

2011-2013 WISCONSIN STATE BUDGET: IMPACT ON WISCONSIN WOMEN & GIRLS

Analysis of Wisconsin's Budget for Fiscal Years 2011-13
Wisconsin Alliance for Women's Health
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EXECUTIVE SUMMARY OF BUDGET CUTS



	Programs Serving Women and Families in Wisconsin	Final State Budget Cuts (Over Biennium)
Medical Assistance and Other Health Programs	BadgerCare Plus	\$467,000,000
	FamilyCare	\$101,400,000
	Tobacco Control Program	\$1,535,000
	Mental Health	\$1,062,800
	Licensing and Certification Activities	\$959,200
	AIDS/HIV Services	\$638,700
	Community Health Centers	\$610,000
	Congenital Disorder Services and Operations	\$470,000
	Dental Services	\$300,500
	Sexual Assault Services	\$287,660
	FoodShare Program Supplemental Funds	\$380,000
	Emergency Medical Service Aids	\$217,800
	Rural Health Dental Clinics	\$99,500
	Lead Poisoning and Exposure Services	\$99,400
Transportation	Public Transit	\$18,600,000
	InterCity Bus Assistance Program	\$2,500,000
Child Care Support	Wisconsin Shares	\$15,000,000
Income Support	Earned Income Tax Credit (EITC)	\$56,000,000
	Transitional Jobs Program	\$17,000,000
	Homestead Tax Credit	\$13,600,000
	Wisconsin Works	\$400,000
Education	Public Education	\$749,000,000
	Head Start	\$12,500,000
	High Poverty Aid	\$3,740,000
	School Food	\$558,000
	Four Year Old Kindergarten Start-up Grants	\$300,000
TOTAL CUTS TO PROGRAMS SERVING WISCONSIN WOMEN AND FAMILIES		\$1,464,258,560

* This executive summary reflects only some of the significant cuts made in the 2011-2013 budget that directly relate to women's health and well-being. The report that follows discusses each of the budget cuts listed in this executive summary as well as many other changes in funding, administrative rules and other services.

Introduction

During a time of economic insecurity for women and families, the analysis of our State Budget is more important than ever. Budgets are about values; it is imperative that policy-makers prioritize the needs of Wisconsinites hit hardest by the economic downturn and who are suffering from increased poverty, abuse, unemployment, and lack of health insurance. Unfortunately, our findings suggest that the 2011-13 state budget will greatly undermine the health of disadvantaged populations in Wisconsin, due to cuts and/or the elimination of key programs that contribute to the health, safety, well-being and economic security of women and girls.

Wisconsin Budget Process Basics

Wisconsin's budget operates on a biennium, meaning it covers two fiscal years at a time. Therefore, the process of passing the Wisconsin state budget occurs every two years and includes budget decisions that will be in effect from July of an odd-numbered year through June of the next odd-numbered year (ex. July 2011-June 2013). The budget process can be somewhat complex but is generally consistent over the years. In September of even-numbered years, state agencies make budget requests (based on what they believe to be their programmatic and operational needs) which are then sent to the Governor. After a few months of hearings with departments and agencies, the Governor proposes a biennial budget to the Joint Finance Committee in the State Legislature. The Joint Finance Committee then holds public hearings on the proposed budget. After making changes to the Governor's budget, the Joint Finance Committee votes on the budget and sends it to either the state Senate or Assembly. Once the house that receives the budget has made changes and voted to pass the bill, it will then go to the other house. At that time, the other body (either the Senate or the Assembly) makes any necessary changes and passes yet another version of the budget bill. Now, there are two relevant versions of the budget – one from the Senate and one from the Assembly – so the Conference Committee of the Legislature meets to reconcile the version passed by the two houses. Once the versions are reconciled by the Committee, the Governor reviews the budget passed by the legislature and can either approve the bill as a whole, veto the entire bill or execute line-item vetoes. However, with sufficient votes, the legislature can override any of the Governor's budget vetoes.

Summary of the 2011-2013 Budget

On March 31, 2011, Governor Scott Walker introduced his 2011-2013 executive budget that included \$4.2 million in funding cuts that impacted a variety of important health and social services in Wisconsin. The final budget bill, Wisconsin Act 32, was passed on June 26th, 2011, and any changes made by the legislature's Joint Finance Committee and gubernatorial vetoes did little to mitigate the significant cuts proposed in the governor's executive budget. In some cases, the changes made by the Joint Finance Committee even further deepened the funding cuts. The significant changes proposed in Governor Walker's biennial budget spurred the Wisconsin Alliance for Women's Health to assess the impact of the Governor's budget on the health, well-being and economic security of Wisconsin women and girls. Since the publication of that analysis, a final budget was approved and signed into law, though in most cases the situation has not much improved for Wisconsin women and girls. We acknowledge additional changes may have been made since the signing of the budget in June, of 2011, and this analysis may not reflect all changes. The Wisconsin Alliance for Women's Health has conducted this additional analysis of the 2011-2013 final budget to reveal how the final 2011-2013 budget will impact the lives and well-being of women and girls in Wisconsin.

Please note that throughout the report, we refer to the Federal Poverty Level (FPL). The FPL is used to determine eligibility for many federal and state programs. It measures poverty in the United States; for example, a family of four with an income below \$22,350 is considered impoverished. The levels for 2010 are noted as follows:

Family Size	25%	50%	75%	81%	100%	133%	175%	200%	250%	300%
1	\$2,723	\$5,445	\$8,168	\$8,821	\$10,890	\$14,484	\$19,058	\$21,780	\$27,225	\$32,670
2	\$3,678	\$7,355	\$11,033	\$11,915	\$14,710	\$19,564	\$25,743	\$29,420	\$36,775	\$44,130
3	\$4,633	\$9,265	\$13,898	\$15,009	\$18,530	\$24,645	\$32,428	\$37,060	\$46,325	\$55,590
4	\$5,588	\$11,175	\$16,763	\$18,104	\$22,350	\$29,726	\$39,113	\$44,700	\$55,875	\$67,050
5	\$6,543	\$13,085	\$19,628	\$21,198	\$26,170	\$34,806	\$45,798	\$52,340	\$65,425	\$78,510
6	\$7,498	\$14,995	\$22,493	\$24,292	\$29,990	\$39,887	\$52,483	\$59,980	\$74,975	\$89,970
7	\$8,453	\$16,905	\$25,358	\$27,386	\$33,810	\$44,967	\$59,168	\$67,620	\$84,525	
8	\$9,408	\$18,815	\$28,223	\$30,480	\$37,630	\$50,048	\$65,853	\$75,260	\$94,075	

Further note that we refer to General Program Revenue (GPR) throughout the report. This is the most flexible type of state funding and supports the basic functions of Wisconsin state government.

