

Comparative Summary of the Different Versions of the 2007-2009 Budget Bill

Updated Oct. 31, 2007

Introduction`

On October 23, 2007, the legislature finally completed a compromise version of the 2007-09 budget bill (SB 40). Three days later the Governor signed it into law, and made a relatively small number of item vetoes.

One of the reasons why the budget process dragged out so long is that the budget had to balance a host of very substantial challenges, including:

- A structural deficit of more than \$1.6 billion in general purpose revenue (GPR), thanks in part to over \$600 million of tax reductions enacted in prior years that take effect in this biennium;
- An additional deficit of at least \$180 million in TANF funds for W-2, child care and related programs;
- The need to increase local aid, to avoid putting even more pressure on property taxes;
- A slowdown in the growth of state general fund revenue; and
- The need to address the state's precarious budget situation by raising the minimum budget balance.

In light of these fiscal challenges, WCCF is pleased that the bill that was ultimately

enacted includes some very important measures for children and families, such as:

- The new BadgerCare Plus program, which will provide access to health insurance for nearly all children.
- A substantial increase in funding for the child care subsidy program, to avoid cutting eligibility or initiating waiting lists.
- An increase in funding for Youth Aids to offset increases in the cost of state juvenile corrections institutions.

However, the final budget (Act 20) also contains a number of tough cuts including:

- Freezing many appropriations, such as Community Aids, which results in continued erosion of those programs by inflation.
- Requiring state agencies (including the UW System) to make cut \$226 million from their budgets for state operations.

Overall, the new tax revenues the Governor proposed were cut back far more than his proposed spending levels. The net result is the continuation of a large structural deficit.

The following document compares the enacted budget with the Governor's original

bill and the versions crafted by the Joint Finance Committee, Senate and Assembly. It does not address all areas of the budget (such as the UW System), but summarizes the significant budget items that relate to children and families. Our summary is divided into the following subject areas:

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Except where otherwise noted, the page numbers in the first column of the matrix refer to where each item can be found in the lengthy summary of the budget issued by the Legislative Fiscal Bureau in March.

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http://www.wccf.org/proj_budget.php

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
BALANCING THE BUDGET For further information on these issues, contact Jon Peacock (jpeacock@wccf.org)						
State Government Operations <i>(LFB summary, p.66)</i>	Cuts spending for agency operations by \$80 million over the biennium.	Requires transfer or lapse of \$40 million/yr GPR from agency spending, which is expected to result from making efficiencies, such as implementing new financial & human resources information technology systems.	Modified, but the result is the same.	Same as JFC	Cuts an additional \$70 million by directing DOA to further restrict agency spending.	Requires agencies to lapse \$226 million from their budgets, including \$25 million from the UW System & \$1 million from the Tech. College System.
Reductions to Agency Budget Requests <i>(Budget in Brief, p. 24)</i>	Cuts \$437 million over the biennium from agency budget requests.	Reflects the rejection of some proposals, delays in others, and the freezing of many appropriations that agencies sought to increase.	No significant changes to the Governor's bill	Generally the same as JFC	Makes numerous additional cuts, such as \$96 million GPR from the UW System base budget & \$25 million from DOC administration.	Generally the same as the JFC, with the exception of the very large increase in cuts noted above.
Tobacco Tax Increase <i>(LFB summary, p.191)</i>	FY'08: \$275.7 million SEG Revenue FY'09: \$270.5 million SEG Rev.	Increases tax on cigarettes by \$1.25 per pack (to \$2.02) and tax on other tobacco products by 40.6 percentage points. Revenue to be put in new Health Care Quality Trust Fund (HCQTF).	Tax increase remains in the bill, but \$40 million less will be deposited in the HCQTF.	Approves tax increase; transfers \$20 million more than JFC to the HCQTF.	Deletes the tax increase and transfers.	Increases the tax by \$1.00 per pack. The somewhat smaller increase & delay in enactment result in a biennial revenue boost of \$411 million.
Oil Company Assessment <i>(LFB summary, p.528)</i>	FY'08: \$114.8 million SEG Revenue FY'09: \$157.3 million SEG Rev.	Levies an oil company assessment of 2.5% on motor fuel suppliers' gross receipts from sales in Wisconsin, with the revenue allocated to the Transportation Fund.	No change to Governor's proposal, but the revenue estimate is decreased by \$3.5 million in FY'08 and increased by \$10 million in FY'09.	Increases revenue by a net of \$29.7 million by moving ahead the start date & extending current exemption to the new tax.	Deleted	Rejects the assessment

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Hospital Assessment (LFB summary, p.238)	FY'08: (-\$57.9 million GPR) FY'09: (-\$62 million GPR)	Institutes a 1% assessment on hospitals' gross revenue. Most of the \$418 million raised would increase MA rates for hospitals & leverage fed. funds, but would also reduce GPR spending by about \$120 million. Most, but not all, hospitals would come out ahead.	No change to Governor's proposal	Approved. Adds provision intended to address concern that HMOs would not pass through added funds to hospitals.	Rejects the assessment, and provides a smaller increase in MA reimbursement rates for hospitals (from GPR funds).	Rejects the assessment and the increase in MA reimbursement rates for hospitals.
Combined Reporting of Corporate Income (LFB summary of Senate changes p.10)	No provision	No provision Under current law, large corporations can create subsidiaries and structure their contracts with subsidiaries so all or most of the business' profits are earned in other states without corporate income taxes.	No provision	Adopts combined reporting (starting in 2008), which treats a business and its subsidiaries as a single entity, & reduces tax avoidance. Raises \$40.5 million in FY'08 & \$90 M in FY'09.	Deletes the Senate change.	Deletes the Senate change.
Increase in Real Estate Transfer Fee (RETF) (LFB summary, p.209)	FY'08: \$64.6 million SEG Revenue FY'09: \$77.5 million SEG Rev.	Doubles the cost of the real estate transfer fee (from 0.3% now to 0.6%) & uses the revenue for several funding increases for counties (Shared Revenue, Youth Aids & Circuit Courts) and for a housing trust fund.	Approved	Approved	Reduces RETF to 0.2% in FY'11 and 0.1% thereafter, & increases county share. Results in \$134 M revenue reduction in 2007-09 & an added loss of \$62M/yr starting in FY'12.	Retains current law
Transportation Bond Debt Service (LFB summary, p.533)	Over two years: + \$70 million SEG (-\$70 million GPR)	Uses segregated transportation revenue, rather than GPR for some of the debt service for GO transportation bonds issued in 2005-07.	No change to Governor's proposal	Converts funding for FY'09 (\$43.3 million) back to GPR; FY'08 funds still use segregated revenue.	Converts funding for both years back to GPR.	Same as Assembly

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Transfers from the Transportation Fund <i>(LFB summary, p.533)</i>	Over two years: (roughly -\$90 million SEG)	Shifts \$54.6 million from the Transportation Fund for pupil transportation aids and about \$39.7 million for other purposes, such as transportation-related environmental and public safety costs.	Reestimates revenue collected as about \$3.2 million lower than Governor's proposal.	Converts funding for FY'09 (about \$47.5 M) back to GPR; FY'08 funds still use segregated revenue.	Converts funding for both years back to GPR.	Assembly position: Eliminates the transfers.
Other Transfers <i>(Budget in Brief, p. 25)</i>	\$37 million over two years	Shifts excess balances of \$37 million in the recycling and petroleum inspection funds to the general fund.	No change to Governor's proposal	Transfers another \$14.6 million from the petroleum inspection fund to the general fund.	Deletes the recycling fund transfer, and rejects Senate change.	Makes a \$14 million transfer from the petroleum inspection fund to the trans. fund.
Patients Compensation Fund Transfer <i>(LFB summary, p.357)</i>	Shifts \$175 million from the Injured Patients and Families Compensation Fund.	Provides a funding source that the state can use on a short-term basis to leverage federal MA funds and help balance the MA budget.	Approved	Approved	Deleted	Transfers \$200 million from the Injured Patients and Families Compensation Fund.
Increase in Vital Records Fees <i>(LFB summary, p.304)</i>	FY'08: \$8 million SEG Revenue FY'09: \$8.6 million SEG Rev.	Increases fees charged by the state registrar & local registrars for providing copies of vital records. Increased funds would be used for the vital records system automation project, domestic abuse services & child welfare programs.	Deletes proposed fee increases. Adds about \$8 million GPR for vital records system automation, nearly \$1.7 million GPR for domestic abuse services, & raises domestic abuse surcharge to \$100.	Same as JFC	Partially restores fee hikes, raising \$6.9 million to use for automation of system, if JFC approves. Retains domestic abuse surcharge & small increase for domestic abuse services.	Same as Assembly
Asset Sales <i>(LFB summary, p.73)</i>	\$30 million over 2 years	Sells "low priority" state buildings and land, which is expected to generate \$30 million in one-time revenue.	Approved	Approved	Increases the estimate of revenue from sales to \$50 million.	Estimates revenue of \$40 million from sales property.

