

Wisconsin budget imposes austerity cuts, clears way for privatizations

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Wisconsin governor Scott Walker signed into law the 2013-2015 biennial budget at the end of June implementing dramatic cuts to vital social programs while significantly reducing income and corporate taxes.

This budget reduces accessibility to FoodShare (Wisconsin's food stamp program) and unemployment benefits, boosts tax credits toward private school tuition and expands the 'Parent's Choice' private school voucher system.

The budget also gives the governor the ability to sell off public properties to private buyers with no bidding process. State properties potentially up for grabs include university dormitories, prisons, Department of Natural Resources conservation lands, highways, and power and heating plants. These are to be sold without any requirement that the proceeds go to the public institution.

Public buildings, paid for with public funds, can now be acquired by private corporations, paving the way for private prisons, corporate-owned and operated public university dormitories, privatized utilities and toll-based highways.

The working class in Wisconsin has already weathered the passage of Act 10 in 2011, the Budget Repair bill, which largely stripped public employees' right to collectively bargain. Massive working class opposition to Act 10 was smothered by the trade unions and channeled behind a futile recall campaign for the Democratic Party.

Walker's victory in the recall election provided Republicans the opportunity to enforce further austerity on the working class in the state. The 2013-2015 budget strikes at the heart of the social safety net: unemployment insurance, public health insurance (Badgercare) and the FoodShare program.

The budget proposes retroactive qualifications to recipients of FoodShare, including a controversial work requirement. Twenty hours of work or job training per week will be required to maintain full benefits, disqualifying half of adults who are otherwise eligible.

New to the state's unemployment insurance system is a measure that violates recipients' privacy rights. The state of Wisconsin will be able to gain access to the bank account contents of benefit recipients and give banks the authority to freeze accounts in event of suspected overpayment of unemployment benefits.

The job application requirement for unemployment is to be doubled from two applications per week to four, and the ability to complete job training while receiving unemployment will be ended.

The state health insurance program will lower the maximum eligible income level from 200 percent of the poverty line to 100 percent or \$11,484 for a single person. In February of this year, Walker rejected a federally funded Medicare expansion, declining funds that would have offered health care to 85,000 more Wisconsin citizens. With the advent of the federal health care mandate next year, the burden of buying health care insurance will be dumped onto thousands more poor people in the state.

The \$343 million in income tax cuts implemented by this budget translate into a meager \$43 for the average person. Benefiting most from these cuts are those in the top 1 percent. This is in addition to the nearly \$500 million in income tax credits to business owners in manufacturing and agriculture. The tax credit is being offered based on the false premise that lower corporate taxes foster job creation.

Analysis from the Philadelphia Federal Reserve ranks Wisconsin 49th in the nation for a six-month economic outlook, and one of only five states projected to decline

in economic output. Permanent decreases in the state's revenue sources set up Wisconsin for a structural deficit and more budget shortfalls, which will only lead to demands from the ruling elite for deeper cuts to vital programs.

The attack on public education takes place alongside further cuts to the University of Wisconsin system. In 2012, the Joint Finance Committee chopped \$313 million from the system's budget.

The budget also increases the amount of public funds funneled to private and for-profit schools through an expansion of the 'Parent's Choice' voucher program. Voucher values will be increased to \$7,000 per student, a total of \$73 million in increased aid to private schools, while public schools will receive an additional \$300 per student over two years, with a 1 percent additional increase in funding.

With the biennial budget, the Walker administration, with the complicity of the Democratic Party, is imposing savage austerity measures on the working class. The ground has been laid for further cuts to essential public services, transfers of wealth in land, buildings, and utilities from workers to corporate elites, the gutting of public schools and universities—for the poor to get poorer and the rich to get richer. The crisis created with this budget is chiefly manufactured—the result of huge tax cuts to corporations and the rich—but the burdens it will heap upon the population will be very real.



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