About the Author

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The information and statistics contained within this report were found in the following documents or sources:

- ▶ Campaign for Tobacco Free Kids
- ▶ Center on Budget and Policy Priorities
- ▶ Center for Law and Social Policy
- ▶ Center for Policy and Budget Priorities
- ▶ Disability Advocates Wisconsin Network
- ▶ Georgetown University Health Policy Institute Center for Children and Families
- ▶ Guttmacher Institute
- ▶ Higher Educational Aids Board
- ▶ Institute of Medicine
- ▶ Institute for Research on Poverty
- ▶ The Pivotal Role of Women in Informal Care, *Journal of Family Issues* (October 2008)
- ▶ Legislative Fiscal Bureau Informational Papers
- ▶ Milwaukee Teachers' Education Association
- ▶ National Association of Childcare Resource and Referral Agencies
- ▶ National Center for Early Development and Learning study of State-Wide Early Education Programs (SWEEP)
- ▶ Planned Parenthood Advocates of Wisconsin
- ▶ Pre-K Now
- ▶ Quantifying the Benefits of Breastfeeding: A Summary of the Evidence, published 2002
- ▶ TransitNow
- ▶ United States Department of Agriculture
- ▶ University of Wisconsin-Milwaukee's Center for Economic Development
- ▶ Wisconsin 2011-2013 Executive Budget
- ▶ Wisconsin Council on Children and Families
- ▶ Wisconsin Coalition Against Sexual Assault
- ▶ Wisconsin Department of Administration
- ▶ Wisconsin Department of Corrections
- ▶ Wisconsin Department of Public Instruction
- ▶ Wisconsin Department of Transportation

A full list of citations is available upon request from the Wisconsin Alliance for Women's Health.

This report is also available online at www.supportwomenshealth.org.

MEDICAL ASSISTANCE & OTHER HEALTH CARE PROGRAMS

BadgerCare Plus

BadgerCare Plus was enacted in 2007 to merge the state's three distinct Medicaid programs for children, parents, and pregnant women into one comprehensive health coverage program. It was implemented with the goal of ensuring 98% of Wisconsin residents have access to quality, affordable health care. In 2010, BadgerCare Plus covered an average of 686,105 Wisconsin residents per month in 2009-2010. It now provides health care coverage to more than 750,000 men, women and children.

Final State Budget:

Cut \$467 million in unspecified Medicaid related state funds, including federal matching, and did not fully fund the cost to continue based on projected enrollment growth.

Impact:

2011 Act 10 (also known as the Budget Repair Bill) transferred significant powers to the Secretary of the Department of Health Services, a position appointed by the governor, to make sweeping changes to BadgerCare Plus with limited legislative oversight. The final version of the budget took these changes even further, by authorizing the Department of Health Services (DHS) to make policy changes that supersede state statutes. Therefore, decisions about how to cut the proposed \$467 million will be left to the Secretary, Dennis Smith. This limited transparency and accountability leaves women and families with little opportunity to participate in the decisions that will directly impact their health and economic security.

Due to this significant administrative change to Medicaid and the BadgerCare Plus program, the budget does not specify how BadgerCare Plus will change as a result of these prescribed cuts. However, on September 30th, 2011, the Department of Health Services released a proposal for making these significant cuts which totaled a decrease of \$554 million from Medicaid and which requires federal approval through a waiver. The DHS waiver that was sent to the federal government on November 10, 2011 included (but was not limited to):

▶ **Increasing BadgerCare Plus premiums up to 5% of household incomes**

Higher premiums mean more Wisconsin families lose coverage and become uninsured. An analysis by the Georgetown Center for Children and Families showed that changing premiums to 3-4 percent of family income (for families over 100% FPL) would result in between 49,400 and 87,300 fewer children and their parents participating in BadgerCare Plus. While this proposal only applies to individuals above 150% of the FPL, it is anticipated that the numbers of families that become uninsured would still be quite high. In addition, for the first time, BadgerCare Plus would require premiums for kids between 150% and 200% FPL. Previously, premiums were only required for adults in this income bracket.

▶ **Denying BadgerCare Plus to individuals who are offered high cost employer-sponsored insurance that is deemed affordable by lowered DHS standards**

Many low-wage workers may be offered employer-sponsored insurance, but it's often unaffordable. DHS proposes denying BadgerCare Plus to workers who are offered employer insurance, even if they can't afford it. This will result in individuals and families becoming uninsured due to financial barriers. The proposal deems employer coverage "affordable" if it costs less than 9.5% of household income, whether it covers only the employee or the entire family. For example, a family of five that currently pays \$54 per month in BadgerCare Plus premiums could instead pay \$330 for an employer-sponsored insurance plan premium – an increase of \$3,312 per year.

▶ **Requiring young adults aged 19 through 26 to be covered under their parents' health insurance plan**

Federal health care reform legislation, the Affordable Care Act, ensures that young adults have the option of staying on their parent's insurance until they are 26. This plan mandates coverage under parents' insurance by making young adults ineligible for BadgerCare Plus. It presumes all young adults have parents who are willing and able to add them to their private insurance, and that the adult child lives in the same area as their parent.

- ▶ **Eliminating express enrollment for children**
Ending express enrollment for kids will create delays in enrolling kids and getting them the health care they need when they need it, and will also result in an increase in uncompensated care for providers. This could be particularly burdensome for very low income families, especially single mothers.
- ▶ **Drastically increasing penalty time for individuals who miss a BadgerCare Plus premium payment**
In light of proposed premium increases, there will likely be more missed premium payments due to higher costs. This will result in many people being kicked off BadgerCare Plus for a year, including many children (who now aren't generally suspended, because premiums don't apply to them).
- ▶ **Forcing all individuals above 100% FPL into a more expensive Benchmark plan**
This would increase the cost of health insurance for low-income families who are often living paycheck to paycheck. Whereas BadgerCare Plus co-pays are now minimal for families below 200% of FPL, the new co-pays will be as much as 5% of income for families below 150% of FPL, and are uncapped for families above that level. According to DHS calculations for various hypothetical families at 150% of FPL, the combined premiums and co-pays will generally be in the range of 8% to 10% of family income.
- ▶ **Ending retroactive eligibility**
This would end the current practice of covering eligible individuals for up to three months before applying. For some with very expensive hospitalizations, these costs may bankrupt the person.
- ▶ **Changing the definition of the family unit**
This item counts the income of other adults living in the household (e.g., siblings, roommates, boyfriends or girlfriends), but does not count them on the expense side of the ledger. This is likely to put many BadgerCare Plus enrollees over the income limits, and raise premiums for many others.

Cuts and changes to the BadgerCare Plus program like those described above will make it more difficult for Wisconsin families to access needed health care. Experience from other states suggests that when people lack health care coverage they don't receive preventative care and instead are forced to seek expensive, uncompensated emergency room care. This results in higher premiums for other health insurance consumers. Moreover, raising premiums is likely to result in "adverse selection" which means that families that remain on BadgerCare Plus are likely to have greater health needs and thus higher costs. An estimate from DHS conservatively indicates that 64,000 individuals will lose their coverage if this waiver is approved.