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Reductions in State Employee Benefits (<i>LFB summary of Assembly changes, pp.68 & 70</i>)	No provision	No provision	No provision	No provision	Cuts \$88 million GPR by reducing state contributions for retirement benefits & raising employee share of health care costs.	No provision
Mainstreet Equity Act (<i>LFB summary, p.176</i>)	FY'08: \$1.3 million GPR Rev. FY'09: \$3.5 million GPR Rev.	Adopts standards from the Streamlined Sales and Use Tax Project, which simplifies & standardizes the sales tax system for interstate commerce. This modestly reduces sales taxes, but still yields a net revenue increase by boosting voluntary compliance.	Approved	Approved	Deleted	Maintains current law
Sales Tax on Digital Personal Property (<i>LFB summary, p.171</i>)	FY'08: \$2.6 million GPR Rev. FY'09: \$3.7 million GPR	Extends the sales tax to digital property delivered through download, which provides equity between sales via downloads and other sales.	Reestimates revenue collected to be \$1 million in FY'08 and \$2.4 million in FY'09.	Same as JFC	Deletes the provision, cutting GPR revenue by \$3.4 million.	Maintains current law
Sales Tax on Intercompany Transfers of Assets (River City Refuse decision) (<i>LFB summary of Senate changes, p.26</i>)	No provision	No provision. A March '07 court decision ruled that state sales taxes don't apply to assets transferred from a business' out-of-state subsidiary. The immediate tax loss is just \$2 million, but that could grow to \$70 million/yr. if corporations change purchasing to exploit it.	No provision	Closes loophole that may allow businesses to evade sales taxes by making certain purchases through out-of-state subsidiaries. Averts potential loss of \$140.5 million in '07-09.	Deletes the Senate change. Directs Audit Bureau to write a report re the potential revenue loss and options. Allows state employee compensation reserves to fill the hole, if needed.	Adopts Senate version

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Targeted Tax Collections <i>(LFB summary, p.489)</i>	Net revenue gain of \$6.1 million per year.	Implements a pilot project to convert collection of delinquent taxes from collection agencies to the Dept. of Revenue. Adds 7 positions to DOR.	Approved, but starting 3 months into FY'08, which reduces the revenue gain by \$1.5 million.	Same as JFC	Same as JFC	Same as JFC
HEALTH CARE For further information on these issues, contact Jon Peacock (jpeacock@wccf.org)						
Healthy Wisconsin Plan <i>(LFB summary of Senate changes p.79)</i>	Not in the Governor's bill.	No provision	No provision	Adds a sweeping plan to cover all state residents, funded with a \$15 billion payroll tax paid by employers & employees.	Deletes the Senate changes	Deletes the Senate plan
Healthy Wisconsin Authority <i>(LFB summary, p. 345)</i>	FY'08: \$500,000 SEG FY'09: \$500,000 SEG (using revenue from Health Care Quality Trust Fund)	Creates the Healthy Wisconsin Authority to develop and implement a reinsurance program for small businesses, & explore options for catastrophic coverage.	Deletes the funding and statutory provisions.	Creates a Healthy WI Authority that would administer the Senate's Healthy Wisconsin plan (above).	Same as JFC	Same as JFC (not included)
Medical Assistance (MA) Base Funding <i>(LFB summary, p. 247)</i>	FY'08: \$41.8 million GPR FY'09: \$113.5 million GPR	This increase allows current eligibility standards to be maintained. It reflects the cost to continue the program, but doesn't take into account other changes in the bill.	The cost estimate for continuing Medicaid was revised upward by \$1.3 million GPR.	No change	No change	No change
BadgerCare – Base Funding <i>(LFB summary, p.248)</i>	FY'08: \$2.9 million GPR FY'09: \$11.2 million GPR	This is the cost to continue the program, based on estimated changes in enrollment, federal cost sharing, etc.	The cost-to-continue estimate was reduced by about \$2.7 million GPR.	No change	No change	No change

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
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BadgerCare Plus – Expanded Coverage for Children, Parents & Caretakers (LFB summary, p.251)	No net GPR cost (Expected to save \$2.1 million GPR in FY 2008 and to cost that amount the following year.)	Extends coverage to: all kids (except non-qualified immigrants), pregnant women to 300% of poverty, teens aging out of foster care, parents who temporarily lose custody and caretaker relatives to 200% of poverty, farmers and the self-employed. Also removes enrollment barriers, simplifies administration & improves outreach.	Approved	Approved	Deletes all the provisions expanding eligibility and removing barriers to coverage. Retains portions that generate about \$22 million in GPR savings.	Approved the Governor's plan
BadgerCare Plus – MA Expansion for Childless Adults (LFB summary, p.242)	FY'08: (-\$3.15 million GPR) FY'09: \$2.9 million GPR and \$22.4 million all funds [including +\$6.15 million SEG]	Extends Medicaid to an estimated 71,000 childless adults. Would begin in 2009, or upon approval of the federal waiver if that is later, & would be phased in over 3 years.	No change to Governor's proposal, but the LFB estimates the state share of costs would be \$1.1 million higher.	Adds \$1.1 million SEG (from the Health Care Quality Trust Fund) because of LFB cost reestimate.	Deleted	Retains the statutory language but no funding. (Either supplemental legislation will be needed or it will have to be financed with reallocated GAMP funds.)
BadgerCare Plus – Improving Access to Dental Care (LFB summary, p.254)	Over two years: \$8.8 million all funds [including \$3.6 million GPR]	Overall, BadgerCare Plus is expected to be cost neutral. However, a portion of the savings (from administrative simplification, increased use of HMOs & expanded application of co-pays) would be invested in initiatives to improve access to dental care.	Approved, with a modification specifying that grants should include NE and NW Wisconsin. (See also dental rate increase, below.)	Same as JFC version.	Deleted	Same as JFC version

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
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Dental rate increase <i>(JFC Motion #654)</i>	Not in the Governor's bill.	No provision	Adds \$3.5 million GPR for a pilot program to increase dental reimbursement rates in 3 counties to see how that improves access to care.	Same as JFC version.	Cuts \$500,000 GPR by replacing the pilot project with \$3 million for a small statewide increase in dental reimbursement rates.	No provision
BadgerCare Plus – Other Uses of Reinvested Savings <i>(LFB summary, p.254)</i>	About \$8.6 million (all funds) over 2 years. (This is part of BadgerCare Plus, which is projected to be cost neutral.)	Other uses of savings from BadgerCare Plus include: \$3.5 million biennially (all funds) to promote healthy living behaviors, \$2 million for HMO expansion incentives, & funding for school nurses in Milwaukee & benefits counseling.	No change to Governor's proposal	Same as JFC	Deleted	Same as JFC
Health Opportunity Accounts <i>(JFC Motion #549)</i>	Not in the Governor's bill.	No provision	Requires DHFS to seek fed. approval for a demonstration project for BadgerCare enrollees who volunteer to use such accounts.	Same as JFC	Same as JFC	Included in the bill, but vetoed by the Governor
Community Health Centers <i>(LFB summary, p.249)</i>	No provision	No provision	Provides \$3 million GPR in FY'09 for grants to community health centers.	Same as JFC	Deleted	Same as JFC
SeniorCare – Base Funding <i>(LFB summary of JFC budget, p.374)</i>	FY'08: \$4.1 million GPR FY'09: \$16.3 million GPR	This is the cost to continue the program (without changes), based on estimated changes in enrollment, federal cost sharing, etc.	SeniorCare is continued and the cost estimate was reduced by \$11 million GPR.	Same as JFC	Same as JFC	Same as JFC

