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## **In State of State Address, Governor Doyle Declares Wisconsin 'On the Move'**

*Says Focus Must Be on Jobs, Health Care,  
Education, and Restoring Fiscal Responsibility*

In his third State of the State Address, Governor Jim Doyle declared tonight that Wisconsin is "On the Move" – from growing our economy, to putting our kids first, to expanding access to health care, to restoring fiscal discipline to state government. The Governor highlighted new plans to invest in early education, raise education standards, reform the way we pay our teachers, help livestock producers modernize, lower health care costs, and cut the cost of state government.

Governor Doyle also announced that his Administration will provide assistance to Kohl's to help the company create 1,000 new, good jobs and greatly expand its corporate headquarters in Milwaukee.

"It is my honor to stand before you tonight and report that the State of Wisconsin is on the move," Governor Doyle said. "We are on the move creating jobs, growing the economy, returning fiscal sanity to state government, and embracing new education and health initiatives, while standing firm against raising taxes."

Moving forward, Governor Doyle pledged to solve the state's \$1.6 billion budget deficit by using the same principles he did two years ago – trimming overhead, cutting wasteful spending, reforming the way Wisconsin does business, and, most importantly, not raising taxes.

"From cutting back on state contracts to reducing the number of state cars, we're making state government smaller, smarter, more efficient, and more accountable," Governor Doyle said. "We have made tremendous progress in the past two years, and we are going to continue to scour state government to find every possible savings we can for taxpayers."

### **Wisconsin's Economy is On the Move**

Under Governor Doyle's leadership, Wisconsin's economy is moving in the right direction. Over the past two years, the state has created nearly 70,000 jobs – twice as many as Minnesota and six times as many as Iowa. For 11 straight months, Wisconsin has led the Midwest in job growth, and has gained more manufacturing jobs in the last year than any other state in the nation.

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“Over the past two years, we worked together to bring a new, strategic focus to economic development through my ‘Grow Wisconsin’ plan,” Governor Doyle said. “We passed into law nearly every bill I requested, from sweeping regulatory reform, to financial modernization, to venture capital, to eliminating the tax on creating jobs. We are on the move, and we are not stopping.”

The Governor announced a series of new initiatives that will build on the momentum of “Grow Wisconsin,” including:

- Passing a meaningful worker training bill to give workers the skills they need to raise their income, and give businesses the trained workers they need to compete;
- Ensuring that the state energy supply is adequate and environmentally sustainable aided by a major new initiative on biofuels;
- Creating a Livestock Investment Tax Credit that will provide up to \$50,000 to help livestock producers modernize and expand their operations;
- Approving a higher, statewide minimum wage of \$6.50 an hour to help 130,000 Wisconsin citizens.

These initiatives will build on the progress of several new “Grow Wisconsin” initiatives the Governor has recently announced, including a new \$1.3 million investment in the state’s manufacturing extension partnership, creating a Wisconsin Entrepreneurs’ Network to help innovative new companies succeed, and launching a new effort to recruit more angel investment to help emerging businesses.

### **Investing in Kids**

Governor Doyle announced several new initiatives to invest in Wisconsin’s children as part of his *KidsFirst* Initiative.

The Governor’s budget will include a new program – *Quality Care for Quality Kids* – that will for the first time, rate the quality of childcare providers. Based on the work of a task force Governor Doyle appointed last year, the program details a five-star rating system, and recommends higher levels of state reimbursement to those providers with the highest ratings for quality. The state spends \$300 million on child care for working families each year – making Wisconsin second in the nation in its commitment to its kids.

“Right now, we pay the worst child care facility and the best child care facility the same amount, and that’s wrong,” Governor Doyle said. “This new program will reward quality, encourage improvement, and give parents the information they need to choose the right childcare center.”

Governor Doyle’s other priorities for investing in education include:

- Expanding four-year-old kindergarten by including funding in the budget to help make up the difference in state aid for communities that start a 4K program;
- Increasing the reimbursement rate for schools that participate in the school breakfast program by 50 percent in his budget;
- Providing significant new funding in the budget for the SAGE small class size program;
- Reforming the way teachers are paid, both to attract and retain the best educators, as well as address rising health care costs. The Governor’s budget will provide planning grants to school districts to work with teachers, school administrators, and business leaders to develop innovative ways to reward teachers for skills and knowledge that enhance student performance;

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- Requiring a third year of math and a third year of science as graduation requirements for all Wisconsin students, so they are prepared for the 21<sup>st</sup> Century;
- Investing \$750 million into biotechnology and stem cell research in Wisconsin, including the creation of the Institute for Discovery;
- Providing \$3 million for Alzheimer's research to support the work of scientists making groundbreaking discoveries at the University of Wisconsin;
- Expanding the amount families can deduct in college expenses from their Wisconsin taxes to the average cost of tuition at the University of Wisconsin System – about \$5,000 this year;

Governor Doyle also highlighted the recommendations made by his bipartisan Task Force on Educational Excellence and said many of the ideas in their final report will form the basis for his education proposals in his budget.