BadgerCare Plus Family Planning Services for Women

Wisconsin's Medicaid program includes a Family Planning Only Service for women up to 300% of the FPL. The program covers contraceptive services and supplies (birth control, condoms, etc), family planning visits, PAP tests, testing and treatment for sexually transmitted infections (STIs), and well woman exams.

Final State Budget:

The 2011-2013 budget directed DHS to request federal approval to allow Wisconsin to require parental notification for family planning services provided to women under 18 years old and to determine young adult eligibility using full family income rather than just the young adult's income.

Impact:

Confidentiality and financial autonomy for women are threatened in this bill. The budget's parental notification requirement for women under 18 could drastically limit young adults' access to safe-sex counseling, contraceptives and STI prevention and diagnosis because a portion of these young women will be unwilling or unable to include adult family members in personal sexual health decisions. This rule effectively blocks many teens from receiving life-saving and pregnancy preventing services. Among other negative public health effects, this could result in an increase in teenage pregnancy and STI transmission. Similarly, a requirement that program eligibility be determined using family income rather than the recipient's income will make many women ineligible and could result in even more teen pregnancies.

Family Care

Family Care uses Medicaid funding to pay for home and community-based health care services for the elderly and those with disabilities. Family Care is designed to keep individuals with developmental or physical disabilities or who are frail or elderly at home rather than in nursing homes. Family Care serves about 42,200 people in 57 out of Wisconsin's 72 counties.

Final State Budget:

Eliminated \$21.5 million of state funding in 2012 and \$79.9 million in state funding in 2013 by freezing the program's enrollment to current enrollees.

Impact:

FamilyCare was projected to grow to 52,100 before the enrollment cap in the 2011-2013 budget was proposed. By capping enrollment in Family Care, it will be much harder for elderly persons and people with disabilities to stay in their home and live an independent life. Even without these cuts, Family Care is unable to keep up with the demand for these services. Milwaukee County, for example, has a waiting list for this program of about 2,000 people. Though the Joint Finance Committee accepted Governor Walker's proposed budget cuts to Family Care, the committee reinstated \$10 million over the biennium in an attempt to assist individuals on the Family Care waiting list who are in urgent need of long-term care. Unfortunately, this money will do very little to ease the burden, as that money will only serve approximately 400 people per year. Meanwhile, the waiting list is expected to nearly double in size over the biennium.

This short-sighted "cost-saving strategy" will be detrimental to Wisconsin's 15 year effort to reform our long-term care system. In fact, this strategy of freezing Family Care enrollment is not expected to save taxpayer money in the long-term because the average cost of Family Care is \$2,800 per month while the average nursing home cost is \$4,000 per month. In other institutional settings, costs can range from \$16,500 to \$40,920 a month. Unfortunately, women are doubly burdened by this enrollment freeze, as many studies have shown that a significant and disproportionate amount of the care burden in this country falls on the backs of women. Not only will fewer elderly women be able to access vital long-term care services but also young adult and adult women will be forced to fill the large gap in the elderly and disabled care structure that this enrollment freeze creates. This added burden has been shown to affect women's mental health in a variety of ways, from increases in stress and depression, to impacting their ability to perform their jobs.

Note: *In late December of 2011, the federal government instructed the Walker Administration to lift the cap on Family Care. Legislative approval is currently pending.*

Income Maintenance Programs

Income maintenance programs administered by local human services and social services departments in Wisconsin's 72 counties help determine community members' initial and on-going eligibility for programs like Medicaid, BadgerCare Plus, FoodShare, SSI Caretaker Supplement Program, and the Cemetery, Funeral and Burial Expense program. County staff members ensure that eligible low-income families and individuals in their communities receive support and services to meet basic needs.

Final State Budget:

Consolidates some administrative functions of the income maintenance programs by requiring counties (except Milwaukee, which is run by the state) to form 10 multi-county consortia, groups of counties working together to improve and streamline services.

Impact:

Though it is still unclear exactly how this administrative change will alter the lives of those who seek income maintenance assistance, it is hoped that the centralization may lead to more efficient scanning and processing of documents at the centralized location, uniformed standards for wait times at call centers, improved communication between counties and the streamlining of service delivery. Ideally, this will result in a reduction in costs without compromising quality, efficiency and local service delivery. It is too early to tell what, if any, negative effects this administrative change will generate.

State Family Planning Funding

Federal Title V Maternal Child Health (MCH) Grants and state GPR together fund local public health departments and private organizations to provide family planning and reproductive health services in more than 50 counties. These funds are critical to maintaining access to family planning services, including lifesaving cancer screenings, testing and treatment for sexually transmitted infections (STIs), patient education and counseling, pregnancy diagnosis, prenatal counseling, referrals and other health services for more than 57,000 people in the state of Wisconsin. According to the Department of Health Services, women's health programs that prevent unintended pregnancies save taxpayers about \$140 million each year and prevent over 6,000 unintended pregnancies annually.

Final State Budget:

Renamed the Family Planning appropriation the "Women's Health Block Grant". Cut over \$470,000 or 10% of all funding for family planning services and eliminated all state funding for any clinic that offers all-options pregnancy counseling services or any clinic that is affiliated with an organization that conducts or refers for abortions.

Impact:

The change in the name of the funding grant from Family Planning to Women's Health Block Grant signals and demonstrates the Walker administration's unwillingness to acknowledge the importance of family planning as an invaluable cost-saving strategy and an important medical recommendation as was determined by the Institute of Medicine. By refusing to fund any health centers that have affiliates that provide abortion services, this budget bill specifically targets the efforts of nine Planned Parenthood clinics in the state which provide low or no-cost services to 12,000 uninsured women in rural areas. The counties where Planned Parenthood provides services have stated that they do not have the capacity to take on the clients that would be without services if these Planned Parenthood clinics could no longer provide screenings and other reproductive health preventative services. In addition, eight of the nine Planned Parenthood clinics forced to lose funding are the only health care providers for low-income women in their respective counties. To compound the problem, Planned Parenthood clinics are not the only ones at risk of losing state funding. Several rural clinics are affiliated with hospitals that provide legal abortions. These cuts to family planning clinics will weaken the state family planning provider network by cutting a critical source of funding for local clinic operations. Eliminating this funding may force some clinics to close and will drastically limit women's ability to access basic health care services. This will lead to more unintended pregnancies, later cancer diagnoses, and higher costs for Wisconsin taxpayers.