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Family Care Expansion (LFB summary, p.275)	FY'08: \$2.7 million GPR [+\$22.4 million all funds] FY'09: \$17.4 million GPR [+\$60.8 million all funds]	Adds funding to expand the program and increase the number of disability resource centers. The goal is to expand it statewide over 5 years.	Approves the Gov's proposal on funding; retains legisl. oversight of expansion; requires a county's consent to participate; reduces county share of costs; and provides ombudsman services for participants under the age of 60.	Approves it with a minor change re the titles of definitions of functional eligibility.	Deletes funding for expansion of Family Care (\$5.2 million GPR). Retains about \$15 million GPR to fully fund aging and disability resource centers.	Senate version modified. Expands program to serve 27,200 people by the end of FY'09. Includes \$715,000 to provide advocacy services to enrollees under age 60.
Mental Health & Substance Abuse Coverage (LFB summary, p.362)	None	Increases the minimum amounts of coverage for mental health and substance abuse treatment to \$20,250 for inpatient treatment, \$3,450 for outpatient, and \$5,200 for transitional treatment.	Removed from budget with other non-fiscal policy items.	Restores the Governor's proposal.	Deleted	Retains current law
Autism Coverage (LFB summary, p.363)	None	Requires health insurers to cover treatment of autism and other pervasive development disorders.	Removed from budget with other non-fiscal policy items.	Restores measure similar to the Governor's proposal.	Deleted; Creates Autism Scholarship program: \$15,000 for each child (up to 200 kids).	Retains current law
Health insurance for domestic partners of public employees & annuitants (LFB summary, p.133)	No funding specifically earmarked. (It would have to come from compensation reserves.)	Beginning in Jan. 2009, would permit state employees or annuitants to purchase family health insurance for their domestic partners (& a partner's minor children)	Eliminated the Governor's proposal	Restores the proposal, and adds provision to allow local government health care plans to include domestic partners.	Deleted	Retains current law

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Hospital Rate Increase and Assessment (LFB summary, p. 238)	FY'08: (-\$57.9 million GPR) FY'09: (-\$62 million GPR)	Institutes a 1% assessment on hospitals' gross revenue, which would be used mostly to raise MA reimbursements for hospitals, but also to offset GPR spending by about \$120 million. Thanks to federal match, there would be a net gain to hospitals of about \$283 million, but not all would come out ahead.	No change to Governor's proposal	Added provision intended to address concern that HMOs would not pass through added funds to hospitals.	Deletes the assessment; provides \$11 million GPR and \$15.2 million FED to increase hospital rates.	Deletes both the assessment and the MA rate increase for hospitals.
Noninstitutional Provider Rate Increases (LFB summary, p. 269)	FY'08: \$5.8 million GPR FY'09: \$17.2 million GPR	Increases MA and BadgerCare rates paid to noninstitutional providers by 1% in FY 08 and 2% in FY 09, & dispensing fees for pharmacists by 50 cents per prescription.	Approved	Approved	Deleted	Increases rates in FY'09 by 1.5% for home health services and 1% for other non-institutional providers.
Nursing Home Bed Assessment and Rate Increases (LFB summary, p. 285)	No GPR change. Fed spending would increase by about \$30.1 million over the biennium.	Increases the nursing home bed assessment by 2%, & uses that revenue (\$21.8 million) and new federal match to increase MA reimbursement rates by about \$52 million.	No change to Governor's proposal	Increases funding by \$30.6 million (all funds), based on reestimates, & delays effective date to 1/1/08.	Deletes nursing home assessment increase. Provides \$38.8 million (all funds) in FY'09 to increase rates 5%.	Same as Assembly
Tobacco Control Activities, and Refinancing of Tobacco Securitization (LFB summary, p. 451)	Saves \$10 million per year GPR, which would be replaced with \$30 million per year in SEG spending.	Assumes sale of more future tobacco settlement proceeds, with the cash invested in a permanent endowment for tobacco control. \$30 million per yr. would be used for tobacco control, tripling spending, while also saving \$10 M GPR/yr.	Doubles, rather than triples, spending for tobacco control activities. (The increase will be \$10 million per year, rather than \$20 million per year.)	Adds \$10 million SEG per year, restoring funding level to the Governor's recommendation.	Cuts tobacco control grants to \$2.5 million/yr, which is 75% less than current level and \$34.7 million less (over 2 years) than JFC approved.	Adds \$5 million SEG per year, relative to current law

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Pharmacy Benefits Management (LFB summary, p. 270)	FY'08: (-\$5 million GPR) FY'09: (-\$10 million GPR)	Generates savings by expanding and improving the pharmacy benefits management processes used for MA, BadgerCare and SeniorCare.	No change to Governor's proposal	Approved	Approved	Approved
E-Health Initiative (LFB summary, p. 240)	\$10 million SEG each year	Provides \$10 million/yr SEG for grants to help health care institutions develop systems for maintaining records in electronic form.	Eliminates the funding and new Health Care Quality & Patient Safety Council.	Same as JFC	Same as JFC	Same as JFC
Admin. Costs of Citizenship and ID Documentation (LFB summary, p. 295)	\$377,300 GPR each year [& \$377,300 FED/yr.]	Adds \$754,600/yr (all funds) for income maintenance for costs of administering the federal MA documentation requirements.	Approved	Approved	Approved	Approved
Medicaid Assets Transfers (LFB summary, p. 286)	FY'08: (-\$817,000 GPR) FY'09: (-\$2.3 million GPR)	Yields savings by adopting federal provisions that restrict the ability of MA recipients to shield their assets from MA estate recovery efforts.	Approved	Approved	Approved	Approved
Family Planning Waiver (LFB summary, p. 273)	FY'08: 120,500 GPR FY'09: (-\$184,400 GPR)	Men would be made eligible for the program, & income eligibility for all participants would be increased to 200% of poverty (contingent upon federal approval).	Approved, but without funding for increased county administrative costs.	Same as JFC	Rejects the changes, which raises GPR costs by \$375,000. Raises minimum age to participate to 18 (from 15).	Deletes expansion to men, but retains increased in women's eligibility to 200% of poverty (contingent upon federal approval).
Family Planning Services (LFB summary of Assembly changes, p. 290)	No provision	No provision	No provision	No provision	Restricts use of family planning funds; prohibits funding private entities.	Retains current law

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Managed Care for Children's Long-Term Care (LFB summary, p. 290)	FY'08: \$250,000 GPR FY'09: \$250,000 GPR	Assists in the development of managed long-term care pilot programs to serve children with disabilities.	Approved	Approved	Deleted	Assembly version - deletes the increase.
Children's Long-Term Care Support Program (JFC motion #340))	No change. Maintains the \$2.5 million (all funds) annual funding level.	No reduction in long waiting lists for children with disabilities who need long-term care.	The JFC Family Care motion reallocated MA funds to increase this program by \$4.7 million/yr. (incl. \$2 million GPR).	Same as JFC	Same as JFC	Same as JFC
Eligibility Determination Quality Assurance (LFB summary, p. 294)	FY'08: (-\$529,000 GPR) FY'09: (-\$3.6 million GPR)	Implements eligibility determination changes, including income verification for applicants who are elderly, blind or have a disability; & modification of the MA deductible policy re payment of premiums & medical bills.	Approved	Approved	Approved	Approved
CHILD WELFARE & OTHER HUMAN SERVICES For further information, contact Wendy Henderson (whenderson@wccf.org)						
Community Aids (LFB summary, p. 328)	\$135,500 increase each year [+\$103,100 GPR]	Uses increase in federal Title IV-E funding to replace reduced Social Service Block Grant and Title IV-B funds; & adds funds to support the 2006 foster care rate increase.	No substantive change to Governor's proposal	Approved	Approved	Approved
Kinship Care (LFB summary, p. 322)	\$968,300 each year PR [TANF]	Increase in kinship care funding reflects a caseload reestimate.	Reduces funding by \$75,200/yr. to reflect reestimated costs.	Same as JFC	Same as JFC	Same as JFC

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
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Foster Care Rate Increases (LFB summary, p. 318)	FY'08: \$557,400 all funds [+\$426,00 GPR] FY'09:\$1.67 million [+\$1.28 million GPR]	Foster care rates would rise 5% in Jan. 2008, and 5% more in 2009. These funds can be used by foster parents, treatment foster parents & family-operated group homes for food, clothing, housing, & personal care expenses.	Approved	Same as JFC	Delays 5% increase until January 2009. Net decrease of \$2.12 million (-\$1.6M GPR)	Approved Governor's original proposal
Milwaukee Child Welfare Reestimate (LFB summary, p. 316)	FY'08: \$5.5 million all funds [of which \$3 million is GPR] FY'09: \$5.5 million all funds [+\$8.1 million GPR]	Adjustment of funds to offset federal funding cuts and to fully fund out-of-home care, integrate safety and prevention services with W-2 and reduce caseworker turnover.	Reduced funding in bill by \$300,000 GPR to reflect population reestimate	Same as JFC	Same overall funding, switches to program revenue and GPR with no net change in either.	Approved JFC - \$10.4 million over the biennium
Family Foundations / Home Visiting (LFB summary, p. 319)	FY'09: \$642,400 all funds [+\$531,100 GPR] (effective January 1, 2009)	Provides funds starting in CY'09 to offer information about child health services, immunizations & other developmentally appropriate info for 1st-time parents. Proposal includes a universal home visiting program & a targeted home visiting program aimed at 1st-time MA-eligible parents with identified risk factors for child abuse and neglect.	Deleted. (Directed GPR to be used to partially offset projected EITC deficit.)	Same as JFC	Same as JFC	Same as JFC
Early Childhood & Parenting Initiative (LFB summary, p. 319)	\$500,000 PR each year, from increase in vital records fees.	Supports a comprehensive home visiting, parenting ed. & employment support initiative in Dane County.	Deleted, thanks in part to the rejection of the increase in vital records fees.	Adds \$250,000 GPR per year of one-time funding.	Deleted (but restores part of the vital records fee increases).	Approved Senate version

