," Milwaukee Journal Sentinel, June 20, 2014.

Private sector employment in Wisconsin increased 4.0% between December 2010 and December 2013, based on the most reliable jobs figures available. Over this same period, the U.S. averaged private sector job growth of 6.6%. If Wisconsin added jobs at the same pace over this period as the national average, we would have an additional 57,000 private sector jobs in Wisconsin as of December 2013.[8]

During this same period, Wisconsin has had the slowest job growth of our neighboring states. Illinois, Iowa, Minnesota, and Michigan all added private sector jobs at a faster pace than Wisconsin did between December 2010 and December 2013.

As of the spring of 2014, the U.S. has more jobs than it did before the recession. For Wisconsin, that achievement has not yet occurred. Some neighboring states, such as Minnesota, have already returned to or exceeded pre-recession employment levels.

Investments in strong schools, safe communities, and a healthy workforce can help spur the economy, and the Legislature's decision to reduce these investments has likely contributed to Wisconsin's lackluster job growth.

No action on minimum wage

Policymakers took no action to raise Wisconsin's minimum wage, which has remained stuck at $7.25 since 2009.

Several neighboring states have either raised their minimum wage or taken steps towards raising the wage. The Republican-controlled Legislature in Michigan approved an increase in the wage, and in Minnesota it is scheduled to increase to $9.50 by 2016. In Illinois, residents can vote on whether the minimum wage should be raised, after lawmakers there voted to put the question on an advisory referendum.[9]

Raising the minimum wage to $10.10 an hour would give a raise to one out of every five Wisconsin workers and would benefit 234,000 children in Wisconsin, all of whom have a parent who would get a raise. Nearly 8 out of 10 Wisconsin workers who would benefit are age 20 or older.[10]

Three-quarters of Wisconsinites support increasing the minimum wage, according to recent polls.[11]

New obstacles to qualify for unemployment benefits

Over the last four years, while our job creation numbers lagged the nation and the region, state lawmakers have made unemployment benefits more difficult to obtain.

They have:

- Expanded the reasons for which jobless workers could be denied unemployment benefits;
- Increased the job search requirements for people who are out of work; and
- Required that workers be unemployed at least a week before receiving unemployment benefits. Since most jobless workers find a job before reaching the end of their benefits, this measure has the effect of reducing the duration of unemployment benefits for most people. In total, it reduced unemployment benefits for job seekers by about $50 million a year.[12]

PUBLIC SCHOOLS

Investments in Wisconsin public schools lay a foundation for the state's economic growth. By ensuring that Wisconsin students have access to a high quality education, we can create a future workforce that is well-qualified and globally competitive.

8 Analysis of figures from the Quarterly Census of Employment and Wages.
9 "Minimum Wage Measures Increase in Neighboring States," Wisconsin Budget Project, May 29, 2014.
10 "Raising the Federal Minimum Wage to $10.10 Would Lift Wages for Millions and Provide a Modest Economic Boost," Economic Policy Institute, December 19, 2013.
11 "UWM Survey: Voters Support Raising Wisconsin Minimum Wage. The Question is, How Much?" Milwaukee Business Journal, June 12, 2014.
12 "Comparative Summary of Budget Recommendations," Legislative Fiscal Bureau, August, 2011.

Since 2011, Wisconsin has made deep cuts in state support for public schools, while at the same time placing strict limits on the degree to which districts can raise their own money through property taxes. The result is that there are far fewer resources for students in Wisconsin public schools than there were before 2011.

Changes to the state retirement system and collective bargaining rules have allowed districts to cut compensation for teachers and other school employees, and some have done so to avoid scaling back academic programs. Other school districts have been forced to eliminate courses in core subject areas.

Cuts in state support of education among the largest in the country

Wisconsin's public education cuts are among the deepest in the country. The state budget provided 15% less resources for public schools per student in 2014 than in 2008, according to the Center on Budget and Policy Priorities, a nonpartisan research organization. Only six states, mostly in the South and West, made deeper cuts over this period, measured as a percentage change in spending per student. When measured as dollars lost per student, Wisconsin's cuts to public education were second only to Alabama.[13]

The budget cuts were more severe for school districts with high numbers of students living in poverty. Those districts had their state support reduced by $703 per student in the 2011-12 school year, while the lowest-poverty districts lost just $319 per student.[14] The cuts to poorer districts were larger because high-poverty districts receive a bigger share of their total revenue from the state.

