



LEAGUE OF WOMEN VOTERS®
WISCONSIN

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To: Members, Joint Committee on Finance

Re: Comments on proposed state budget, Assembly Bill 64/Senate Bill 30

We urge you to support a state budget that provides the people of Wisconsin a high quality of life and ensure that our communities thrive. This means top-notch education for all of our children and young adults, public transit to get us to family-sustaining jobs, clean air and water, access to affordable healthcare for all Wisconsin residents, and an open and responsive government. This is Wisconsin's tradition, and it is the foundation for long-term sustainability in our state.

The League of Women Voters' membership in our state has studied many policy issues over the years, taking into account all sides of each debate. From our studies, the League has adopted policy positions in the areas of Government Structures, Social Policy and Natural Resources. Our positions reflect the consensus of our members, who include members of both major political parties and many, many independent voters. Although League members update the positions on an ongoing basis, most of our positions were adopted long before the current political polarization we see in our government.

Based on the League's positions we offer the following guidance as you consider the proposed state budget in Assembly Bill 64/Senate Bill 30:

SUPPORT FAIR, HIGH-INTEGRITY ELECTIONS

The Wisconsin Elections Commission is slated in the proposed budget for a 28% cut in staffing over two years. Twenty-two (22) of the Commission's 32 positions have been funded through a federal grant which is coming to an end. While it is good that the Governor's budget proposes to retain 16 of the positions, that still means that six positions will be lost.

We need look no further than the recent news that seventy 17-year-olds in almost 30 counties illegally voted in the April 2016 election to know that the state must invest more in voter education, as well as training of local elections officials. Better voter education might also have prevented the November 2016 uptick in absentee ballots that were rejected because they were received late by the municipal clerks. The best antidote to misinformation is good information, and the Commission must not be weakened at this time.

To prevent such unfortunate incidents in the future, we urge you to retain full staffing for the Wisconsin Elections Commission in order to combat misinformation and maintain the integrity of our elections.

SUPPORT AN EDUCATED PUBLIC

The League of Women Voters of Wisconsin has long supported a strong system of public education in our state. We are very concerned that in recent years state support for this fundamental responsibility has been weakened. As we assess AB 64/SB 30, we are glad to see a proposed increase for public schools. Although it does not make up for the decreases in recent budgets, we strongly urge you to support it.

We draw attention to the proposals in the Governor's budget which would allocate increased funding differently from the current equalized formula. Instead of using the state's general aid formula, the proposal allocates

funding on a flat per-pupil basis. As a result, the state's wealthiest districts would receive more proportionally than districts with a larger percentage of low-income families. This would be unjust and would increase the challenges to providing good education for all children. The unfairness is exacerbated when schools are publicly "graded" without taking into consideration these inequities.

The proposed budget increases funding for voucher programs, and one result would be that per-pupil state support for private school students would be greater than for public school students. At the same time, voucher schools are not required to be accountable for reporting on the same measures as public schools.

The League of Women Voters believes the state is responsible to provide high quality public education for all. Funding should take into account the varying needs of communities and students, especially as related to the relative affluence of school populations. To increase public funding of private education (vouchers) in any way is absolutely unacceptable.

We urge you to ensure that Wisconsin guarantees a public education system committed to the future of all of our children and the communities in which we live.

As for higher education, the Governor's budget proposes that students in the University of Wisconsin System be given the opportunity to opt out of paying "segregated fees" which support campus activities, programming and events that are planned by students and are an important part of campus life. This would weaken the quality of college life and learning. We urge you to reject this measure. Further, the University of Wisconsin System must be strongly supported financially to ensure the quality of education for all Wisconsin students and the future of our state.

SUPPORT A HEALTHY POPULATION

The League of Women Voters believes that a basic level of quality health care, including mental health care, should be available at an affordable cost to all Wisconsin residents.

The proposed budget increases state Medicaid funding by \$27 million which supports 2% per year increases in the rates for personal care workers and also in nursing home provider rates. The budget, however, does not include increases in Medicaid reimbursement rates for providers of mental health services. Those rates are among the lowest in the country and should be increased.

We appreciate the fact that the proposed budget sustains funding for the Senior Care and Family Care programs and includes an overall increase of nearly \$16 million over the next two years to eliminate the waiting list for long-term supports for children with disabilities. It also includes much-needed, although modest, increases to improve access to mental health services and crisis treatment.

One measure, in particular, that should be reversed is the lack of funding to continue the Dementia Specialist Program, which saves money for the affected families and the taxpayers in general. We strongly believe the budget should restore funding and support expansion of the program to all 72 counties.

Overall the increases that are proposed in the state budget are welcome but they fall far short of what is needed to support healthy families and communities in our state. The League of Women Voters of Wisconsin has endorsed the "[Wisconsin Budget for All](#)" proposal, which recommended a \$70 million boost in state funding alone to help support the long-term care workforce. Moreover, we remain puzzled by the Governor's decision not to accept federal funding for Medicaid expansion, and we oppose the state's petition to the U.S. Department of Health and Human Services which would make it possible to restrict eligibility for certain individuals to receive Medicaid benefits.

