



WISCONSIN COUNCIL ON

**children
& families**

Raising Voices to Make Every Kid Count

555 West Washington Ave, Suite 200

Madison, WI 53703

www.wccf.org

☎ 608-284-0580

✉ 608-284-0583

July 11, 2007

Contact: Jon Peacock 284-0580 ext 307

Corrected and Expanded Summary of Key Changes in the Assembly Budget

The Wisconsin Council on Children and Families is releasing this document to correct an error made yesterday in our press release and to expand on the summary of changes. The following is a list of some of the many changes in the Assembly budget relating to programs for children and families.

Correction: Please note that there was an error in our July 10 press releases about the Assembly amendment. We incorrectly said that the \$106 million cut to the Homestead Tax Credit program would eliminate eligibility for all participants except seniors. It actually retains eligibility for married couples and people with dependents, as well as seniors, while excluding single, childless adults who are under age 65.

Child Care

- Cuts funding for Wisconsin Shares by \$52.6 million over the biennium.
- Increases Wisconsin Shares co-payments.
- Creates waiting lists for new Shares applicants.
- Reduces income levels to qualify for Shares.
- Creates an attendance-based payment system that cuts payments for child care providers when a child's attendance is less than half the number of authorized hours per week.
- Imposes a 60-month per-child time limit on receipt of Wisconsin Shares.
- Cuts funding for child care licensing by \$720,000, but adds that amount for child care quality initiatives to ensure Wisconsin meets federal requirements for the minimum percentage of federal child care block grant funds that must be spent to improve child care quality and availability.

Work & Economic Support

- Deletes creation of Real Work, Real Pay transitional jobs pilot program.
- Deletes increase to Wisconsin Higher Education Grants.
- Implements fees for English as a Second Language courses at technical colleges (currently free).
- Creates statutory authority for a "job ready" category in W-2. This responds to a recent court decision by continuing to allow unemployed parents to be denied cash benefits.

- Deletes increase in Youth Apprenticeship program funding.
- Deletes increase in Emergency Assistance funding.
- Rejects the Senate amendment to provide W-2 benefits to first-time mothers who are in the third trimester of an at-risk pregnancy and are unable to work.
- Cuts state and federal funding for child support enforcement by \$441,000.
- Deletes the \$2.3 million for community action agencies to support the skills enhancement program for workers with incomes less than 150% of the poverty level.

Health Care

- Deletes all portions of BadgerCare Plus that would expand eligibility and remove barriers to coverage, but retains portions that generate savings of about \$23 million GPR that were intended to finance the expanded coverage of children, pregnant women and farm families.
- Eliminates Healthy Wisconsin (the Senate health care plan).
- Eliminates the expansion of Family Care.
- Eliminates the MA rate increases for non-institutional providers (but increases MA rates for hospitals).
- Replaces provisions for dental reimbursement rate increase pilot project in 3 counties (\$3.5 million) in favor of a statewide increase in dental rates (\$3 million).
- Increases GPR spending by \$375,000 by eliminating the Family Planning Waiver expansion, and increases minimum age to participate in the waiver program to 18.
- Changes the definition of family planning and restricts the use of family planning funds.
- Directs DHFS to apply for federal abstinence education funds.
- Eliminates cigarette tax increase, and cuts funding for tobacco use control grants by \$34.7 million (relative to the JFC bill).
- Rejects provisions to require insurance policies to cover autism spectrum disorders.
- Rejects provisions to increase minimum coverage requirements for mental health and substance abuse treatment.
- Rejects provisions in the Senate bill allowing state and local governments to extend health insurance benefits to domestic partners.

Schools

- Cuts general school aids by \$85.4 million (relative to the JFC Funding level)
- Reduces revenue growth caps, which will hold school revenues and spending below the amounts needed to keep up with inflation.
- Rejects the school aid increases approved by the Senate, such as \$21 million for high poverty districts, \$7.3 million for small rural districts, \$6 million for SAGE, and \$3.5 million for special education aid.
- Adds \$14 million for school transportation aid (particularly for more rural districts).
- Creates a Racine County school choice program.
- Deletes increases for school breakfast reimbursement (\$3.3 million) and bilingual-bicultural aids (\$3.1 million).
- Deletes 4 year old kindergarten grant program for districts that currently do not offer 4K programs.

- Deletes funding and provisions allowing additional schools to join the SAGE program, and makes second and third grade optional in SAGE.
- Rejects the revenue limit adjustments approved by the JFC for school safety expenditures, and adds \$10 million for a new grant program to reimburse certain expenditures for safe and drug free schools.

Juvenile Justice and Child Welfare

- Deletes \$26.8 million increase in Youth Aids funding to counties, but keeps the 24 percent increase in the juvenile corrections daily rate. (Counties will have a significantly higher cost for corrections, but will have less money to spend on prevention and other services for juveniles.)
- Reduces funding for foster care by \$1.6 million by not increasing rates until 2009.
- Deletes the \$411,600 increase for post-adoption resource centers and the adoption exchange and adoption resource center.

Taxes

- Cuts \$106.6 million from the Finance Committee's funding level for the Homestead Tax Credit program, primarily by eliminating eligibility for single, childless adults who are under age 65; and also by indexing only the upper income limit for inflation, and not other formula factors, such as the maximum credit.
- Rejects the proposed \$100 million in 2009 for the First Dollar Credit, which is a more progressive way of distributing a small portion of the funding for the School Levy Credit, and increases the latter credit by \$200 million in 2009.
- Creates a state tax break for Health Savings Accounts, phased in over two years and costing \$6.5 million in FY 2009 and \$13.1 million per year thereafter.
- Creates a Workplace Wellness Tax Credit, capped at \$5 million per year, to offset up to 30 percent of the amount a business pays to provide a workplace wellness program.

Miscellaneous

- Cuts the county and municipal aid program by about \$58 million in 2008-09.
- Deletes \$1 million in funding for civil legal services for the indigent.
- Deletes the new Department of Children and Families.
- Creates new requirement of documentary proof of citizenship or legal status for applicants for W-2, Wisconsin Shares, Food Share, and other public benefits.
- Eliminates the Wisconsin Covenant plan.
- Cuts funding for domestic abuse grants by about \$1.3 million relative to the amount approved by the Finance Committee.