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
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Tribal Out-of-Home Care (LFB summary, p. 322)	\$500,000 increase over the biennium	Uses \$500,000 of unanticipated federal revenue to support unusually high cost foster care placements of tribal children.	Approved	Approved	Deleted	Modified – transfers \$500,000 to DHFS to fund tribal foster care with cap on expenditures
State Foster Care and Adoption Assistance (LFB summary, p. 317)	FY'08: (-\$231,900 GPR) FY'09: \$2.45 million GPR	This funding adjustment is described as a reestimate to reflect caseload changes and rate increases for direct care.	Reduces funding by about \$400,000 GPR to reflect caseload reestimate – now \$1.8M GPR	Same as JFC	Same as JFC	Same as JFC
Domestic Abuse Services (LFB summary, pp. 309 & 318)	FY'08: \$950,000 PR FY'09: \$950,000 PR	Increases funding for domestic abuse shelters using funds from the increase in vital records fees.	Approves the \$1.9 M biennial increase, but w. \$1.67 M from GPR & the rest from raising domestic abuse surcharge.	Same as JFC	Reduces funding increase by \$1.3 million over the biennium, but increases domestic abuse surcharge.	Same as JFC
State Plan to Prevent Child Maltreatment (LFB summary, p. 76)	FY'08: \$650,400 PR FY'09: \$789,700 PR	Uses part of an increase in vital records fees to support recommendations of the State Plan to Prevent Child Maltreatment.	Increases GPR by \$1.4 million and substitutes that for PR increase, because the vital records fee increase was rejected.	Same as JFC	Delete all but \$140,000 SEG.	Same as JFC
Child Advocacy Centers (LFB summary of Senate changes p.51)	No provision	No provision	No provision	Adds \$240,000 GPR in FY'09 for annual grants of \$20,000 to 12 child advocacy centers.	No provision	Same as Senate

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
CHILD CARE & EARLY EDUCATION For further information on these issues, contact Dave Edie (dedie@wccf.org)						
Child Care Quality Rating System (LFB summary, p. 614)	New program: \$1.6 million in FY'08, and \$1.2 million in FY '09.	A child care quality rating system would be established, with required ratings for licensed programs that receive payments from the Wisconsin Shares program and voluntary for others. Funding would be used to add licensing staff and develop computer capacity to operate the system.	Deleted the Governor's proposal for a child care quality rating system	Same as JFC	Same as JFC	Same as JFC
Wisconsin Shares (Direct Child Care Services) (LFB summary, pp 613-614)	The \$313 million base funding level is raised by \$1.45 million (to \$313.89 million) in FY'08 and by \$1.88 million (to \$315.3 million) in FY '09.	Cut costs by: 1. Continuing to freeze payment rates at '06 levels 2. Increasing co-pays by 10% (-\$9.2 million) <i>The Gov. later proposed adding \$14 million & withdrawing the co-pay increase.</i> 3. Reducing income eligibility for new applicants to 175 % of poverty (FPL) for initial eligibility & 190% of FPL for continuing eligibility (-\$6.6 million) 4. No longer reimbursing for absent days if they exceed 50% of authorized hours (-\$40.8 million) 5. Authority to establish waiting lists (-\$13.1 mil.)	Adds \$70.2 million to the Governor's request, bringing Shares funding to \$345.6 million in FY'08 and \$355.4 M in FY'09. a. Deletes proposals for reduced income eligibility and waiting lists. b. Limits co-pay increases to the inflation rate. c. Requires DWD to reimburse providers based on # of hrs authorized and to adjust the hours authorized based on a history of underutilization.	Same as JFC	Reduces JFC amounts by \$52.6 million, to \$325.4 M in FY '08 and \$330 M in FY09. a. Deletes JFC provision re provider reimbursement. b. Deletes co-pay limits. c. Requires DWD to implement a waiting list. d. Reinstates Gov's eligibility changes. e. Imposes a time limit for subsidies of 60 months per child.	Similar to the JFC version. Increases the base budget by \$69 million over the biennium (\$65 M above the Gov's initial proposal). The subsidy budget grows to \$355.4 M in FY'09. Eligibility not changed, & doesn't authorize waiting lists. Maintains current law for parent co-pays and provider payments, -- both of which DWD may still change by rule. Assumes no change in provider payment rates.

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Child Care Quality and Availability (LFB summary, p.615)	The \$7.5 million base funding level is raised by \$1.2 million per year to \$8.7 million per year	The additional funds (\$1.2 million/yr. would go for increases in scholarships and bonuses under the T.E.A.C.H. and R.E.W.A.R.D. programs, bringing the total to \$4.47 m. per year). Other services covered include child care resource & referral, technical assistance, and pass-through grants to local communities.	Reduces amounts for quality and availability by \$3,392,500. Specified at least: a. \$3,475,000 for child care scholarships, b. \$1,225,000 for child care resource and referral, & c. \$611,000 discretionary for DWD.	Same as JFC	Adds \$360,100/yr to JFC level & allows DWD to determine which programs to fund & to set amounts. When combined with the budget for child care licensing, the amount of money is the same as JFC, but with broad DWD discretion.	Same as JFC.
Child Care Tax Deduction (LFB summary, p.154)	Decrease in tax revenue of \$3.9 m. in FY'09.	The new policy will be phased in over several years, with estimated fiscal impact increasing gradually to \$11.8 million in FY 2011.	Approved, but tax cut reestimated to be \$5.6 million GPR in FY'09.	Same as JFC	Same as JFC	Approved, but the phase-in won't begin until TY'09, so there's no fiscal effect in the 2007-09 biennium.
Child Care Licensing (LFB summary, pp 323 & 615))	\$0.8 million added each year for licensing staff. (combination of TANF funds and program revenue)	The added funds are to hire more staff so the licensing operation can do on-site assessments for the quality rating system and for regular licensing operations.	Supported proposal to add \$360,000/yr to licensing base. Rejected additional licensing positions for quality rating system, which was deleted.	Same as JFC	Deletes new funds for licensing. Adds the funding instead for quality and availability (to meet minimum % required for fed. block grant funds).	Same as JFC
Head Start	No change in the funding level.	No change	No change	No change	No change	No change
Educare LFB summary ,p.617)	FY'08: \$750,000 FY'09: \$750,000 [TANF funds]	Provides new funding for the Educare Center of Milwaukee for the provision of high quality early childhood education.	Deleted by Joint Finance	Same as JFC	Same as JFC	Same as JFC

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Start-up Grants for 4-year-old Kindergarten (4-K) (LFB summary, p.468)	FY'08: 0 FY'09: \$3 million	Beginning in 2008-09, provide start-up grants of up to \$3,000 per student in the 1st year and \$1,500 in the 2nd yr. that a district offers a 4-K program. Preference in grants for districts engaged in collaborative models.	Approved	Approved	Deleted, but requires 4K districts to adopt model early learning standards, and maintain a curriculum plan. Also requires an audit of 4K , incl. whether state aid exceeds costs.	Approved
Youth summer jobs programs (LFB summary, p.605)	FY'08: \$500,000 PR FY'09: \$500,000 PR	Provides funds from vital records fees to the Milwaukee summer youth employment program	Funded with GPR instead of PR, because of rejection of vital records fee increases.	Same as JFC	Eliminated	Same as JFC
Milwaukee Boys & Girls Clubs (LFB summary, p.604)	FY'08: \$250,000 PR FY'09: \$250,000 PR	Provides funds from vital records fees to the Boys and Girls Club of Greater Milwaukee.	Eliminated	Same as JFC	Same as JFC	Same as JFC
Boys & Girls Clubs (LFB summary, p.537)	FY '08: \$50,000 FY '09: \$50,000 [TANF funds]	Provides funds for the WI Chapter of the Boys & Girls Clubs to improve social, academic and employment skills.	Proposed increase rejected—no change to base budget.	Same as JFC	Same as JFC	Same as Governor
TANF & W-2 For further information on these issues, contact John Keckhaver (jkeckhaver@wccf.org)						
W-2 Contracts: Ancillary Services (LFB summary, p. 608)	FY'08: (-\$8.0 million) FY'09: (-\$6.5 million)	Reduced funding level reflects lower caseloads. Administration of the Food Stamp Employment Training program is being transferred to the counties, & the funds transferred from DWD to DHFS.	Adopts the Governor's proposal for funding of services (except \$s for <i>Real Work, Real Pay</i> are shown in the benefits line.	Same as JFC	Same as JFC	Same as JFC: Reduces funding by \$8,112,600/yr.

