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Joint Finance Completes Work on Budget, Improves Governor's Plan

MADISON...Today, the Legislature's Joint Finance Committee completes their work on the Governor's proposed budget. The culmination of this process brings to an end of more than three months of work by committee members. This work included more than 40 hours of state agency briefings, over 50 hours of statewide public hearings around the state, countless hours of Fiscal Bureau briefings, and hundreds of votes taken during fifteen days of executive sessions.

In February, Governor Doyle promised to deliver an honest, balanced budget with no new taxes. As the committee worked through the Governor's plan, many trouble spots arose and the committee had to make those repairs in addition to addressing the Legislature's priorities. This was a very tough challenge that I am proud to say the committee members, with help from members of our respective houses, rose to that challenge and put together a budget that spends less, taxes less, and borrows less.

When we began this process there were many unanswered questions, many holes to be filled, too many pieces of the puzzle did not fit and the numbers did not add up to a balanced budget. In the Governor's plan we saw:

- \$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

The plan we have approved today improves upon the plan we saw three months ago. In contrast to the Governor's plan, the budget before you today:

- Spends \$545 million less
- Borrows nearly \$2 billion less
- Freezes state government spending
- Freezes property taxes and eliminates a nearly 10 percent property tax hike
- Reduces the fee increases
- Eliminates \$80 million tax increase on health care
- Does not raise state sales, income or corporate taxes

Throughout this process it has been my goal to work with the Democrats on this committee and the Governor's office wherever possible. At every turn, the committee ensured that changes the Governor suggested, more than 25 pages worth, were considered and many times included in the budget. The process we used this year has produced a very different product than in years past. The document we send out of here today will not contain hundreds of pages of policy items. Those items were excluded from this process. There is a process of how those policy items can become law, and the budget simply isn't the place. We have very competent committee chairs in both houses that should be empowered to make those policy decisions and have those items stand on their own. I am proud of the product we have produced.

We have set many priorities as we considered this budget. First and foremost, we wanted to ensure the enormous tax burden people have in this state was kept in check. We have done that. We also felt that we should not turn our back on the state's most vulnerable citizens, and we have done so with responsible improvements to medical assistance and W-2. To ensure one of the nation's top public education systems continues to produce top students, we doubled the Governor's investment in K-12 education while keeping property taxes under control. We understand that job growth and a solid transportation infrastructure are the keys to economic development. This budget maintains our commitment to keeping the infrastructure preserved by ensuring vital road projects are not delayed. The budget we have today is reflective of those priorities.

We also understand that in tough economic times we must also make responsible reductions in government spending. To begin with, if we are going to ask local governments to reduce spending and hold down property taxes, state government should take the lead. We must first start with spending less than we take in. This budget also imposes a freeze on government operations spending.

To get us out of the \$3.2 billion hole, we had to make responsible spending cuts as well. The committee has taken an evenhanded approach to this and tried to keep the reductions fair. We have said from the beginning that everything had to be on the table, and every level of state government shared the pain.

This tough budget gave us the opportunity to make the tough choices that the state will benefit from for years to come. It is my hope that the Governor will share this view when he gets the opportunity to sign the budget. I stand willing to continue to work with him after the budget hits his desk. We have heard a lot of talk about this being a new day. The budget we passed today is evidence of this. The way the legislature has built budgets in the past are a thing of the past. The process we have used hopefully will set a precedent, regardless of which party controls this committee.

I have enjoyed the opportunity I have had to lead this committee with Senator Darling. I have enjoyed working with every member of this committee. Even though at times we have had our disagreements, the discussions have been respectful. This is a testament to the professionalism that exists on this committee and I am proud to serve with each one of you.

I look forward to seeing the budget process come to an end. I am confident that we have left this budget in better shape than we got it. 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, ensuring Wisconsin continues to be a great place to live, work and play.

