

Rep. Vruwink: State Budget Spells Out How Your Tax Dollars Will be Spent

Posted on Thursday, Mar 11, 2021

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Every odd-numbered year the Legislature creates a budget for the state. This year, 2021, is one of those years. Think of the budget process as you figuring out your spending priorities and how you will pay for the. What are the necessities and what are the desires?

Unlike one or two people figuring out a household budget, the Legislature's 132 members will be making the decisions: 99 members of the Assembly and 33 members of the Senate.

Last month the Governor introduced his state budget proposal. Prior to that, he held virtual listening sessions across the state to hear priorities of the people. Some consistent themes that emerged were the need for affordable, reliable high-speed Internet; to make health care more affordable and accessible; to adequately fund early childhood education, kindergarten through 12th grade, and technical colleges and universities; and to invest in our small businesses, agricultural industries, and rural communities.

RELIABLE INTERNET: The Governor declared 2021 the "Year of Broadband." The budget proposal invests more than \$200 million to expand broadband access across Wisconsin. This is five times greater than the amount the three previous budgets invested. This seems like a large sum but our neighboring states of Minnesota, Iowa, and Illinois have each invested more than \$400 million over the past few years.

HEALTH CARE: The Governor's proposal to accept an additional \$1.3 billion in federal funds to expand Medicaid would provide health insurance to an additional 96,900 Wisconsinites. Medicaid not only benefits the people enrolled. It benefits all of us by reducing the health insurance premiums that you and I pay.

When people do not have health insurance, the cost of health care goes up for everyone. When health care providers are reimbursed at only 65 percent of the cost of treating Medicaid patients, hospitals and clinics increase the costs for patients who are fortunate to have insurance. This is known as the "Hidden Health Care Tax." The hidden tax is estimated to be \$1.14 billion in Wisconsin.

PUBLIC SCHOOLS: Anyone who looks at their property tax bill knows that school funding takes up the bulk of the bill. The Governor's state budget proposal restores the requirement that the state provide at least two-thirds funding to public schools, which would be the largest increase in state aid to schools since 2005. This will help keep property taxes in check.

HIGHER EDUCATION: Wisconsin's higher education system is lagging behind other university systems in the Midwest. The budget proposal continues the tuition freeze but increases general operating funds by \$20 million each year to help UW-System campuses address student needs and covid-19 challenges.

Funding higher education is important because an educated workforce drives a strong economy. In my district, UW-Whitewater contributes more than half a billion dollars to the regional economy, supports 4,480 jobs, and provides \$98.7 million in wages - money that is primarily spent locally.

SMALL BUSINESS: Many small businesses were hurt by the pandemic and could not meet the financial needs of their workers. The budget proposal creates a small business retirement savings plan for individuals who are not eligible for an employer-sponsored retirement plan. It also allows self-employed individuals to deduct their health insurance premiums against all sources of income instead of current law that allows deductions against self-employment income only.

I WANT TO HEAR FROM YOU: The above items are a small slice of the state budget bill, a 705-page document. The first Joint Finance Committee budget hearing will be held at UW-Whitewater on Friday, April 9 from 10 am to 5 pm. You can submit your comments to budget.comments@legis.wisconsin.gov. I also welcome your calls, letters and emails. If you provide your phone number, I will call you

personally.

Under state law, the new budget goes into effect on July 1. It will be a long and rocky road until we get to that point. As the budget process unfolds, let's hope we can find common ground.