Tobacco Control Program

The state's youth smoking rate has declined by more than half, and the adult smoking rate is currently at an all-time low of 20%. This program employs a comprehensive approach, weaving together community and youth education along with easily accessible and proven cessation services like the popular Quit Line. Since its inception in 2000, the Tobacco Prevention and Control Program's Quit Line has fielded more than 150,000 calls from Wisconsin smokers seeking assistance in their effort to quit smoking. Of these 150,000 calls, approximately 60% have been from women. The Quit Line has a quit success rate of between 20% and 25%. This means that the Quit Line has helped more than 30,000 individuals quit smoking, over 18,000 of which are female.

Final State Budget:

Cut \$1,535,000 or 20% of state funding to Wisconsin's Tobacco Prevention and Control Program. This 20% cut is double the cut made to other public health programs in this budget.

Impact:

Even with the incredible success of the Tobacco Control Program to date, more than 900,000 Wisconsinites still use tobacco products. Smoking related illness claims more than 7,000 lives in Wisconsin each year and costs the state more than \$2 billion annually in health care costs - roughly \$500 million of which comes directly from tax payers through Medicaid. Based on what has occurred in Massachusetts, Florida and other states who have slashed funding for tobacco cessation programs, this 20% cut will likely result in an increase in the rate of smoking in Wisconsin. Every 1% increase in Wisconsin's smoking rate results in \$641 million of additional long-term health care costs, according to the Campaign for Tobacco Free Kids.

Sexual Assault Victims Services Grant Program (SAVS)

This grant is the sole state program which funds direct sexual assault services, like helping victims maneuver through the health care and criminal justice systems, counseling and therapy, law enforcement trainings, and prevention efforts. There are 42 sexual assault service providers around the state that receive the grants.

Final State Budget:

Cut Sexual Assault Victims Services by \$287,660, a 13.9 % reduction over the next two years.

Impact:

This cut reduces funding as demand for sexual assault services is rapidly rising. Many providers report an increase of over 100% in the number of victims requesting assistance in the last few years. Stepping Stones in Taylor County recently experienced a 218% increase in the number of sexual assault victims served. Hope House, which serves central Wisconsin, saw an increase in their 24-hour crisis response of 120%. This funding cut leaves hundreds of traumatized women and girls without the support they need.

State-Based FoodShare

While the federally funded FoodShare program provides food assistance to lawfully present immigrants who have been in the U.S. for 5 or more years and who meet all other eligibility criteria, the state-based (GPR funded) FoodShare program provides food assistance benefits to lawfully present immigrants who meet all other eligibility criteria but have been in the U.S. for less than 5 years. Federal food stamp benefits are only available to qualified immigrants who receive SSI disability income, are under 18 years of age, or have lived in the U.S. continuously for five years as a qualified immigrant. Each month, the State-based FoodShare Program provides vital food assistance for approximately 1,500 immigrants.

Final State Budget:

Cut \$380,000 from food assistance programs by eliminating the state-based FoodShare program.

Impact:

In 2010, an average of 1,682 individuals per month received these benefits. Denying food stamp benefits to these recent immigrants will result in poor maternal and child health. Access to food stamps yields increased birth weights and decreased neonatal infant mortality. This change will also mean decreased food security among children. As immigrant parents lose their food stamp benefits, the ability of the household to buy sufficient and balanced meals decreases. Food insecurity is linked with behavior problems and limits the ability of students to achieve their academic potential. Now, these lawfully present immigrants will have less access to healthy foods which will likely result in negative long-term impacts for these individuals and for the larger economy due to lost productivity.

Additional Health Care Program Cuts

In addition to the significant health care cuts described, the final state budget also cut \$7.7 million per year in funding from a variety of categories. Though the total amounts of these reductions are smaller when compared to the considerable cuts already mentioned, the 10% cuts in the following categories will have a dramatic impact on the health and well-being of women and girls in Wisconsin:

- ▶ Cut \$1,062,800 from mental health treatment services
- ▶ Cut \$417,500 from Community Support Programs and psychological services
- ▶ Cut \$959,200 from Department of Health Services licensing and certification activities
- ▶ Cut \$638,700 from AIDS/HIV services
- ▶ Cut \$610,000 from community health centers
- ▶ Cut \$316,000 from services and operations for congenital disorders
- ▶ Cut \$300,500 from funding for dental services
- ▶ Cut \$99,500 from rural health dental clinics
- ▶ Cut \$217,800 from emergency medical service aids
- ▶ Cut \$99,400 from lead poisoning and exposure services

DEPARTMENT OF CORRECTIONS

Repeal of 2009 Act 28 Sentencing Modifications

In 2009, sentencing modifications were made that allowed certain inmates early release, provided they met conditions such as good behavior while in prison. The changes were made to cut costs while encouraging good behavior from inmates. At any given point in 2011, there were over 1,100 women incarcerated in the Wisconsin Women's Correctional System.

Final State Budget:

Changed several provisions, including:

- ▶ Deletion of positive adjustment time, which allows certain inmates to earn earlier release from prison by following regulations and performing required duties.
- ▶ Reduction of a rehabilitation program that allows inmates with one or more treatment needs related to their criminal behavior to receive treatment for all of those needs. The budget would scale back coverage of the program to solely cover treatment for substance abuse issues.
- ▶ Repeal of provisions allowing Department of Corrections to discharge a person early from the remainder of their extended supervision or probation term, given that she meets several requirements, such as serving 75% of her original sentence and having committed a certain type of non-violent crime. According to the Governor's budget, this will ensure public safety and restore truth in sentencing.
- ▶ Repeal of provision that allowed for the early release of inmates with disabilities and mental illness in certain situations.

Impact:

Non-violent inmates who have served a significant portion of their sentences and are ready for reintegration into their communities will be forced to stay incarcerated, leading to higher costs for the Department of Corrections and taxpayers. According to the Wisconsin Budget Project's analysis on corrections spending, the state continues to commit an ever-growing share of its budget to corrections even as state spending on all other programs has declined. Wisconsin spends far more than our neighboring states on corrections, despite having similar violent crime rates. Wisconsin state GPR spending on corrections increased over 9% between 2001 and 2010 in inflation-adjusted terms. Yet state spending on other programs decreased by over 7% over that period. The result is that Wisconsin has fewer resources to invest in promoting the well-

being of our communities. When non-violent inmates are ready for release, it makes fiscal sense to pay less for extended supervision as opposed to the significant costs of incarceration. Though men make up the majority of the incarcerated population, this change will have a significant impact on over 1,100 female inmates and their families.

TRANSPORTATION

Public Transit

As gas prices rise and household income levels fall, more Wisconsinites look to public transit as an alternative to move around their communities. Approximately 48% of Wisconsin transit riders are headed to work, 23% to school, 18% to retail, tourism or recreational destinations, and 10% to health care destinations. Moreover, since Wisconsin school districts are not required to provide transportation to a student who lives less than two miles from school, public transit is a vital option for parents trying to get their children to school safely, especially in the dangerous winter months. Public transportation is also highly utilized in Wisconsin. In 2010, Wisconsinites rode in buses, shared-ride taxis, commuter buses, and rail transit over 74 million times. This number represents many people who wholly depend on public transportation to get to their jobs, doctors and grocery stores, as well as individuals who choose to use public transportation to reduce their overall transit costs and to make their daily transportation easier. Public transportation offers a more cost-effective and environmentally friendly way to travel than individual car-ownership. A study conducted in 2002 and updated in 2004 found that public transit saves Wisconsin riders and taxpayers an estimated \$730.2 million annually and a cost-benefit analysis on public transit found that for every \$1 invested there is a return of over \$3.