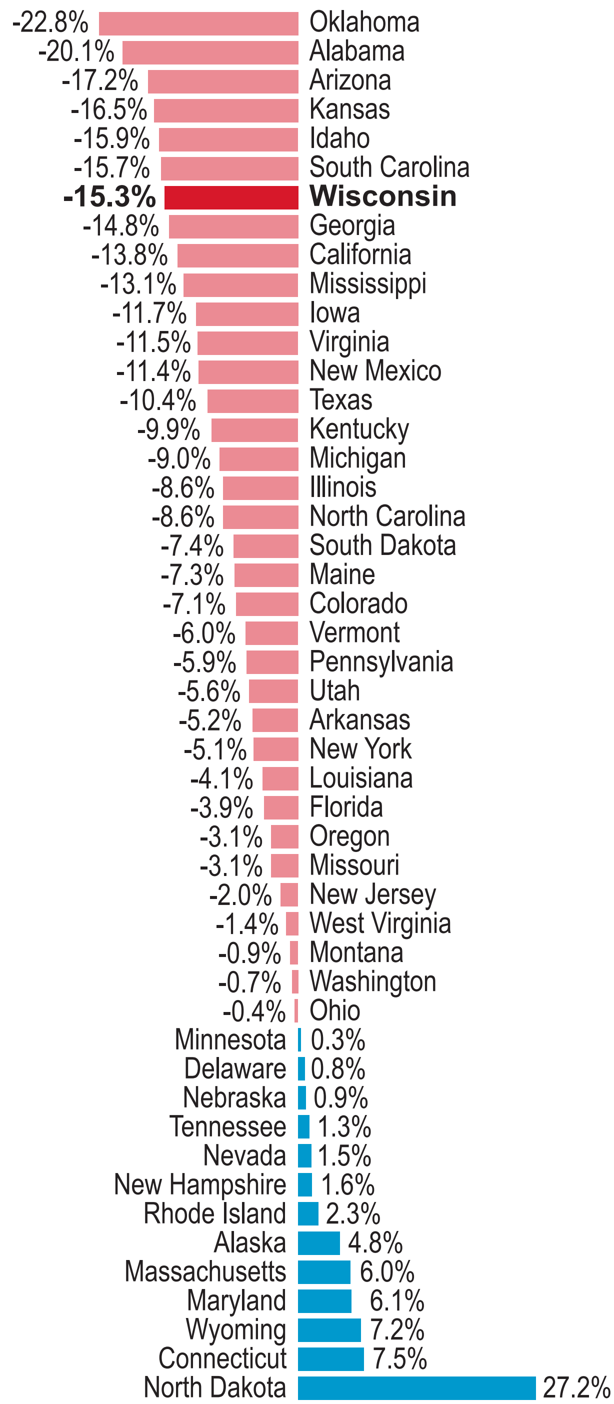
A tight lid on local support for public schools

In addition to making deep cuts to state support for education, lawmakers restricted the degree to which districts can raise property taxes to make up for the loss in state support.

Before 2011, school districts were typically allowed to increase their budgets by between $200 and $300 per student each year. School district budgets are mostly made up of support from the state combined with local property tax revenue. Starting in the 2011-12 school year, the Legislature put strict limits on school district budgets, which limited property tax increases. The Legislature required most school districts to cut their budgets by 5.5% per student in