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
W-2 Contracts: Benefits for Participants (LFB summary, p. 608)	Net change: FY'08: (-\$4.2 million) FY'09: (-\$1.4 million) W/o figuring in the increase for parents of newborns, the cut would be \$16.2 million in 2007-09.	Reduces funding based on projections of lower cash assistance caseloads – averaging 6,500 over the next two years, compared to the estimate of 7,500 made in the last budget.	Modifies the Governor's proposal by reducing funding for benefits by an additional \$1.05 million FED in 07-08, and \$329,300 FED in 08-09, based on lower caseload assumption.	Same as JFC	Reduction of \$1.4 million over the biennium from JFC level of funding.	Same as JFC: Reduces funding from base by \$8,415,400 in FY'08, \$9,132,700 FY' 09 (total of \$17,548,100)
W-2 Contracts: Administration (LFB summary, p. 608)	No change to base.	Maintains the base level of funding for agency administration of W-2, which is \$13.2 million/yr.	Modifies the Gov's proposal by decreasing funding for local administration of W-2 by \$2.5 million/yr.	Same as JFC	Same as JFC	Same as JFC: Reduces funding by \$2,500,000/yr.
TANF Emergency Assistance (LFB summary, p. 616)	FY' 08: \$4.4 million FY' 09: \$4.9 million	The additional \$9.3 million is intended to make the program "whole." It has been running a significant deficit for a number of years. The long-frozen maximum amount per family isn't changed.	Reduced Governor's request by \$2.9 million in FY'08 and \$3.4 million in FY'09. Provides \$6 million annually for TANF Emergency Assistance.	Same as JFC	Deletes increase of \$1.5 million/year, returning appropriation to \$4.5 million/year.	Same as JFC
W-2 Benefits for Parents of Infants (LFB summary, p. 612)	Estimated cost of \$7.8 million over 2 years is included in W-2 appropriation above & would be partially offset by child care savings.	Allows a mother receiving the caretaker of a newborn benefit to stay home until the infant is 6 months old, instead of the current 12 weeks.	Deleted the Governor's proposal to extend grants to caretakers of newborn infants from 12 weeks to 26 weeks.	Same as JFC	Same as JFC	Same as JFC

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
W-2 Benefits for Pregnant Women <i>(LFB summary, p. 611)</i>	FY' 08: \$469,200 FY' 09: \$938,500	Provides a monthly cash benefit to unmarried pregnant women, with no other children, who are in the third trimester of pregnancy and are not able to work because of a medically verified, at risk pregnancy.	Deleted the Governor's proposal to extend W-2 grants to women who do not have children and who are in their third trimester of an at-risk pregnancy.	Includes the Governor's proposed new benefit.	Same as JFC	Same as JFC
W-2 Real Work, Real Pay Transitional Jobs Pilot Program <i>(LFB summary, p. 609)</i>	FY' 08: \$194,800 FY' 09: \$1.7 million	Establishes a transitional jobs pilot program to take place in three areas of the state, including one of the Milwaukee W-2 regions. Currently, the Trial Jobs placement category (which utilizes a somewhat similar approach) is not utilized by W-2 agencies. Participants would be eligible for the federal and state EITC.	Modified the Governor's proposal for a transitional jobs pilot project, limiting it to 100 people (resulting in a reduction to the bill of \$152,800 FED in 07-08 and \$1.6 million FED in 08-09, and deleting 1.0 FED position).	Same as JFC	Deletes pilot program and funding	Same as JFC
Kinship Care <i>(LFB summary, p. 616)</i>	FY'08: \$968,700 FY'09: \$968,700	Increases funding based on higher caseload projection.	Decreases Gov's funding of kinship care by \$75,200 annually (resulting in increase of \$893,500/yr)	Same as JFC	Same as JFC	Same as JFC
Caretaker Supplement <i>(LFB summary, p. 616)</i>	FY'08: (-\$121,600) FY'09: (-\$121,600)	Reduces funding to reflect a small reduction in the projected caseload.	Further decreases funding by \$177,700/yr. to reflect revised cost estimate (total reduced funding of \$299,300/yr.)	Same as JFC	Same as JFC	Same as JFC

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Child Support Funding and Fees <i>(LFB summary, pp. 619-621)</i>	Total funds decreased by \$21.3 million over 2 years, even though GPR is increased \$8.4 million & fees to parents \$9.3 million.	Federal funding has been cut by \$38 million over 2 years. That would be partly offset with \$8.4 million GPR and \$9.3 million PR from increased fees for parents, including a new \$25 fee required by federal for custodial parents	Approved, with a somewhat smaller cut (by \$1.5 million) for enforcement because of a revenue reestimate. The GPR increase will be held in a JFC account while Congress reconsiders the federal cut.	Same as JFC	Reduction of \$150,000 GPR and \$291,000 FED from JFC level – both for 07-08.	Decrease \$36,865,400 FED over biennium; increase \$150,000 GPR (and place \$8.25 million in JFC reserve); increase \$9.3 million PR.
Earned Income Tax Credit (EITC) Funding Shift <i>(LFB summary, pp. 617)</i>	Over 2 years: \$54.8 million GPR (-\$54.8 million TANF)	Since 1999, WI has been paying for most of the cost of the EITC with TANF funds, which are supplanting GPR \$. This cuts the TANF sum in half by restoring GPR to avoid deep cuts elsewhere.	Increases GPR by \$14.5 million in FY'08 and \$18.3 million in FY'09, above Gov's original proposal, to free up additional TANF funds for child care.	Same as JFC	Removes \$58 million GPR funding and adds equal amount of TANF funds.	Decreases TANF funding by \$34,.1 million in FY' 08, \$48.6 million in FY' 09. Increases GPR funding of \$44,106,600 FY' 08, \$63,867,800 FY' 09.
Youth Apprenticeship Program <i>(LFB summary, p. 604)</i>	FY' 08: \$325,000 FY' 09: \$1.1 million	Doubles the size of the program over the course of the biennium and adds two new positions (one of which will focus on the Milwaukee area).	No change to Governor's proposal.	No change to Governor's proposal.	Deletes the increase.	Provides \$412,600 FY' 08, \$1,216,800 FY' 09, GPR
Proof of Citizenship for Public Assistance <i>(LFB summary of Assembly changes, p.55)</i>	No provision	No provision	No provision	No provision	Requires applicants for many public assistance programs to document their citizenship.	Same as JFC

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Skills Enhancement Program <i>(LFB summary of Assembly changes, p. 122)</i>	No provision.	No provision.	Provides \$1.17/yr. for the expansion of this employment & training program, operated by CAP agencies.	Same as JFC	Deletes JFC provision.	No provision.
K-12 EDUCATION For further information on these issues, contact Dave Edie (diedie@wccf.org) or Jon Peacock (jpeacock@wccf.org)						
General School Aids <i>(LFB summary, p.462)</i>	FY'08: \$79.3 million GPR FY'09: \$156 million GPR	Increases general school aid (which is primarily equalization aid) by 1.7 % in FY'08 and an additional 1.6% in FY'09. According to revised LFB estimate, the state share of school financing would be 65.0% in FY'08 & 64.9% in FY'09.	Approved	Adds an additional \$9 million in FY'08 & \$12 million in FY'09 for a new appropriation for aid to high poverty districts.	Cuts \$85.4 million from the amount approved by JFC, and rejects the Senate proposal for aid to high poverty districts.	Adds just \$76.8 M over the base, because notices to districts of aid amounts must be sent in mid-Oct. Makes up the rest by increasing school levy credit (see p.30)
Special Education <i>(LFB summary, p.464)</i>	FY'08: \$17.4 million GPR FY'09: \$36.2 million GPR	Provides a 5.2 % increase in FY'08, & another 5.4% in FY'09. Raises state share from 28.6% now to 29.0% in FY'09.	Approved	Adds \$1,750,000 GPR/year for a new supplemental special education appropriation.	Deletes the Senate increase.	Similar to the Senate version, but the \$1.75 million supplement is just in FY'09.
School Revenue Cap <i>(LFB summary of Assembly changes, p.10)</i>	No provision	Under current law, the cap on revenue growth would grow to \$264/pupil in 07-08 and \$270 in 08-09.	No provision	No provision	Reduces the cap to \$200 per pupil (with certain exceptions).	Maintains current law.
Adjustments to Revenue Caps <i>(LFB summary, pp. 462 & 463)</i>	No change	Increases the low revenue ceiling, exempts from the revenue caps certain costs of improving school safety and security, and relaxes the revenue ceiling for declining enrollment districts.	Approved	Modifies the declining enrollment adjustment, creates a different adjustment for safety expenses, & a new rev. limit increase for school nursing costs.	Rejects Senate changes and the Gov's measure re safety expenses. Adds \$5 million per yr. for grants for school security expenses.	Provides revenue limit adjustments for low revenue districts and declining enrollment districts, but not for safety or nursing expenses.