Final State Budget:

Reduced state funding for mass transit by 10% equaling about \$23.6 million over the biennium. However, the Joint Finance Committee gave mass transit an extra \$5 million in paratransit aid (public transportation assistance for disabled individuals) to partially offset these cuts for fixed-route systems (Madison, Milwaukee, etc).

Impact:

The final state budget compromised public transportation in a variety of ways. Due to the reduction in overall funding for local transit, municipalities (cities and counties) will be forced to weather the significant cuts in state aid by raising fare prices (which is an unattractive option at a time when ridership is at an all-time low and poverty levels are increasing across the state), reducing services or a combination thereof. In some cases, the reduction in state aid might mean that some municipalities may not even be able to offer transit systems at all. Wisconsin women and their families who rely on mass transit to get to work and school may be left without affordable transit options. A Wisconsin Department of Transportation study found that without transit services, 15.1 million transit rides would be forgone. These are trips that individuals would not make due to the higher cost of alternative transportation modes. Of these trips, 8.8 million work trips, 2.8 million education trips, 1.4 million health care trips, and 2.1 million retail, recreation, or tourism trips would be lost in the absence of transit service. Specifically, the Milwaukee County Transit System (MCTS) carries 140,000 rides every day (almost half are for work). Due to the significant budget cuts, MCTS has proposed the most drastic restructuring and reduction of services in its 150 year history. An analysis by the University of Wisconsin-Milwaukee's Center for Economic Development found that a minimum of 13,553 jobs in locations currently served by MCTS would become inaccessible by transit if the proposed MCTS cuts were to be implemented. This is in addition to the over 40,000 jobs that became inaccessible by public transportation due to cuts made between 2001 and 2007. Racine will experience similarly drastic cuts and the proposal to cut services to make up for the 10% loss in state aid comes on top of the loss of nearly one fifth of Racine's transit services over the past decade. Second and third shift workers in Racine and the businesses that employ them will be hit especially hard as access to employment by transit is eliminated in the evenings, as will seniors and people with disabilities, many of whom rely on transit as their only means of transportation.

Intercity Bus Program

Currently, state aid enables local systems to maintain high-quality and affordable mass transit. The Intercity Bus Program re-established certain routes that had previously been offered by private providers but had subsequently been discontinued. The network of service connects Wisconsin's major metropolitan areas with each other, with more rural areas and other modes of transportation as well.

Final State Budget:

Eliminated all state funding for the Intercity Bus Assistance Program thereby cutting approximately \$2.5 million of state aid over the biennium.

Impact:

The Wisconsin Department of Transportation has stated that it will be able to use funds from the 2009-2011 budget to fund the Intercity Bus Program through 2013, but if funding is not restored in the next biennium, travel across Wisconsin will become significantly more difficult and/or more expensive. One likely result of the continued defunding of the Intercity Bus Program is that service providers will cut routes to and from major cities which will further limit commuting options for Wisconsin workers and students. This will also make it harder for individuals to travel to health care appointments and support sick or handicapped family and friends, a burden that falls disproportionately on women.

CHILD CARE SUPPORT

Wisconsin Shares

In Wisconsin, the average annual cost of child care for one school-aged child in a family child care home is \$7,153. Wisconsin Shares provides a subsidy for parents who are working or getting an education to help them afford quality child care for their disabled children and children under the age of 13. In the last year, Wisconsin Shares provided an invaluable childcare subsidy for more than 30,000 families statewide including over 50,000 children.

Final State Budget:

Cut funding for Wisconsin Shares by more than \$15 million over the next two years. Most of these cuts are expected to come from changes in reimbursement policies (paying child care providers less) and other policies implemented over the last year to deter fraud. In addition, the Department of Children and Families Secretary is given almost unilateral authority to make additional cuts with limited legislative input. Cost-saving strategies could include implementing a Wisconsin Share's waiting list, tightening the program's income level eligibility, raising parents' co-payments for child care and removing the current co-payment cap of 12.5% of a family's income.

Since the passing of the 2011-2013 budget, the Department of Children and Families has already used their new unilateral authority to make an impactful policy change in childcare reimbursement rates. Now, state child care reimbursement will only pay for hours that children actually attend childcare as opposed to the number of hours that they're enrolled for. This is markedly different than the industry status quo of paying for the number of hours that children are enrolled to attend since the child is taking up a "slot" regardless of whether or not they attend. This policy change unfairly punishes providers who take on low-income Wisconsin Shares clients since Head Start and higher-income clients will continue to pay on an enrollment basis. The likely result of this policy change is that it will be more difficult and/or more expensive for low-income parents to find child care.

Impact:

The 2011-2013 budget attempts to reduce Wisconsin Shares costs in part by targeting child care payment fraud. It is expected that many child care providers who have not participated in fraud will be financially penalized due to changes

in payment rate and structure. Moreover, freezing and/or reducing the amounts of reimbursement given to providers could result in providers becoming increasingly unwilling to take on new Wisconsin Shares supported children or could reduce the quality of child care services. Implementing a waiting list would force families living in poverty to choose between leaving their children without quality child care, or any child care at all, and giving up a job to stay home with their children. The increase in parents' co-payment would put further strain on families working to achieve economic security, and the combination of changes is likely to put additional financial stress on child care providers who could lose more of their clients to unregulated care. In addition, though the 2011-2013 funding will accommodate the current level of Wisconsin Shares utilization, spending on the program is at the lowest level since 2004. This drop in spending is likely due to the increase in unemployment; meaning more care takers are at home with their children since they are unable to find work. As the economy improves, jobs are created and unemployed workers head back into the work force which will increase the need for child care.

Child Support Enforcement

The largest source of funding for child support enforcement comes from federal child support incentive payments and federal matching funds. The funding Wisconsin provides to child support enforcement gives a large return on the investment; each state dollar leverages almost \$2 in federal match and each GPR dollar invested generates an average of about \$20 in collected child support. For the last several years, child support enforcement has been federally funded at about \$37 million annually (about \$12 million per year for incentive funds and another \$25 million in implementation). Due to changes in federal funding, the state was forced to fund the last six months of child support enforcement with a 66% federal match.