Wisconsin Cuts to Education Among Largest in the Country

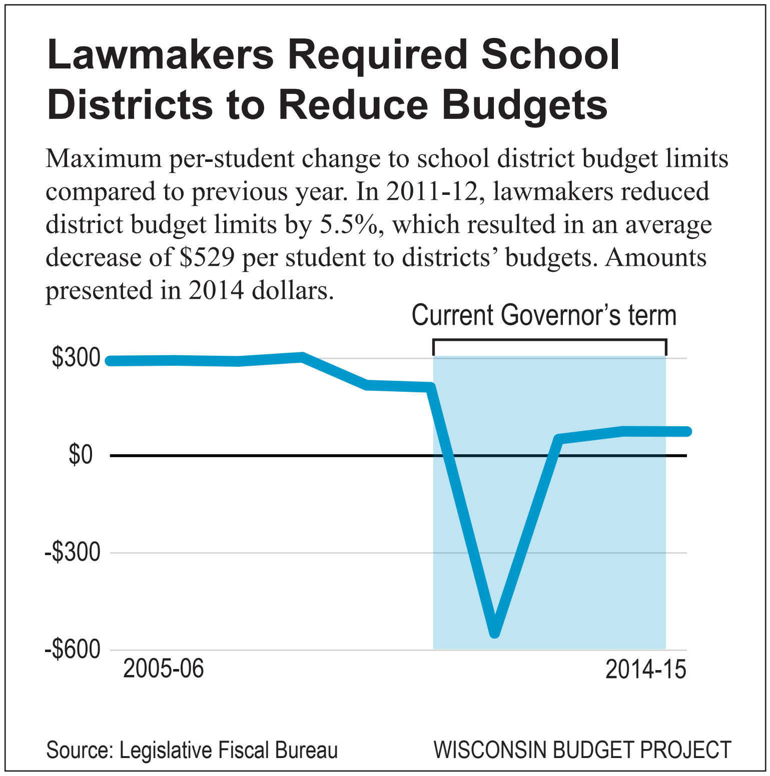
Percent change in spending per student, inflation-adjusted, fiscal year 2008 to 2014.



Source: Center on Budget and Policy Analysis
WISCONSIN BUDGET PROJECT

13 "Most States Funding Schools Less Than Before the Recession," Center on Budget and Policy Priorities, May 20, 2014.
14 "Making Matters Worse: School Funding, Achievement Gaps and Poverty under Wisconsin Act 32," University of Wisconsin ELPA Policy Brief, May 2012.

2012, and has allowed only small increases since then.



Act 10 brought pay cuts for teachers and other school employees

In 2011, lawmakers limited collective bargaining rights for public employees and increased the amount that public employees must contribute to health and retirement benefit costs. The result was that teachers and other school district employees received significant pay cuts, and school districts saved on personnel costs.

For some districts, the pay cuts to teachers were big enough to counteract the reduction in state support. Other districts had to make cuts to core academic subjects to balance their budgets. According to a 2011 survey of school districts:

- Public school staff was reduced by 5.7% in high-poverty districts in the 2011-12 school year, compared to 1.1% in low-poverty districts;[15]
- Eighty-seven percent of students attended districts that cut staff;
- Sixty-seven percent of students attended a school that reduced the number of teachers in classrooms to make ends meet;
- Nearly half of students attended districts that cut core academics in the wake of the state budget cuts; and
- More than 4 out of 10 students attended districts that increased class size.[16]

Budget cuts to schools slowed job growth in Wisconsin. The state lost 3,600 jobs in public K-12 education between 2010 and 2012, according to the Quarterly Census of Employment and Wages.

Expanded resources for private schools

At the same time it was decreasing support for public schools, the Legislature significantly expanded the state's private school choice program, also known as school vouchers. This program allows students from low- and moderate-income families to attend private school with the state paying the tuition.

Prior to the 2010-11 school year, only students attending Milwaukee Public Schools were eligible for tuition vouchers. The Legislature expanded the voucher program in a number of ways since 2011, including:

- Removing enrollment limits in Milwaukee and raising the family income threshold for Milwaukee students to 300% of the poverty level – about $72,000 for a family of four;
- Adding vouchers in the Racine Unified School District, for students with family incomes under 300% of the poverty level;
- Allowing students in other parts of the state to receive vouchers, if they have family incomes below 185% of the poverty level. For the 2014-15 school year, participation in the rest of the state is capped at 1,000 students. Nearly three-quarters of students who received vouchers from the statewide expansion previously attended private schools.[17]

The Legislature funds the Milwaukee Parental Choice Program in part by cutting the amount of public support for Milwaukee Public Schools.

