

Rep. Allen: The good, the bad, the ugly

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Rep. Allen today provided the following synopsis of the state budget:

When everything is a priority, nothing is a priority. Governor Evers' proposed budget was a failure of leadership because it failed to give Wisconsin a proper framework for a series of priorities. We've been told that rising property taxes are a problem, yet the Governor's proposed budget did not prioritize this issue for young families looking to buy a home or seniors on a fixed income. Instead, it was a fiscal fantasyland, raising taxes and spending at record rates in comparison to the previous governors – both Republican and Democrat. The budget set forth by the Joint Finance Committee, as amended on the floor, fulfilled the Assembly's commitment to lead.

THE GOOD

Health Care

No expansion of Medicaid (BadgerCare): The proposed newly-eligible group would have been able-bodied, working-age adults whose income is between 100% and 138% of the Federal Poverty Limit (FPL). But the Affordable Care Act private market health insurance is already subsidized for individuals between 100-400% of the FPL, and low-cost plans are available. Expanding BadgerCare is unnecessary, unwise, and financially unsustainable.

Invests over \$150 million in caregiver wages: To ensure competent, quality staff are available for those who need healthcare, the budget increases funding for Personal Care Workers by \$37 million GPR (\$91 million all-funds). This will change the current

hourly rate of \$16.73 to \$18.24 starting July 1, a 9% increase in the first year. It also increases funding for Direct Caregivers in Family Care, an additional \$27 million GPR (\$66.5M all-funds).

Affordable, quality childcare: Increases funding for Wisconsin Shares Child Care Subsidies by \$77 million so that low-income families continue to have access to quality affordable child care and parents can return to work.

Resources for Children: Provides over \$30 million for Children and Family Aids to provide additional resources to vulnerable children impacted by the drug and substance abuse epidemic.

Workforce Development

Provides \$500,000 for Project SEARCH to connect individuals with disabilities with jobs.

Provides \$1 million for Department of Corrections workforce training programs, putting a worker training classroom in each minimum and medium security prison in the state. This will assist in transitioning people back into society while improving our workforce.

Dept. of Natural Resources

The budget increases funding for water quality and environmental conservation efforts by nearly \$16 million all funds, 6.0 positions, and \$25.5 million in bonding.

Juvenile Corrections

Increases bonding authorization for county-run secure residential treatment centers for children and youth by \$40 million.

Veterans

\$30 million increase in funding for Veterans care and programs. Importantly, the budget shifts from using Program Revenue to GPR. The historic use of PR has become unsustainable, and transitioning out of it allows Wisconsin to continue our strong commitment to veterans.

Increases funding by \$1.5 million for nursing and direct care as vacancies have

grown and costs have risen.

Homelessness

Sets aside \$6.5 million in its supplemental appropriation for the Homelessness initiatives approved by the Interagency Council on Homelessness and passed on bipartisan votes in the Assembly just last week.

THE BAD

K-12 Education

In spite of creating a Blue Ribbon Commission on Education Funding and charging it with the responsibility to review and recommend modifications to the funding formula and mechanisms, the legislature reformed nothing and continued its habit of trying to please everybody. The result is another record level of spending per pupil for the second budget in a row. The funny thing is, those with a vested interest in education spending, the education establishment, predictably says it is not enough.

University of Wisconsin Operations

Right-sizing organizations is difficult but essential for survival and growth. The UW System and the legislature has shown that they are both unwilling to do the difficult work. Declining enrollment in post-secondary institutions is a national trend that is a reality in the State of Wisconsin as well. System-wide enrollment was over 182,000 students in 2010 and in the most recent academic year for which we have data, 2018-2019 enrollment was just over 171,000, yet year after year we have increased state funding. This year the budgeted state spending per student is over \$73,000 – again, per student. This is just on the operations side, state taxpayers are also funding a bunch of new buildings on UW campuses.

THE UGLY

Transportation

The legislature, through the Joint Finance Committee, seems to have a greater appetite for raising revenue through taxes or fees than making better use of the resources in hand. Comprehensive spending reform is essential to adjust transportation funding to the economic realities of the 21st century. Reform is hard,

and it seems that legislative leaders perceive raising revenue from taxpayers as being easier than reforming how we spend money and the priority of spending state resources.

Building Program

Although the final building program budget passed by the Assembly was about a half a billion dollars less than what the governor proposed, it is still 56% higher than the average of the last four building program budgets. Even more troubling is that nearly every University of Wisconsin System building fund request was approved. This is concerning due to the general declining enrollment numbers at most UW schools. We must exercise fiscal restraint even when our hearts desire more.