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
QEO (<i>LFB summary, p.138</i>)	No change	Repeals current law allowing a school district to avoid binding arbitration by offering a qualified economic offer (QEO). This could allow for higher increases in salaries and benefits, but revenue caps may still preclude that.	Removed – Non-fiscal policy item	Restores the Governor's recommendation.	Deleted	Retains current law
SAGE Program – Per Pupil Payment Level (<i>LFB summary, p. 464</i>)	FY'08: \$10.37 million GPR FY'09: \$10.37 million GPR	Intended to increase the per pupil payment from \$2,000 per low-income pupil to \$2,250, as approved in 2005 Act 125.	Although the increased funds were approved, the LFB projects a funding shortfall that will result in prorated payments of just \$1,980 per student.	Adds \$3.03 million/yr. (above JFC level) to meet the estimated cost of the \$2,250 payment level and avoid prorating payments.	Same per pupil funding level as JFC. Adds a request for the Leg. Audit Bureau to conduct an audit of SAGE.	The basic proposal was approved to increase the per pupil rate to \$2,250, at an additional cost of \$13.4 million per year.
SAGE Program Expansion (<i>LFB summary, p. 465</i>)	FY'09: Increase of \$540,000 GPR	Adds funding to allow 5 more schools to participate. Phases in class size requirement for schools joining the SAGE program in 2008-09	Approved	Approved	Deletes the increase, & allows schools to participate for K-1 or K-2, not just K-3.	Approved, JFC and Senate version
Milw. Public Schools – Student Achievement Improvement Plan (<i>LFB summary, p. 465</i>)	FY'08: \$5 million GPR FY'09: \$10 million GPR	Creates a new aid program for Milwaukee Public Schools to support initiatives to improve student achievement and graduation rates.	Approved	Approved	Deleted	Approves \$10 million increase in FY'09, but no increase in FY'08.
School Library Aids Reestimate (<i>LFB summary, p.467</i>)	FY'08: \$6 million SEG FY'09: \$11 million SEG	Increases aid to school libraries based on reestimate of funding available from the Common School Fund.	Amended to allow funds to be used for library computers & software.	Makes minor changes to the JFC provisions.	Same as JFC	Same as JFC

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Milwaukee Parent Choice Program (LFB summary, pp. 470 & 471)	FY'08: \$19 million FY'09: \$30.8 million	Reestimate of program costs, plus an increase in the state's share from 55% to 100% for costs of exceeding enrollment of 15,000 pupils.	Approved	Deletes amended funding split (Decrease of \$21 million GPR) Leaves \$28.8 M increase	Deletes amended funding split (Decrease \$21 million GPR)	Provides \$24.8 million GPR increase (which is a slight cut because of lower increase for general aids).
Milwaukee/Racine Charter School Program LFB summary, p. 472)	FY'08: \$4.6 million GPR FY'09: \$9.2 million GPR	Provides sum sufficient funding for the Milwaukee and Racine charter school program.	Approves Gov's proposal to maintain current law funding mechanism	Same as JFC	Cuts appropriation by \$689,000 GPR over the biennium based on reduced general aids.	Provides \$4 million in FY'08, and \$8.6 M in FY'09, based on reestimated enrollment.
WI Knowledge and Concepts Exam (LFB summary, p. 475)	FY'08: \$1.4 million FY'09: \$1.4 million	No policy change. The added funds will offset cuts in fed. funds for updating & administering the exam.	Approved	Approved	Approved	Approved
School Breakfast Reimbursement Rates (LFB summary, p. 467)	FY'08: \$1.46 million GPR FY'09: \$1.84 million GPR	Increases reimbursement rate from 10 cents to 15 cents per breakfast to encourage more districts to offer breakfasts.	No change to Governor's proposal.	Approved	Deleted	Approved
Start-up Grants for 4-year-old Kindergarten (4-K) (LFB summary, p.468)	FY'08: 0 FY'09: \$3 million	Provide start-up grants of up to \$3,000/student in the 1st year & \$1,500 in the 2nd yr. that a district offers a 4-K program. Preference will be given to districts using collaborative models.	Approved	Approved	Deleted, but 4K districts must adopt early learning standards & maintain curriculum plans. Requires an audit of 4K.	Approved
Pupil Transportation Aid (LFB summary, p.466)	No net change. DPI expects base funding to be sufficient for the \$900,000 cost of the formula change.	Increases reimbursement rates for students traveling more than 12 miles to school. Overall funding for the program is maintained, using dollars transferred from the transportation fund.	No change to Governor's proposal.	No significant change.	Increases aid \$7 million/yr, with the increase targeted to districts that transport students greater distances.	No increase

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Grants for Nursing Services (<i>LFB summary of Sen. changes p.5</i>)	No provision	No provision	No provision	Adds \$250,000/yr. GPR for a new grant program for schools with nursing services.	Rejects the Senate change	Approves Senate version
Bilingual – Bicultural Education Aid Increase (<i>LFB, p. 467</i>)	FY'08: \$1.06 million GPR FY'09: \$2.04 million GPR	No policy change. The funding increase will maintain the state's share of costs at 12%.	Approved	Approved	Deleted	Assembly version: maintains current funding level.
Aid to Small Rural Districts (<i>LFB summary of Senate changes, p.4</i>)	No provision	No provision	No provision	Adds \$3.6 million GPR/yr. for a new aid program for small rural districts.	Rejects the Senate provision	Senate version
Aid to high poverty districts	No provision	No provision	No provision	Provides \$9 million in FY'08 & \$12 M in FY'09 for districts w. at least ½ of students eligible for free or reduced price lunches	Rejects the Senate change	Approves Senate version
Public Library System Aid (<i>LFB summary, p. 475</i>)	FY'08: \$616,800 FY'09: \$1.26 million (segregated revenue)	Increases aid 4% per yr., funded with segregated revenue from the universal service fund (USF).	Provides same funding level, but replaces \$9.2 million GPR with SEG \$s from the USF.	Same as JFC	Same as JFC	Same as JFC
Second Chance Partnership (<i>LFB summary of Assembly changes, p. 18</i>)	No provision	No provision	No provision	No provision	\$190,000 annual allocation to the partnership to create pilot apprenticeship program for at-risk high school students	Deleted

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
CORRECTIONS ISSUES – JUVENILE JUSTICE						
For further information on these issues, contact Wendy Henderson (whenderson@wccf.org)						
DOC Funding Overall (LFB summary, p. 103)	FY'08: \$142 million [15.2%] GPR increase over FY'07 FY'09: \$146 million GPR over FY'07 [+0.4% over FY'08]	Would increase GPR \$s for corrections to about \$1.08 billion/yr. Would add 183 FTE in FY'08, & another 69 in FY'09. However, juvenile corrections will see a decrease in personnel, from 704.6 in FY'07 to 679 in FY'08, & 678 in FY'09. Juvenile programs get only 4.9% of the \$288 million GPR biennial increase, but 9% of the increase from all revenue.	Decreases total funding increase by \$6.9 million over the biennium.	Same as JFC	Compared to JFC, cuts total biennial funding by \$75 million (all funds), including a \$25.2 million (30%) GPR cut to DOC administration and \$26.8 million from Youth Aids.	\$294.6 million GPR increase over the '07 base doubled (\$310.9 million increase from all revenue sources)
Youth Aids (LFB summary, p. 117)	FY'08: Increase of \$12.4 million [+5 million GPR] FY'09: Increase of \$15.3 million [+5 million GPR]	The increase is mostly from SEG funds generated by raising the real estate transfer fee & is intended to minimize the impact of higher rates on counties. The increase isn't allocated based on the 3-pronged YA formula, but rather on the past 3 years of correctional placements per county.	Approves Gov's recommendations w. two modifications related to over-estimate of costs and correcting statutory language. Reduces the biennial increase slightly to \$26.8 million.	Same as JFC	Deletes increase of \$26.8 million (no increase over base)	\$23 million increase to offset the increase in the juvenile correctional daily rate
Juvenile Corrections Daily Rates (LFB summary, p. 115)	06-07 Rates: \$209 07-08 Rates: \$269 08-09 Rates: \$279	Daily rates for secured institutions would be raised 33% over two years. This increase is due, in part, to a reestimate of the juvenile correctional population to 560 kids (vs. 660 used in '05-07).	Modified to reflect population reestimates (583). The new daily rates are now: 07 - 08 \$259 08 - 09 \$268	Same as JFC	Same as JFC	Same as JFC