Final State Budget:

Despite needing \$8.5 million to maintain overall funding in the past, the budget cuts funds to local child support agencies by half, at only \$4.25 million in GPR annually. The \$4.25 million was originally designed to accommodate a 6-month period of time rather than a full year. Since the 2011-2012 budget does not double this amount per year to keep funding constant, there is a significant loss of opportunity to receive federal matching funds. Compared to the \$37 million per year in state and federal funding that was previously received, child support enforcement will lose \$12.5 million. It is currently unknown how these cuts will be distributed across Wisconsin counties.

Impact:

The Legislative Fiscal Bureau put forth an alternative proposal to allow an additional \$4.25 million in GPR funding over the next two years for child support enforcement. The Joint Finance Committee rejected the proposal in April, 2011. Without increased funding, collections could be reduced by about \$85 million over the biennium. Counties are already squeezed financially and they will not be able to alleviate the lack of increased funding at a local level. Milwaukee County alone expects to be forced to cut 38 workers, or 28% of their current child support enforcement staff due to this cut. This will mean a reduction in county child support enforcement activities and performance, resulting in less federal performance-based incentive payments in the future. The 2011-2013 budget will cause a downward spiral in child support enforcement at a time when women and families need this help the most. This unsubsidized care problem is a burden that will affect the lives and economic sustainability of women, specifically single mothers.

INCOME SUPPORT

Earned Income Tax Credit (EITC)

The Earned Income Tax Credit (EITC) is a refundable tax credit that provides an incentive for people to find jobs and for low-income, part-time workers to work more hours. The EITC has achieved significant public support as it encourages

and rewards work and has been pivotal in the effort to raise working families and their children out of poverty. Studies have consistently found substantial positive effect from the EITC on labor force participation. Over half of the 1984-1995 increase in the proportion of single mothers in the labor force nationally is attributed to growth in the EITC. Nearly three-quarters of state EITC dollars go to working families that make less than \$25,000 a year.

Final State Budget:

Decreased the credit for families with three or more kids from 43% of the federal EITC credit to 34% of the federal level and reduces the credit for families with two kids to 11% lower than the federal EITC. These reductions in EITC for low-income working families results in about a \$56 million cut (relative to the cost to continue).

Impact:

The credit will be unchanged for families with one child, but a single mother who has two children and makes minimum wage would lose \$154 per year, and a family with three or more children would lose \$518. The EITC offsets income, sales and property taxes that fall heavily on low-income families and these cuts will be difficult to endure for working families in Wisconsin who are struggling to get by on low wages. It has been shown that the EITC is a particularly good economic program for Wisconsin because families who receive the credit tend to spend the money on necessities and in their own community, which directly stimulates the local economy. The EITC credit has also been shown to be an effective way to relieve poverty as it lifts an estimated 18,000 people in families (including 12,000 children) above the poverty level and lessens the degree of poverty for another 150,000 people in low-income families. This cut in funding for EITC is effectively a tax on working families and will dramatically and negatively affect both the Wisconsin economy and the rate of poverty among Wisconsin families.

Wisconsin Works (W-2)

Wisconsin Works (W-2) provides monthly income assistance for working families. In September of 2011, there were almost 20,000 participants in W-2. Of these participants, 93% were female. Participants must meet work activity requirements to be eligible. The maximum amount for these payments has been the same dollar amount, \$673, regardless of the family size, since the program started in 1997. Qualifying families receive \$7,836 a year to help support basic needs.

Final State Budget:

- ▶ Cut \$400,000 for W-2 over the biennium by lowering the maximum monthly income support, reducing W-2 payments by \$20 a month, or \$240 a year beginning on October 1st, 2011.
- ▶ Reinstated stricter time limits for participation, restricts the time W-2 clients could spend in classrooms and makes it easier to impose penalties on clients for program infractions.
- ▶ Enforced a reduction in the amount of leave time for caretakers of newborn infants from 12 weeks to 8 weeks (beginning on January 1st, 2011).
- ▶ Created a "job-ready category" of individuals in order to reduce the costs associated with providing subsidized work placement to individuals who are determined to have no barriers to employment as determined by a caseworker using a standardized assessment. People placed in this category will be given case management services such as job search assistance but will not receive benefits while they seek employment and will not be placed in a subsidized trial job, community service job, or transitional placement.

Impact:

For some Wisconsin working families, W-2 provides their only source of cash income. Yet at just \$7,836 a year, this is less than 50% of the FPL. Those most likely to be affected by these changes include at-risk pregnant women and mothers of infants who are unable to work, as well as parents who are unable to find unemployment and are serving in community service positions up to 40 hours a week. The addition of the "job-ready category" will mean that many individuals who will

not receive the standard and vital W-2 benefits during this time of financial insecurity due to job-loss will potentially make it more difficult for those individuals to find long-term employment since a subsidized trial job, community service job or transitional placement will not be available to them. In addition, a reduction in leave time for caretakers of newborn infants from 12 weeks to 8 weeks will likely result in a decrease in the frequency and duration of breastfeeding. According to a book published in 2002 titled *Quantifying the Benefits of Breastfeeding: A Summary of the Evidence*, breastfeeding has been consistently shown to be protective against a large range of immediate and longer term health outcomes for both mother and infant that are a significant burden on individuals, the health system and society. The cumulative research suggests that breastfeeding supports infant health, intellectual and motor development, later chronic disease risk, and maternal health. These changes in the structure and compensation associated with W-2 will have a significant and negative impact on many low-income Wisconsin families.

Training and Education

Wisconsin Works (W-2) participants work in a trial job, community service job, or transitional placement for up to 60 months (or 5 cumulative years in their lifetime). In trial jobs, participants' wages are subsidized as they gain work experience with an employer who makes efforts to retain the participant as a permanent, unsubsidized worker once the trial period is over. Community service jobs provide work experience through public service projects designated by the Department of Children and Families.

Final State Budget:

Reduced the time a participant may spend in educational or training activities from the full 40 hours per week to a maximum of 10 hours per week for participants in community-service placements and 12 hours a week for participants in transitional placements. It also limited the length of time an individual may participate in a trial job (3 months per job and 24 months total), community service (6 months per job and 24 months total), or transitional or trial placement (24 months). For the last two years, W-2 participants could participate in any combination of the three options (trial job, community service or transitional placement) up to the full 60 month life-time limit.

Impact:

This budget limits case workers and local agencies ability to help clients attain the education or training they need to find a family-supporting job. Because an adult may only receive W-2 benefits for a maximum of 60 months in his or her lifetime, receiving the education and training necessary to secure consistent work at a living wage is imperative for W-2 participants. In addition, in the current labor market, trial jobs and community service placements may be the only options for participants. These drastic restrictions on training and education programs limit the likelihood of future employment success, essentially undermining the purpose of the program. The additional time line and continuity restrictions on the number of months an individual can hold certain jobs or positions reduces program flexibility and will require greater administrative oversight and program bureaucracy.

