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Date: February 16, 2016

To: Wisconsin Senators

From: Ken Taylor, Executive Director

RE: Opposition to SB 407, as it is currently written

On behalf of the Wisconsin Council on Children and Families, I urge you to <u>vote against SB 407</u> unless or until it is amended to address a large gap in public understanding of budget choices and their consequences.

We have no problem with the objective of giving legislators access to information from agencies on how they would handle a budget freeze or a budget cut; shining more light on budget options is a good thing. However, the bill fails to ask agencies for a fundamental piece of information that is critical for an informed public debate: how much funding is needed to maintain government services at their current level.

In its current form, SB 407 appears to create an institutional bias in favor of budget cuts or freezes. For that reason we oppose the bill – unless it is amended to facilitate a more balanced public debate about budget options and their consequences.

Almost half the states require the development of what is often called a "current services baseline" budget or a "continuation budget" – i.e., an estimate of the cost of maintaining the status quo. A continuation budget or current services baseline can be much different than a spending freeze, because it reflects the impact of factors that cause year-to-year changes in the cost of providing a given service, such as inflation, changing wage levels, population growth, and economic and demographic shifts.

We would support SB 407 if it required agencies to submit an estimate of the cost of maintaining their existing programs – i.e., a current services budget. The general public and legislators of both parties would benefit from having that information, which would facilitate a more balanced and much better-informed debate about budget choices.