15 ibid.
16 "Falling Support for Schools Threatens Wisconsin's Future," Wisconsin Budget Project, January 9, 2012.
17 "DPI: 73 Percent of Statewide Voucher Students Already Enrolled in Private Schools," Wisconsin State Journal, October 30, 2013.

Lawmakers raised the dollar amount of tuition vouchers to keep up with inflation. This is in marked contrast to the public school system, for which the state is now providing 15% less in support per student than in 2008.

A generous new tax break for private school tuition

The Legislature has given a new tax break to the families of other private school students, separate from the expansion of the private school choice programs.

Parents of students in private school may deduct up to $10,000 in tuition expenses from their income, starting in 2014. The total cost of the new tax break is $30 million a year, according to the Legislative Fiscal Bureau, and there are no income limits on who may claim the benefit. On average, private school students come from families with higher incomes than those of public school students. Wisconsin's tax break for private school tuition is among one of the most generous tax breaks of this type in the country.[18]

HIGHER EDUCATION

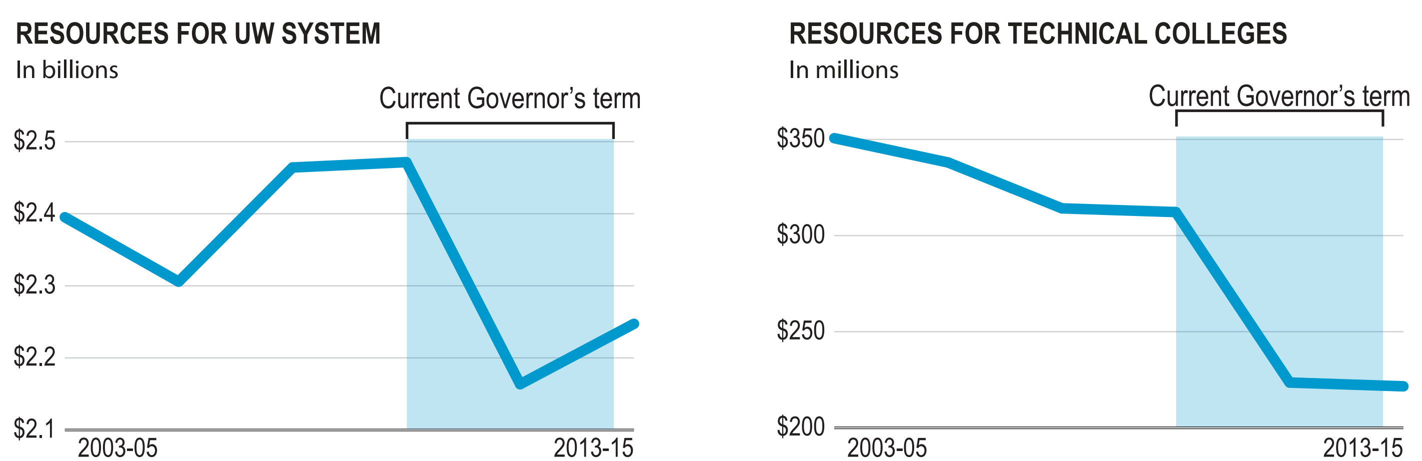
Wisconsin can create jobs and build a better economy for everyone by investing in our state's higher education system and increasing the number of people in Wisconsin who have college degrees. Right now, only 26% of Wisconsin adults have a four-year college degree, compared with 29% nationally, according to the Census Bureau. Some neighboring states like Minnesota (32%) and Illinois (31%) also have higher shares of their population with college degrees than Wisconsin.

Despite the growing importance of higher education to economic success, the Legislature has cut investments in our university system over the last four years. This contributed to tuition hikes of 5.5% in 2012 and again in 2013. Since then, tuition has been frozen as the state spends down university system reserve funds.

In 2011, the Legislature eliminated in-state tuition for undocumented immigrants who are otherwise qualified Wisconsin students. This move saved very little public money, but made it much harder for undocumented students to attend college. In Wisconsin, in-state undergraduate students pay about $10,000 per year to attend UW-Madison, while out-of-state students – and now undocumented students who grew up in Wisconsin – pay $27,000 per year.