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Mendota Juvenile Treatment Center Reestimate <i>(LFB summary, p. 120)</i>	FY'08: \$249,200 (no GPR) FY'09: \$316,700 (no GPR)	This is a reestimate of the cost of service for juvenile males at Mendota Mental Health.	Approved.	Same as JFC	Same as JFC	Same as JFC
Serious Juvenile Offender Re-estimate <i>(LFB summary, p. 118)</i>	FY'08: \$1.75 million GPR FY'09: \$2.51 million GPR	The rate increases cover the increase in daily rate for the juvenile correctional facilities.	Modification for population reestimate	Same as JFC	Same as JFC	Same as JFC
Alternate Care Reestimate <i>(LFB summary, p. 119)</i>	FY'08: (-\$311,700 PR) FY'09: (-\$38,600 PR)	This is a reestimate to reflect projected decrease in the juvenile correctional population (to 54/yr., most of whom would be in RCCs or Group Homes).	Modification for population reestimate	Same as JFC	Same as JFC	Same as JFC
Health Care Services <i>(LFB summary, p. 108)</i>	FY'08: \$1.47 million GPR FY'09: \$1.95 million GPR	Adds funding and 70 positions over the biennium for health services in adult and juvenile correctional facilities.	Provide \$932,800 GPR in 07-08 and \$1.3M GPR in 08-09.	Same as JFC	Same as JFC	Same as JFC
New Bureau of Criminal Justice Research <i>(LFB summary, p. 36)</i>	FY'08: \$1.04 million GPR FY'09: \$1.31 million GPR	Funding for 6 new positions each year of the biennium to provide statistical analysis for the criminal justice system, including publications on sentencing practices statewide.	Approved	Same as JFC	Deleted	Deleted
Youth Diversion Program Transfer <i>(LFB summary, pp. 37 & 121)</i>	Transfers \$1.5 million/yr. (all funds) from DOC to OJA	Transfers this grant program and a 0.5 position from the Dept. of Corrections to the Office of Justice Assistance (in DOA).	Approved	Same as JFC	Deleted with some technical modification	Same as JFC

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Indigent Civil Legal Services (LFB summary, p. 39)	FY'09: \$1 million GPR	Provides money for indigent civil legal services to assist W-2 participants with medical claims, to develop discharge plans for individuals with mental illness, and provide ancillary support to juvenile offenders.	Approved with modified language that allows civil legal services to be provided in more service areas (same dollar amount).	Same as JFC	Deleted	Same as JFC
TAX CUTS For further information on these issues, contact Jon Peacock (jpeacock@wccf.org)						
Child/ Dependent Care Tax Deduction (LFB summary, p.154)	FY'09: (-\$3.9 million GPR Rev.)	Phases in an income tax deduction of up to \$3,000 per child (for up to 2 kids) for families who pay for child or dependent care out of taxable income (regardless of whether the taxpayer itemizes deductions). The cost would grow to \$15.9 million in 2012.	Reduction in revenue reestimated to be \$5.6 million GPR in FY'09	Approved	Approved	Phase in delayed by one year, and will start in TY'09 (FY'10)
Health Insurance Premium Income Tax Deduction (LFB summary, p. 151)	FY'09: (-\$11.8 million GPR Rev.)	Phases in deduction for income taxpayers who pay for their health insurance premiums out of taxable income. The cost would grow to \$149 million when fully in effect in 2012.	Approved	Approved	Approved	Approved
Health Savings Accounts (HSAs) (LFB summary of Assembly changes, p. 33)	No provision	No provision	No provision	No provision	Creates a state tax break for HSAs, phased in over 2 years, costing \$6.5 million in FY'09 & \$13.1 million per yr. thereafter.	No provision

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Wellness Tax Credit <i>(LFB summary of Assembly changes, p. 39)</i>	No provision	No provision	No provision	No provision	Creates a new credit, capped at \$5 million/year, to offset up to 30% of the cost a business incurs for a workplace wellness program.	No provision
Income Tax Deduction for Retirement Income <i>(LFB June Comparative Summary, p.221)</i>	No provision	No provision	Starting in 2009, provides exclusion of up to \$5,000 per person age 65+ for filers with income below \$15,000 (single) or \$30,000 (joint-married). Cuts taxes by \$2.5 million in FY'09 and \$5.6 million thereafter.	Same as JFC	Removes income limit for exclusion, which is slowly phased in: \$500 in 2009, \$1,000 in 2010, growing to \$20,000 in 2029. Cost of \$8 million in FY 09, growing to \$270 million by 2029.	Same as JFC
College Tuition Deduction Increase <i>(LFB summary, p. 152)</i>	FY'08: (-\$2.4 million GPR Rev.) FY'09: (-\$1.6 million GPR Rev.)	Increases the college tuition deduction to \$6,000 and expands it to include academic fees as well as tuition, but it would no longer grow automatically in proportion with tuition increases.	Approved	Approved	Approves increase and continues current formula for future growth (which would begin to increase deduction around 2011).	Increases the max. deduction to the greater of \$6,000 or the amount from the formula, and includes mandatory student fees. Delays the changes until TY '09.
Deduction for College Savings Programs <i>(LFB summary of Assembly changes, p. 31)</i>	No provision	No provision. Current law limits the deduction to amounts paid into state sponsored college savings accounts.	No provision	No provision	Expands deduction to amounts paid into any college savings program. Cuts taxes by \$8.5 M/yr in FY'09 & thereafter.	No provision

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
E-Health Tax Credit (LFB summary, p. 164)	FY'09: (-\$4.5 million GPR Rev.)	As part of the Governor's E-Health Initiative, creates a tax credit for health care providers for info technology hardware & software used to maintain med. records in electronic form. The cost would grow to \$10 million in FY 2010.	Approved	Approved	Delay onset to FY 2010, eliminating fiscal impact in current biennium.	Approves Assembly version
Biotech Sales Tax Exemption (LFB summary, p. 173)	FY'08 & '09: (-\$2.5 million GPR Rev.) each year	Provides biotechnology companies a sales tax exemption.	Increases the cost estimate by \$2.8 million (to \$7.8 million for the biennium).	Approved	Deletes the new tax break, which saves \$7.8 million in GPR revenue in 2007-09.	Approves Assembly version (no exemption)
Investor Tax Credits (LFB summary, p. 162)	FY'08: (-\$2.8 million GPR Rev.) FY'09: (-\$5 million GPR Rev.)	Expands the angel investor and early stage seed tax credits, which is intended to improve access to venture capital in WI.	No change to Governor's proposal	Deletes the provisions, increasing revenue by \$7.8 million.	Maintains the \$7.8 million increase & expands eligibility to include investments in renewable-energy power plants.	Approves Assembly version
Ethanol and Biodiesel Fuel Pump Credit (LFB summary, p. 167)	FY'09: (-\$1 million GPR Rev.)	Provides income tax credit for 25% of costs of new or retrofitted fuels pumps that use at least 85% ethanol or 20% biodiesel.	Decreases the cost estimate by \$275,000 (to \$225,000 in FY'08 & \$500,000 in FY'09).	Same as JFC	Same as JFC	Same as JFC
Total Tax Cuts (LFB summary, of the Conf. Committee bill, p. 96) .	FY'08 & 09: (-\$51 million GPR Rev.)	According to the <i>Budget In Brief</i> , <u>new</u> tax cuts and credits total \$50.7 million over the biennium, which doesn't reflect the increased cost (about \$600 million) of phased-in tax cuts enacted in prior years.	The total tax cuts grow by \$27 million in 2007-09 (to \$78 million), because of new tax cuts added by the JFC & reestimates of the Governor's proposals.	Deletion of Investor Tax Credits is only change from JFC; reduces total cost of new tax cuts to \$70 million in 2007-09.	Total cuts grow by \$18 million from JFC, to total \$96 million. Phase-in of retirement income deduction also dramatically increases costs in future biennia.	The amount of new tax cuts in 2007-09 is reduced to \$37, primarily because some of the new tax cuts are delayed, adding to the structural deficit.

