State Senators Pass Budget at Midnight, Bill Goes to Walker

Posted on Jun 21, Posted by Bob Kiefert, Green Bay Progressive Category Our View



Budget includes statewide school voucher plan and rejects federal assistance to provide access to affordable health care options for state residents. Republican plan does little to cut taxes for average citizens or create jobs.

MADISON - Senate Republicans passed the state budget by a one-vote margin just after midnight Friday, moving it on to Gov. Scott Walker's all but assured signature.

The budget passed 17-16, with Sen. Dale Schultz (R-Richland Center) joining all Democrats in opposing it. Walker can alter the plan using his vast line-item veto powers, but few expect any substantial change to it's key provisions.

The budget would cut state income taxes by \$651 million, mostly for wealthy taxpayers, and create a new statewide school voucher program that would allow children who meet income thresholds to use taxpayer money to attend private schools, including religious schools.

In a statement released after the budget was approved, Walker said he was proud of the Legislature for its work on the budget.

The state schools superintendent raised concerns a little-noticed provision in the school voucher plan that could lead to a flood of students attending private schools at taxpayer expense. Superintendent Tony Evers said late Thursday that attorneys are reviewing the issue but that he is worried about it.

The provision could "essentially negate any kind of caps," Evers said. "That would make a separate system of publicly funded private schools."

However, the matter is far from clear, Evers said. Bob Lang, the director of the nonpartisan Legislative Fiscal Bureau, said it would be up to Evers to determine whether such satellite schools would be subject to the cap.

While the Republicans wanted to characterize the budget as a big tax cut, it would actually only cut income taxes by an average of \$150, raise property taxes by \$29 on the typical home and reject a key element of the federal Affordable Care Act, or Obamacare.

The budget passed includes the governor's plan to reject nearly \$1 billion in federal assistance to provide access to affordable health care options for all state residents. Experts estimate Walker's plan will stick Wisconsin taxpayers with approximately \$75 million in additional costs the first year, with fewer people under coverage.

The budget provides no major provisions to improve Wisconsin's dismal performance in job creation under Walker. The Democrats stressed that Wisconsin ranked 44th in private-sector job creation in the last quarterly jobs census.

"We are worse now than we were two years ago," said Sen. Jon Erpenbach (D-Middleton). "And we're not trending up. We're trending down. Wisconsin's economy is actually contracting ... And this budget won't do anything about that."

Sen. Jennifer Shilling (D-La Crosse) denounced the budget as a "road map to mediocrity" that "doubles down on the failed policies of the past."

Three and a half hours into the debate, the Senate fell briefly into turmoil as protesters chanted, "Focus on jobs, not on vaginas" — a response to the Legislature's vote last week to require women seeking abortions to get ultrasounds.

In a statement issued early this morning, State Senator Dave Hansen (D-Green Bay) said that "since 2011 Governor Walker and the Republican majority have been doing everything they can to move Wisconsin 60 years back and 1,000 miles south". He goes on to say that "this is the wrong budget at the wrong time for all the wrong reasons".

In a summary provided by the Milwaukee Journal-Sentinel, the nearly 1,400-page Joint Finance budget bill would:

Tax cuts. Cut income taxes by \$651 million over two years and provide \$30 million a year in income tax savings for the parents of the nearly 100,000 private school students in Wisconsin. Families could receive an income tax deduction of up to \$4,000 for private school tuition paid for each kindergarten through eighth-grade student and up to \$10,000 per high school student.

School funding. Provide public schools with \$150 more per student in state aid and local property taxes this fall and another \$150 increase in 2014-'15, for a total of \$289 million over two years. However, because of the \$50 one-time per-pupil bump to many districts in this past school year, the proposed \$150 per pupil funding increase in 2013-'14 would represent a \$100 per-pupil increase this fall over current spending.

Health care. Shift nearly 90,000 people from the BadgerCare Plus program into a new online insurance marketplace, where the participants are supposed to find replacement health coverage. A detailed analysis of the plan by the Legislative Fiscal Bureau found that many of the people now receiving BadgerCare Plus coverage through Medicaid likely would not buy the more expensive insurance through the marketplaces.

In doing so, Republicans are passing up a federal offer to cover 84,700 more people in Medicaid than their plan and receive enough additional federal tax money over the next two years to pad the state budget by \$119 million even after covering the cost of those additional people, according to the Fiscal Bureau.

Walker has said he wants fewer people on government coverage and is concerned that the federal government won't keep its commitment to the higher Medicaid funds over the long term.

Residency. Repeal all residency rules for teachers and other workers for local units of government with one exception: Local officials could still require police, fire or emergency personnel to live within 15 miles of the boundaries of their jurisdictions.

Bail bonds. Allow for-profit bail bondsmen in Wisconsin for the first time since 1979, with judges able to opt out of the system. The program would be limited for the first five years to Milwaukee, Waukesha, Kenosha, Racine and Dane counties.

State property. Allow the Walker administration to sell state assets including parking garages, university dormitories and roads.

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