Oral Notice Requirement, Good Cause Test, and Conciliation Period

The Oral Notice Requirement mandates that a W-2 agency follow up written notices with an oral notice in the event of a 20% reduction or termination of the participant's monthly payment. The oral notice must explain the basis of the action. When a W-2 participant fails to fulfill their required work activity hours, they become ineligible from the program for 3 months. The Good Cause Test and Conciliation Period require that the W-2 agency determine if there is good cause for the participant's failure and offer them an opportunity to correct the behavior that caused the reduction or termination in benefits.

Final State Budget:

Removed the Oral Notice Requirement, Good Cause Test, and Conciliation Period.

Impact:

The removal of these administrative safeguards will make it more difficult for Wisconsin families to retain their income and work assistance. Those who fail to participate in required activities will face immediate removal from the program for 3 months.

Transitional Jobs Program

This program was a demonstration project designed to provide unemployed, non-custodial parents who are not eligible for the W-2 program or unemployment insurance with a subsidized job for up to 1,040 hours (about 6 months of full-time work). Participants in this program receive an immediate income and the opportunity to develop work skills, experience and a positive work history. In one year, the Transitional Jobs Program provided one or more jobs to over 2,200 Wisconsinites.

Final State Budget:

Removed funding for the Transitional Jobs Demonstration Program after June 30th, 2012 and sunsets the program at the end of the 2012-2013 fiscal year. The program will stop accepting applications six months before funding expires.

Impact:

Ending this program in July of 2013 will cause over 2,000 parents to lose their job, income and ability to pay child support.

Homestead Tax Credit

This credit provides targeted tax relief to approximately 250,000 low-income households in Wisconsin, including both homeowners and renters. 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.

Final State Budget:

Repealed the 2009 change that indexed the Homestead Tax Credit to inflation.

Impact:

By repealing the annual adjustments, the credit is cut by \$13.6 million over two years in tax relief for working families. Each year, the loss for individual recipients will grow higher, from \$8 per recipient in 2011, to \$24 in 2012, and rising each year thereafter. Low-income women and girls will experience a reduction in the amount of tax relief that has previously helped to support rent payments and other necessary family services. Single-mother headed households, in particular, will be negatively impacted by this budgetary decision due to their increased risk of being severely low-income.

HIGHER EDUCATION

Financial Aid

Currently, the Wisconsin Higher Education Grant Program provides grants to individuals of between \$250 and \$3,000 based on financial need. In 2010, the program provided grants to over 48,000 individuals. The Wisconsin Covenant Scholars Program aims to broaden access to higher education by promising a place in one of Wisconsin's colleges or universities and providing need-based aid to any Wisconsin student that earns a high-school diploma, maintains at least a "B" average, and meet several other requirements. In the Spring of 2011, over 5,000 Wisconsin students were determined to be eligible for the Wisconsin Covenant Scholars Program based on their school grades, staying out of trouble and their income eligibility.

Final State Budget:

- ▶ Froze financial aid amounts for higher education, despite a proposed 5.5% increase in tuition at most UW campuses and 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.
- ▶ Suspended funding for the Wisconsin Higher Education Grant (WHEG). In 2011-2012, the total WHEG grant funding for students attending the University of Wisconsin system was \$58,345,400, for students attending technical colleges it was \$18,797,900, and for students attending tribal colleges the total grant funding was \$454,200.
- ▶ Eliminated the Wisconsin Covenant Scholars Program as of fall 2011. (Fall of 2011 is the last school year in which 8th or 9th graders can sign up for the program, the program will provide grants to these individuals through their completion of college as long as they qualify).
- ▶ Repealed 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.

Impact:

These cuts make it harder for Wisconsin students, particularly low-income students and undocumented students to pay for college. Last year, a combination of high demand for these grants and under-funding meant significant wait lists: 6,693 qualified University of Wisconsin students, 41,014 qualified technical college students and 758 tribal college students were on the wait list at the end of the 2010-2011 academic year and did not receive this grant money. This funding could have made it significantly easier to attend and finance higher education for these individuals.

Higher Education Funding

Studies show that women reap much larger economic benefits from higher education than men. Unfortunately, these benefits are unattainable for many women due to financial barriers of attending higher education. The average debt for graduating seniors at public universities with student loans in 2008 was \$20,200 which is 20% higher than in 2004. It is well known that an individual's chances of achieving financial security are greatly increased if they obtain a higher education degree. In fact, in the current economy, higher education is becoming increasingly important to an individual's ability to be a competitive candidate in the workforce. For this reason, women need affordable access to higher education as it represents an important determinant in one's ability to achieve economic security for a woman and her family.

Final State Budget:

Increased tuition for the University of Wisconsin System and UW Madison by 5.5% each year for the next two years, raises tuition rates by up to 36% for students participating in the Wisconsin-Minnesota Reciprocity Program, reduces state aid by \$250 million over the next two years through a 25% funding cut for the UW System and Technical College System, and freezes local property tax levies for technical colleges for the next two years to 2010 levels.

Impact:

These tuition increases and cuts to financial aid options will make it harder for students to attend and pay for college. Already, low-income and minority women attend higher education at a significantly lower rate than other populations. These women, in particular, need improved access to affordable higher education rather than decreased access so that they can attain long-term financial stability for themselves and their families. By reducing these important funds, many women will lose the financial support they needed in order to attend universities and technical schools in Wisconsin. This overall devaluing of higher education in Wisconsin will likely have negative long-term impacts on the state's economy as individuals are not attaining higher education at the rates they once were.

EDUCATION

Head Start

Head Start is a federal program for preschool-aged children from low-income families run by non-profit organizations, schools, and other local grantees. Children who attend Head Start participate in educational activities, and receive free medical and dental care, as well as healthy meals. The program also provides parents with access to a number of social services. The state of Wisconsin provides supplemental funding to federal grants in order to increase the number of children that can attend Head Start. The GPR state supplement has funded approximately 1,200 openings for preschool-aged children each year.

Final State Budget:

Reduced state funding for Head Start by 10% equal to a \$12.5 million cut over the next two years.

Impact:

Without these state funds, many low-income children will have to leave Head Start or be placed on a waiting list. This reduction in state funding for Head Start will likely mean that more mothers will have to leave jobs to stay home with children or will have to find alternative child care that can often be difficult to find and/or very expensive, particularly for single mothers who may only have one income to support the family.

Four Year Old Kindergarten

Four-year-old Kindergarten (4K) has a long history in Wisconsin—education for four-year-olds was included in the state's 1848 constitution. Wisconsin continues to be a leader in this area, with over 80% of public school districts offering 4K in the 2009-2010 school year serving 53% of the four-year-olds in the state. A report by the National Center for Early Development and Learning study of State-Wide Early Education Programs (SWEEP) showed that Wisconsin students who participate in 4K have improved language and literacy outcomes, as well as improved social skills. A report by Pre-K Now calculated the savings to the Wisconsin education system from an expanded 4K system and found that for every \$1 invested, .68 cents would be saved during the K-12 years. Start-up grants were first given in 2008 with a priority on community approaches (offering 4K in Head Start and child care settings as well as schools) and 31 school districts have benefited from them.