SUPPORT A HEALTHY ENVIRONMENT

The League of Women Voters supports science-based regulations, decision-making and public education. The League considers Climate Disruption as the most serious threat to public health and the environment that we face as a planet. We need the expertise and experience of staff scientists to help citizens, administrators and lawmakers make sound decisions based on facts in natural resource management. We also need experts who can provide on-going education and communications to citizens to help us understand the issues that go into these decisions. The last budget cut 18.4 FTE DNR scientist positions. These positions should be restored.

SUPPORT STRONG COMMUNITIES

Given that in 2013 the Governor's bipartisan Transportation Finance and Policy Commission recommended an increase of \$34.3 million each year over a period of ten years for public transit, the League of Women Voters of Wisconsin recommends the following:

- 1) Less funding should be used on major highway expansion (except for urgent and critical needs);
- 2) An increase of \$34.3 million should be invested in public transit annually over the next biennium;
- 3) Transit funding needs to remain in the Segregated Transportation Fund.

Furthermore, no money from the General Fund should be transferred to the segregated Transportation Fund, which would result in cuts to other necessary programs such as education and affordable healthcare.

SUPPORT A FAIR TAX SYSTEM

The League has studied the tax-related issues in the Governor's budget proposal and found, taken together, the following measures make our tax system more regressive.

1. Individual Income Tax Rate Reduction

- Decreases the two lowest tax bracket rates slightly and expands size of middle tax bracket.
- For individuals, there is a relatively small tax reduction (ranging from \$2-67 per year for 2017). The proposed tax cuts benefit the wealthy more than low income individuals.
- Total tax reduction for 2017 is -\$95 million. The benefit to individuals is so small, it might be better to have no tax cut and use the funds for needed investment.

2. Earned Income Tax Credit (EITC) increase

The proposed increase of \$20,800,000, funded 69% from TANF Block Grant; 31% from GPR, would increase the tax credit for working parents with one child from roughly \$140 to \$380/per year. This restores part of the 2011 cut to the EITC, although it will not go to the same people whose tax credit was cut in that budget. The League supports the EITC as a method of making work pay for low wage workers, but we are concerned that that most of the funding is withdrawn from the TANF Block Grant, which provides services to many of the same individuals.

3. Homestead Tax Credit

The proposed budget eliminates the Homestead Tax Credit for low-income persons who are under age 62 except for those with certain disabilities. While those within this group who are employed may be helped by the EITC increase, the loss of this credit for homeowners or renters will reduce their available income.

4. State Tax Holiday

The proposed budget eliminates state sales taxes for certain back-to-school merchandise during a 2-day period of August 2017 and August 2018. Most research shows that people with higher incomes are likely to shift their purchases to that 2-day period, so it tends to be a tax break that helps higher-income people. It reduces state taxes by \$22 million over two years and also could reduce local tax collections.

Taken together, these changes make the Wisconsin tax system more regressive and fail to deal with the serious funding shortfalls that we already have.

MAINTAIN STRONG CITIZEN INPUT AND GOVERNMENT OVERSIGHT

The League strongly believes in citizen input and oversight, which protect the public from the political swings in government. We believe that government checks and balances are crucial. We are particularly concerned about proposed changes to two state commissions involving citizen oversight.

The Wisconsin Judicial Commission was created in 1971 as an independent body to oversee judicial conduct with authority to investigate judges, including state Supreme Court Justices, and recommend discipline. As proposed in this budget, the Judicial Commission would be placed under the control of the state Supreme Court. Removing independence from the commission would erode public confidence in the courts by the appearance of impropriety and create conflicts of interest for the commission and the court. These concerns are not just our own but were expressed by all nine members of the Judicial Commission as well as in testimony to the Joint Finance Committee by Wisconsin Supreme Court Chief Justice Patience Roggensack. We were glad to see the Joint Finance Committee has rejected this proposal.

Another concern regarding removal of citizen oversight is the Parole Commission. This Commission was appointed in 1989 and was given authority for granting discretionary paroles. Since passage of the Truth In Sentencing law in the year 2000, that oversight has been limited to prisoners whose crimes were committed prior to that date. There are almost 3,000 such prisoners and many may be parole-eligible. While no inmate is "entitled" to parole, prisoners do have a legal right to fair review of their status. It has been 17 years since the passage of Truth In Sentencing, and if even a third of those eligible were able to be paroled the cost saving in tax dollars would be very substantial.

In the past few years, the number of paroles has been decreasing steadily and appointments to the Commission have gone unfilled. This budget proposes the elimination of the Parole Commission with the authority vested in one person appointed from the Department of Corrections. Limiting the review of parole to only one person and having that person part of the system which imprisons them would not be beneficial to either the prisoners or the Department of Corrections.

We urge you to reject measures to place the Judicial Commission under the control of the Wisconsin Supreme Court and eliminate the Parole Commission.

SUMMARY

We urge you not to allow institutions built over the past century and programs that have served Wisconsinites well for decades to be destroyed. Do not use this budget to dismantle or weaken the watchdog agencies and citizen boards that hold government accountable to us, the citizens of our state.

Rather, we urge you to craft a state budget that serves all Wisconsin residents fairly with vital services, a healthy environment, high-quality education and accountable government. That will reflect Wisconsin values, and it is what the people expect from you.

Thank you.