### **Expanding Access to Health Care**

Governor Doyle said addressing rising health care costs must be addressed for our state and national economy to prosper in the long term. Wisconsin has been a leader in taking steps to lower health care costs and increase access to health care, particularly in preserving BadgerCare, Medical Assistance, and SeniorCare despite tough budget times.

Governor Doyle highlighted that private businesses and local governments can join with the state and save money on prescription drugs through BadgerRx. By working with an innovative Wisconsin company called Navitus, BadgerRx enables the state to negotiate better prices for the drugs it buys. The program, which is based on getting Wisconsin's best doctors to recommend the most effective prescription drugs and then negotiating the best prices, saved taxpayers \$25 million in its first year.

The Governor also announced tonight that starting later this spring, individuals will be able to join BadgerRx and receive prescription drugs at greatly reduced prices.

"With this plan, Wisconsin will lead the nation in helping people who don't have prescription drug coverage," Governor Doyle said. "Participants will receive the same drugs recommended for state employees, and they'll benefit from the full buying power of state government."

The Governor also said he would implement significant reforms to Medicaid in his budget. "We will ask all parts of the health care system to share in the solution, but the guiding principle will be to protect health care for the people who depend on these vital programs," Governor Doyle said.

### **Restoring Fiscal Responsibility**

Under Governor Doyle's leadership, the state has made tremendous progress over the past two years trimming overhead, cutting wasteful spending, and continuing to innovate. Some of those accomplishments include:

- Rebidding costly state contracts. The Governor's Administration reduced contracting out by \$32 million in its first year – the first reduction in at least a decade. Other savings include \$93 million on a single contract under the state's Medicaid program and \$46 million on an information technology contract.
- Trimming the state's vehicle fleet back to its level a decade ago. Since July, the state has sold 651 vehicles, generating more than \$2.1 million, and will eliminate more than 1,000 vehicles by April.
- Requiring state employees to pay a portion of their health insurance for the first time, just like workers in the private sector.

- Cutting discretionary pay bonuses by 92 percent.
- Eliminating more than 1,500 cell phones and selling seven airplanes.
- Reducing the average price of a computer by \$1,000 – saving \$3 million a year – and reducing software costs by \$125 per computer, a savings of \$2.5 million.
- Consolidating state travel across agencies and negotiating discounted airline and hotel prices – saving \$4 million a year.
- Consolidating the state's 220 email servers, and lowering the cost of an email account from as much as \$15 a month to \$3 – saving \$1.6 million a year.
- Refinancing the state's debt to take advantage of lower interest rates and saving \$19 million.

“Unfortunately, even with the progress we've made, Wisconsin still faces a deficit of about \$1.6 billion,” Governor Doyle said. “Not surprisingly, the culture of overspending that developed over two decades couldn't be completely fixed in just two years. And, I will balance this budget the way I balanced the last – cutting spending, reforming state government, and not raising taxes.”

The Governor also said his budget will fulfill the state's responsibility to the taxpayers by living up to the state's commitment to local government and public schools. Steps the Governor will continue to make to hold down the line on property taxes include:

- Fully funding shared revenue;
- Significantly increasing aid to education;
- Providing over a billion dollars in property tax relief through the Homestead Credit and the school levy credit;
- Allowing local governments to take advantage of the buying power of the state;
- Simplifying the Homestead Tax Credit form from 17 pages to one sheet of paper so more eligible taxpayers can receive property tax relief.

Governor Doyle also said the state will go a step further and propose significant reforms to the nearly \$60 million Expenditure Restraint Program to reward communities that hold down property tax increases. The program will be expanded to cover counties as well as municipalities. It will also provide bonuses for local governments that hold their property tax increases even lower.

“These are the things that state government must do, and we will,” Governor Doyle said. “Then, it will be up to local governments to determine what's best for their own communities. And if elected officials fail to follow the wishes of the people, citizens should hold them accountable.”

“What we don't need is bumper sticker politics, or more mandates from Madison,” the Governor said. “And we certainly shouldn't trade Wisconsin's education system – where students score the best in the nation on the ACT – with Colorado's, where students score near the bottom.”

Governor Doyle closed his Address with a call to action to continue working together to move Wisconsin forward.

“From growing our economy to investing in health care and education, Wisconsin is on the move,” Governor Doyle said. “With a deep admiration for the people of this state, and a sincere commitment to do their work, let us continue to move Wisconsin forward.”