Fewer Resources for Higher Education in Wisconsin

Budgeted General Purpose Revenue spending on the University of Wisconsin and Wisconsin Technical College Systems. The charts depict the amounts budgeted in the two-year budget bill, and do not include later lapses or funding appropriated outside the budget process, such as recent grants to technical colleges to reduce waiting lists. Amounts presented in 2014 dollars.



Source: Legislative Fiscal Bureau

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18 "Wisconsin's New Private School Tax Break Most Generous in U.S., State Schools Superintendent Says," Milwaukee Journal Sentinel, June 27, 2013.

The Legislature also made deep cuts to the technical college system at a time of rising enrollments. Lawmakers reduced support for students by about $45 million a year between 2010 and 2014, based on amounts budgeted for the technical college system in the state's two-year budget bill.

BADGERCARE

In the last four years, state lawmakers have made substantial changes to the BadgerCare program, which provides health care coverage to low-income individuals and families. The most dramatic change, which took effect in April 2014, was to cut the income eligibility limit for adults in half, to the federal poverty level (FPL), or $19,790 for a single parent with two children.

Accepting Federal Medicaid Money Would Broaden BadgerCare Coverage for Adults

Share of costs paid by the federal government, and income ceilings for adult coverage.

	Wisconsin's Approach	ACA Alternative
Federal share of costs	58%	100% through 2016 for childless adults, then phasing down to 90% in 2020 and beyond
Income ceiling for participants, as percent of federal poverty level	100%	138%
One adult	$11,670	$16,105
Two adults	$15,730	$21,707
One adult with two children	$19,790	$27,310

The cut in eligibility yields savings that offset part of the cost of extending coverage to at least 100,000 childless adults below the poverty level, many of whom had been on a BadgerCare waiting list. But the cut – which knocked more than 60,000 parents off BadgerCare – could have been avoided if the state had accepted federal funding that would finance the cost of covering newly eligible adults with incomes up to 138% of the federal poverty level ($27,130 for a family of three).

A decline in the number of parents enrolled in BadgerCare and Transitional Medical Assistance (TMA) began earlier, after the 2011-13 budget bill granted the Department of Health Services (DHS) sweeping authority to make cost-cutting changes, even if those changes conflict with state law or administrative rules. In July 2012, DHS used that power to make a number of changes affecting adults, including raising BadgerCare premiums and expanding them to more parents. Although most adults above 100% of FPL lost their BadgerCare eligibility in April 2014, Transitional Medicaid serves a dwindling number (14,753 in June 2014) of parents above that income level.

Despite the sharp drop in enrollment of parents in BadgerCare, the net result of the state policy changes and indirect effects of the federal Affordable Care Act (ACA) has been an increase in total BadgerCare enrollment. And because about a third of the parents who lost BadgerCare coverage were able to purchase subsidized insurance plans through the health insurance Marketplace, there should be a decrease in the number of uninsured Wisconsinites. Nevertheless, the decision to reject the federal funding and only partially expand childless adult coverage has many drawbacks, including:

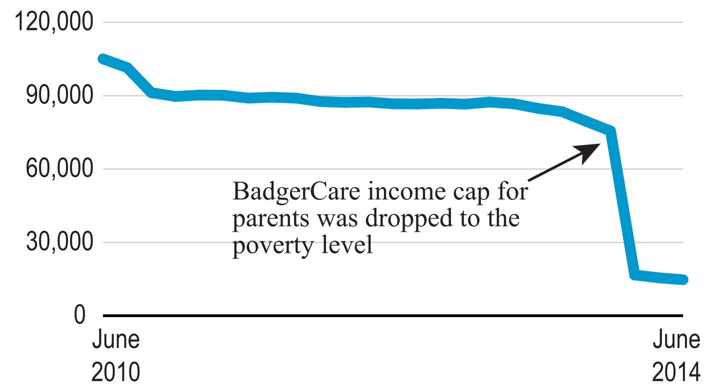
- Accepting the full federal funding and covering adults up to 138% FPL would yield BadgerCare coverage for about 85,000 more adults than the Governor's plan, yet was projected to save state taxpayers $119 million during the current biennial budget period;
- Since Marketplace coverage is significantly more expensive for low-income adults than BadgerCare, the restrictions on eligibility will be a financial hardship for thousands of families, and many of the affected adults are likely to go uninsured; and

- Because the enrollment of childless adults has exceeded expectations, the state Department of Health Services projects a much larger shortfall in Medicaid funding, and more than $200 million in cuts to state and federal Medicaid spending will be necessary if lawmakers continue to refuse the federal funds for Medicaid expansion.