Final State Budget:

Cut 4K start-up grants by 10%, or \$300,000, over the next two years. For applicants interested in starting a 4K program, grants are awarded to by formula, based on enrollment in 4K programs. Before this budget change, grantees were awarded up to \$3,000 in first year funding and up to \$1,500 in second year funding for each child enrolled in the approved 4-year-old kindergarten program.

Impact:

With less funding for new 4K programs, fewer children will have access to this important developmental opportunity that has been shown to improve educational attainment and social behavior. In addition, proposed cuts could lead to: higher special education placement, higher grade retention, lower job satisfaction for teachers, more substitute teachers, higher spending on school safety, and increased pressure on student-aid services.

Public Education

Public education is funded by revenue from local, state and federal governments. This state aid to schools is computed by a complex formula based on property values, student enrollment and other factors. In Wisconsin, 52% of funding comes from the state and 42% comes from local school districts. Most state aid is allocated through an equalization aid formula, and most local school district spending decisions are restricted by revenue caps. A district's revenue cap is the maximum

amount of revenue that may be raised through state general aid and property tax (revenue cap can exceed only if voters approve via a referendum). The maximum limit is based upon enrollment changes, the Consumer Price Index, and each district's prior year controlled revenue. During the 2010- 2011 school year, 872,286 students were enrolled in Wisconsin public schools.

Final State Budget:

Cuts funding for general school aids by roughly \$749 million or 8.1% over the next two years and limits the amount of revenue a school district can raise from general school aid and property taxes in a given year.

Impact:

The cuts to Wisconsin schools are among the largest in the country, according to a recent analysis. The Center for Policy and Budget Priorities reports that Wisconsin will cut state funding for education by \$635 per student in 2012, topping the list of the 24 states for which figures on education spending were readily available. The cuts in funding for general school aid along with the limits on property taxes and other revenue will lead to a \$1.7 billion cut for school districts. Around 410 of the 424 Wisconsin school districts will get almost 10% less than the previous year. The biggest losses in dollar amounts will occur in Milwaukee, Racine and Green Bay districts. Property-poor districts have traditionally received more aid than property-rich districts because they have lower property taxes. The decreased revenue limits reduces school districts' ability to make up the revenue difference through property tax increases. The spending caps will negatively impact the capacity of schools to offer quality educational with up-to-date equipment in safe and adequate facilities. Schools may be forced to increase class size, cut regular education programs and extra-curricular options which could negatively impact learning and development. The Joint Finance Committee did provide a one-time \$6.2 million for low-spending school districts in fiscal year 2012 (i.e. school districts in which the per-student costs are below approximately \$9,000 per year). This one-time funding is designed to reward districts who have maintained low spending levels. Unfortunately, this will do very little to ease the effects of the sweeping cuts to public education funding. This also means that schools are allowed almost no growth in overall expenses.

High Poverty Aid

High Poverty Aid is a slightly separate funding stream from general school aid that is designed for districts in which at least 50% of students are eligible for free or reduced-priced lunch. The purpose of this aid is to reduce the burden on district residents who would otherwise have to make up the difference in school revenue through property tax levies.

Final State Budget:

Cuts high poverty aid by 10%, or \$3.74 million. Prior to this funding cut, the increase in high poverty aid was indexed to inflation and amounted to about \$275 per student in increased funds. The 2011-2013 budget changes that amount to a \$0 per student increase in the 2011-2012 school year and a \$50 per student increase in the 2012-2013 school year.

Impact:

Based on the way school revenue caps are calculated (state general aid + high poverty aid + property tax levies), revenue amount for schools will not change based on this shift but the tax burden will increasingly fall to local districts and their residents who will have to make up the difference in increased property tax levies. The residents of these high poverty aid districts are disproportionately low-income, meaning this shift effectively amounts to a tax increase on low-income residents.

Categorical Aid

Categorical Aids include a variety of important programs such as bilingual-bicultural programs, special education, mentoring for new educators, gifted and talented, alcohol and other drug abuse programs, school day milk and much more. An example

of two important programs within the Categorical Aid funding category are the Preschool to Grade 5 program grants, designed to improve the education of students enrolled in districts with a high concentration of low-income and low-achieving students (four school districts received this aid: Milwaukee, Racine, Beloit, and Kenosha), and the Sparsity Aids, which help pay the cost of educating students in rural, lower-income areas of Wisconsin (around 110 districts received this important school aid).

Final State Budget:

Freezes special education aid to school districts, resulting in a 3.4% drop in the percentage of costs reimbursed by the state over the next two years. It also eliminates grants for Preschool to Grade 5 programs but allows schools that are already participating in the program to transition to the Student Achievement Guarantee in Education program (SAGE) which is a somewhat similar program that aims to reduce class size among other changes in education. Many other categorical aids are eliminated or funding is decreased, as is the case for the Sparsity Aids, by 10%.

Impact:

These cuts will affect special education students, low-income students, and rural students by reducing the quality or availability of their educational programs.

School Breakfast

Students living in a family with an income at or below 130% of the FPL can receive a free breakfast, and those with a family income between 130% and 185% of the FPL can receive a reduced-cost breakfast at school. Since the economy began to decline in 2008, more families have needed help paying for school meals. In the 2009-2010 school year, an average of 133,000 students participated in school breakfast every day.

Final State Budget:

Cuts the school breakfast program by 10% or almost \$558,000 over the biennium and rejects the Department of Public Instruction's request for a \$935,900 increase in funding for school breakfast reimbursements. This increase is necessary to maintain the same level of reimbursement per meal to Wisconsin public and private schools.

Impact:

Without the increased funding, schools may not be able to maintain the same quality of breakfast meals, or may have to decrease funding to other programs in order to sustain quality as demand for breakfast escalates. Certain charter schools and state residential schools will continue to bear the burden of financing school breakfasts.

CONCLUSION

Budgets are about values. The Wisconsin state legislature passed the 2011-2013 budget that included more than \$1 billion in cuts from education and local governments. The budget reduces aid to schools by \$800 million over two years and limits spending on health programs for the poor to facilitate significant tax cuts for manufacturers, multi-state corporations and investors. This is not a balanced solution to Wisconsin's fiscal challenges. It is imperative that policy-makers prioritize the needs of Wisconsinites hit hardest by the economic downturn. Unfortunately, this analysis demonstrates that almost \$1.5 billion in cuts in the 2011-2013 budget will directly affect Wisconsin women and girls and greatly undermine the health, well-being and economic security of this important population.

We have a responsibility to ask our legislators to re-prioritize the health and well-being of women and girls by reversing some of these damaging funding cuts and program freezes and by investing in Wisconsin women and girls in other effective and innovative ways.