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
TAX CREDITS AND PROPERTY TAX RELIEF For further information, contact John Keckhaver (jkeckhaver@wccf.org)						
Shared Revenue: (<i>LFB summary, p. 500</i>)	FY'08: 0 FY'09: \$15 million	Increases shared revenue payments to counties & municipalities by \$15 million in CY 2008 (paid in FY'09).	Approved	Approved	Eliminates the increase and cuts \$43 million from the base in FY'09. Counties all cut by 5%. \$35 million in municipal cuts apply to just 4 cities, which each lose 12.5%.	Retains current funding level (except for a small increase in the utility aid component, which helps some communities)
County Aid Fund (<i>LFB summary, p. 500</i>)	Over two years: \$221 million SEG (-\$221 million GPR)	Creates a new County Aid Fund with the proceeds from the real estate transfer fee, which will be dedicated to supporting county shared revenue, increases in Youth Aids and county circuit courts.	Approved	Approved	Deletes the County Aid Fund (and funding source) and restores the \$221 million GPR.	Same as Assembly
School Levy Tax Credit/First Dollar Credit (<i>LFB summary, p.464 & p. 507</i>))	\$100 million GPR per year, but not starting until July 2009 (FY 2010)	The school levy tax credit would be increased by \$100 million, beginning in 2010, with the increase used for a "first dollar credit." This essentially exempts the first \$5,800 in property value, which is a more progressive way of distributing credits.	Approved (with a minor technical change)	Approved	Increases funding by an added \$100 million/year in the next biennium, and rejects the more progressive method of distributing credits.	Increases school levy credit nearly increased \$327 M relative to the base, but some of that is just an alternative way to distribute school aids, because the budget missed the deadline for school aid increases. \$75 M provided for the 1st Dollar Credit.

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Homestead Tax Credit – Reestimate and Indexing <i>(LFB summary, p.509)</i>	FY'08: \$1.2 million FY'09: \$1.9 million	Begins adjusting the upper income limit for inflation, which adds \$12 million in biennial costs; but the net cost is just \$3.1 million. The funding level reflects the intent to begin indexing in tax year (TY) '07, but a correction is needed to accomplish that.	Approved, with indexing beginning in TY'07 and applying to the full formula. The net change was increased to \$13.7 million (reflecting reestimates of cost of indexing & of current law).	Approved	Cuts \$106.6 million by ending eligibility for unmarried people who are under age 65 and have no dependents. Approves indexing of the income level (but not other formula factors).	Retains current law. The funding level is cut by \$13 million because of the continued erosion of the program by inflation.
Municipal and County Levy Limits <i>(LFB summary, p. 512)</i>	No change in state spending	Extends by two years & amends the current county and municipal levy limits. The new limit is 4% or the increase in property values due to new construction, whichever is greater (along with a number of minor items that can be exempted).	Approved	Approved (with a minor change re certain county special charges).	Restricts limit to increase in property values due to new construction. Also makes changes to the exemptions and adjustments permitted.	Would have extended the expiring 2% caps, but the Gov's veto raises the limit to 3.86% (or the value of new construction, if that is greater) in 2007-08. .
Levy Restraint Program <i>(LFB summary, p.503 and p. 505)</i>	\$30 million GPR in CY 2009 (FY 2010)	Creates a new restraint program for counties in 2009. Also, municipalities with mill rates over 5 & all counties would be rewarded if they limit prop. tax increases to no more than 85% of the sum of inflation plus a growth factor based on new construction. Bonus payments would be made to localities increasing their levies less than the max.	Approved the new program for counties, but deleted changes relating to municipal levy limits and bonus payments.	Same as JFC	Deletes county restraint program.	Deleted

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Technical College Levy Limits	No provision	No provision.	No provision	No provision	Limit levy growth to the ave. annual % change in the statewide equalized value due to new construction	Would have set a 4% cap on their levy growth, but that was vetoed.
Payments for Municipal Services <i>(LFB summary of As. changes, p.148)</i>	No provision	No provision. Maintains funding level of \$22 million per year.	No provision	No provision	Cuts \$5 million/yr. solely from Madison's share of the funding.	No provision.
Earned Income Tax Credit – Reestimate <i>(LFB summary, p.157)</i>	FY'08: \$5.5 million FY'09: \$8.6 million	This increase simply reflects the cost to continue the program. (In the DWD section we examine changes in the funding source.)	Based on a more current estimate of the cost, it was increased by \$11.3 million, bringing the total biennial increase to \$25.3 million.	Approved	Approved	Approved
Closing Newark Decision Tax Loophole <i>(LFB summary of Senate changes p.130)</i>	No Provision	No Provision A court ruling in the <i>Newark</i> case granted a property tax exemption to the entire manufacturing facility of a company that makes cardboard from waste paper – significantly expanding the statutory exemption.	No Provision	Modifies the prop. tax exemption for waste treatment facilities to remedy its broad expansion by the <i>Newark</i> decision.	Same as Senate provisions	Deleted, because this was enacted in separate legislation.
Definition of Ag. Land <i>(LFB summary of Senate changes p.131)</i>	No Provision	No Provision	No Provision	Narrows the definition of ag. land eligible for use value assessment by excluding land platted for development.	Deletes the Senate change.	Maintains current law

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
End Property Tax Exemption for ATMs <i>(LFB summary of Senate changes p.131)</i>	No Provision	No Provision	No Provision	Eliminates the property tax exemption for automatic teller machines.	Deletes the Senate change.	Maintains current law
MISCELLANEOUS						
New Department of Children and Families <i>(LFB summary, pp, 78, 314, 596, & 544)</i>	Funding transfers. No net cost or savings.	Consolidates in a new agency most of the major programs relating to children by transferring to a new dept the positions, activities & funds relating to child welfare, WIC, child care subsidies and regulation, child support, W-2, emergency food assistance & the new home visitation program.	Amended slightly to specify the purpose, to clarify that the merger doesn't alter the missions of W-2 & child welfare services, & to provide that the Leg. Council Strengthening Families Cmtte. would have advisory role in implementing the new agency.	Approved, but without the JFC provision that would transfer the Council on Developmental Disabilities from DHFS to the new agency. Instead, create a new agency, the Board for People with Developmental Disabilities.	Deleted	Approved Senate version
Statutory Minimum Balance <i>(LFB summary, p.67)</i>	\$65 million GPR	Increases the required balance from \$65 million to \$130 million through FY 2011, and to 2% of the sum of gross revenue and compensation reserves in FY 2012.	No change to the Gov's proposal, but the estimated balance will be \$32 million higher (mostly because of a higher estimate of the FY 07 balance).	Approved	Eliminates the required balance in this biennium and sets it at \$65 million in FY'10 & FY'11, and then 2% of gross revenue in FY'12.	Sets it at \$65 million from FY'08 through FY'11, and then 2% of gross appropriations in FY'12 and thereafter.
Elderly and Disabled Transportation Aids <i>(LFB summary, p. 536)</i>	FY'08: \$265,900 SEG FY'09: \$537,100 SEG	Provides increases of 2%/yr. for transportation assistance for the elderly and people w. disabilities.	Approved	Approved	Approved	Approved

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
Compensation Reserves (LFB summary, p.66)	FY'08: \$67.8 million GPR FY'09: \$172.5 million GPR	Sets aside about \$240 million GPR (\$510 million all funds) over the biennium for the increased cost of salary and benefits for state workers.	Approved	Approved	Reduces GPR compensation by \$94.2 million, with the remaining \$146 M GPR reserved for compensation and/or the revenue loss from the <i>River City Refuse</i> case. (See also top of p.5 re cut in benefits.)	Reduces compensation reserves by about \$21 million relative to the original bill.
Affordable Housing Trust Fund (LFB summary, pp. 209 & 591)	Net increase of \$1 million (all funds) per year. GPR spending reduced \$5.7 million over the biennium.	Uses \$3.8 million/yr from the real estate transfer fee increase, plus \$2M /yr. from the WHEDA dividend funds to: a) increase funds for affordable housing initiatives by about 21%, & b) save GPR funds.	Approved	Approved	Reduces real estate transfer fee, rather than increasing it, & deletes portion specifying the deposit of increase towards affordable housing. Approves the WHEDA provision.	Deleted
Wisconsin Covenant (LFB summary, p. 351)	No fiscal impact in the 2007-09 biennium	In exchange for getting good grades & staying out of trouble after signing up in 8th grade, students would be guaranteed a place in a WI college, & financial aid that addresses their families' needs. Many details have yet to be worked out.	Approved	Approved	Deleted	Approved, with minor modifications .
Safe Routes to School Program (LFB summary, p. 539)	FY'08: \$4.6 million SEG FY'09: \$3.2 million SEG	Provides funding for grants to local governments for projects to enhance bicycling & walking routes to school for kids in K to 8th grade.	Approved	Approved	Approved	Approved

Budget Item	Governor's Budget		Joint Finance Committee	Senate	Assembly	Final Bill
	Change to '07 Base	Description				
WHEG Funding for Technical College Students <i>(LFB summary, p. 351)</i>	FY' 08: \$417,800 GPR FY' 09: \$835,600 GPR	Increases funding for the Wisconsin Technical Colleges portion of the Wisconsin Higher Education Grants funding by 2.5% in 2007-08 & 2.4% in 2008-09.	Approved	Approved	Deleted	Same as JFC