DHS tried to use the authority it was granted in the 2011-13 budget bill to make changes that it estimated would cause at least 29,000 children to lose their BadgerCare coverage; however, the Obama Administration rejected those changes because they conflict with "maintenance of effort" provisions of the federal health care law that require states to protect coverage of kids until 2019. Nevertheless, the 2013-15 budget bill codified the BadgerCare changes for kids, enabling those measures to go into effect once the maintenance of effort requirements no longer protect children's coverage.

Number of Parents over the Poverty Level Who Receive Coverage has Plunged

Parents over the poverty level participating in BadgerCare and Transitional Medical Assistance.



Source: Department of Health Services
WISCONSIN BUDGET PROJECT

Although most of the proposals that would directly affect BadgerCare for children have been delayed by federal law, the changes that are affecting parents seem to be indirectly reducing kid's coverage. Over the first six months of 2014, the number of children over the poverty level who are enrolled in BadgerCare has dropped by more than 24,000 – a decrease of 13.6%.

On a more positive note, state lawmakers passed a number of worthwhile measures relating to mental health care during the 2013-14 session. For example, the 2013-15 budget bill appropriated $29 million in new state funds for mental health programs and created an Office of Children's Mental Health to improve the integration of mental health services provided to children and monitor performance.

NEW OBSTACLES FOR NUTRITIONAL ASSISTANCE

Over the last four years, lawmakers have limited the number of people who could receive FoodShare assistance, also known as food stamps, by:

- Prohibiting legal immigrants who have been in the U.S. for less than five years from receiving FoodShare. This move saved the state $380,000 a year, or about 0.003% of the state's General Fund budget, and eliminated FoodShare benefits for 1,400 low-income residents;[19] and
- Requiring able-bodied adults who are not parents to work or participate in a work program in order to receive FoodShare benefits. This requirement is expected to reduce the number of people receiving FoodShare in Wisconsin by about 31,000.[20] This move will reduce the amount of federal dollars coming into the state, and will actually cost Wisconsin an additional $8 million per year, due to the additional resources needed to administer the work program.

CONCLUSION

Over the last three and a half years elected officials have made dramatic changes to how Wisconsin supports its schools, communities and workforce. Lawmakers have reduced investments in public schools and higher education,

19 Analysis of figures from "Comparative Summary of Budget Recommendations: 2011 Act 32," Legislative Fiscal Bureau, August 2011.
20 "Comparative Summary of Provisions: 2013 Act 20," Legislative Fiscal Bureau, August 2013.

despite the role education plays in individual financial success and building a strong economy. They have cut taxes for Wisconsin taxpayers with the highest incomes, but raised taxes on seniors with low incomes and on working families. They decided to provide health insurance to fewer people at higher cost. And lawmakers also made it harder to obtain important safety-net benefits like unemployment benefits and food stamps, during a period when families continue to struggle to emerge from the deepest recession in 80 years.

Lawmakers claimed that many of these changes would give the Wisconsin economy a boost and create jobs. But instead, job growth in Wisconsin has lagged both the region and the nation as a whole. We believe that these changes will have long-term negative effects on our state, that they are not in the best interests of our children and families, and that they are not in keeping with Wisconsin's values of opportunity, responsibility, and community.

To construct a strong economy in Wisconsin, we need to create opportunities for everyone to thrive. Lawmakers should build on our long history of making the kind of investments in our schools and communities that create broad-based prosperity and help make Wisconsin a good place to do business and raise families. We should build on Wisconsin's legacy of investing in the state's future, rather than turning away from it.

Tamarine Cornelius and Jon Peacock