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Governor's plan raises questions, leaves Finance Committee to fill in the gaps

MADISON... Today, the Legislature's Joint Finance Committee begins voting on the most crucial piece of legislation to be taken up this session. In February, Governor Doyle promised to deliver an honest, balanced budget with no new taxes. After more than 40 hours of state agency briefings, over 50 hours of statewide public hearings around the state, and countless hours of Fiscal Bureau briefings, it has become quite apparent that the document as presented clearly falls short on many fronts. Although, many of the Governor's and Administration's initiatives will help the state move in the right direction toward fixing the state's \$3.2 billion deficit, too many unanswered questions remain, too many holes need to be filled, too many pieces of the puzzle still do not fit and the numbers do not add up to a balanced budget. In the Governor's plan we see:

- \$1.8 billion in increased spending
- \$1.6 billion in one time money used
- \$600 million of new or increased fees identified by the Fiscal Bureau
- 9.45 % (\$641 million) property tax increase identified by Fiscal Bureau

These are not the only numbers that are troubling. The Governor's plan clearly is not balanced and includes under many more assumptions that are proving to be false. The Governor has admitted that his \$434 million IGT plan included in the budget is dead. We have heard of a possible alternative, but still have yet to see the proposed alternative he promised. We now understand that his original estimates of tribal gaming money will fall \$35 million short. With the Governor's budget nearly \$500 million short by his own admission, clearly this is a challenge the committee must step up to. When we also add a \$200 million raid of the Patient's Compensation Fund that clearly is questionable and \$4.4 billion of borrowing/bonding at a time when the state's bond rating is tenuous at best, we must question the Governor's plan.

The uncertainties of so many of the Governor's revenue numbers leave us few options and will force the committee and the legislature to scrutinize and amend many of the Governor's initiatives to ensure fiscal responsibility and a document that puts the state in a position to provide necessary services to its citizens while reforming state government spending. Plain and simple, more cuts will need to be made because of the Governor's shaky plan.

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Over the next four weeks the committee and the administration needs to work together to produce a document that, unlike the Governor's plan, will not increase government spending by nearly \$2 billion. We cannot afford to increase our debt by over \$4 billion while increasing property taxes nearly 10 percent and adding \$600 million in fee increases. This is excessive and unacceptable. Stripping \$500 million from DOT to fix our current GPR shortfall will leave the transportation budget unable to meet the infrastructure needs of the state. We must find better solutions.

The solutions will not be easy, however, we will develop **them** in the open and in public and work line by line to improve the Governor's plan. The Governor's failure to give us an honest, balanced budget presents the committee a significant challenge. There is no question the members of this committee are up to the challenge and will seize this historic opportunity. An honest evaluation will show that the Governor's budget is not balanced and our first objective will be to find additional savings to make up the shortfall he has presented to us.

I welcome and encourage the Governor to work with the committee to find ways to improve and enhance the budget without partisan rhetoric or spin that does not serve the process well and will not help improve our situation. The Governor pledged to fix any errors in his budget and we encourage and expect him to keep his word.

Our plan to fix the budget we have been given will get started today. Our budget will not be a

- It will not be a budget that increases government spending by nearly \$2 billion.
- It will not be a budget that runs up another \$4.4 billion in debt on the state credit card.
- It will not be a budget that pulls the rug out from under autistic kids.
- It will not be a budget that raises taxes
- It will not be a budget that is developed in secret
- It will not be a budget that is a half billion dollars out of balance

The citizens of this state deserve to get the state's fiscal house in order, essential services provided, and have the state assist in improving the state's economic climate which will benefit and ensure that Wisconsin continues to be a great place to live, work and play. It's time to go to work and work together to produce a budget that Wisconsin residents believe will address the current needs while still providing for the future.