



Thursday, July 24, 2003

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2003 Budget Signing Message Wisconsin Governor Jim Doyle

In my Inaugural Address, I promised our citizens a new day in Wisconsin. I asked the people for their faith and trust, and in return I would confront our state's problems honestly, and make the tough decisions that had been put off for too long. Above all, I promised to bring fiscal responsibility back to state government, balance our \$3.2 billion deficit without raising taxes, and protect our fundamental priorities – education, health care, the environment, and vital local services.

They Said It Couldn't Be Done

Even before I took the oath of office, many said balancing this budget with no tax increase was next to impossible. The loyal opposition predicted I'd have to propose a tax increase. Governor Thompson's former Secretary of Administration said it wouldn't happen without "cataclysmic" cuts in services. One newspaper even wrote about the chorus of know-it-alls who said it couldn't be done.

Well, I've got a surprise for the pundits: I kept my word. Today I am signing a budget that restores fiscal responsibility and does not raise taxes – as I promised.

A New Day

Less than a year ago, the Legislature and the former Governor passed a budget knowing it was billions of dollars out of balance. They approved runaway government spending and red ink as far as the eye could see.

A year ago, if they had made a fraction of the cuts I proposed in this budget, we would not be in this mess today. The simple fact is this: the Republicans had their chance to bring fiscal responsibility to state government, and they failed.

I was elected to bring a new day to Wisconsin and a different way of doing business. Fellow citizens, today I make good on that commitment. A new day has arrived.

I will be signing today the first honestly balanced budget in two decades -- without fancy accounting gimmicks, without taking away people's health care or abandoning our public schools, and – as promised – without a tax increase.

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Upholding Our Principles

The bill I sign today – once my vetoes are incorporated – meets every one of the principles I set forth when I introduced my budget on February 18.

First, no tax increases – because Wisconsin's taxpayers have already done their fair share.

Second, control state spending – to bring the budget into balance, both now and in the future.

Third, protect the state's core mission – educate our children; provide health care to our seniors, the disabled, and working families; support our police officers and fire fighters; and safeguard Wisconsin's unique and precious environment.

Fourth, distribute the sacrifices fairly – because we're all in this together.

Fifth, do it right, and do it once – so we can move on to the task of growing Wisconsin.

Living up to these principles was not easy. But as tough as the decisions I had to make were, I am convinced that they were right, they were necessary, and they were long overdue.

Comparison to Other States

Consider this: most other states had a rainy day fund of millions of dollars. Ours had about \$200. Other states tapped their tobacco settlement. Ours had already gone up in smoke.

And yet, even at such a disadvantage, our state came through the worst times without resorting to the worst choices made elsewhere.

Other states are cutting off millions of people – including low-income children – from health care coverage. But here in Wisconsin, the budget reserve fund I am creating ensures we don't have to cut people off as other states have done.

States like Kentucky have released hundreds of prison inmates because there wasn't enough money to keep them locked up.

And states all over the country -- including 12 with Republican Governors – are raising taxes by billions of dollars to cover their deficits.

Ten states are raising income taxes.

Eleven states are raising corporate taxes.

Fourteen states are raising taxes on cigarettes, tobacco, and alcohol.

And fifteen states are raising sales taxes.

But here in Wisconsin, I kept my promise, and held the line on taxes. Not only that, but I am fully funding a billion dollars in relief for property taxpayers.

Make no mistake about it, this is a tough budget that entails real sacrifice. But by making the tough choices and cutting out the fat from top to bottom, we have avoided the "cataclysmic" cuts that some predicted -- and other states enacted.

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Fiscal Responsibility

I have kept my commitment to bring fiscal responsibility back to Madison. I signed emergency legislation to trim \$170 million immediately from the budget approved by my predecessor. I cut spending by \$1.5 billion – the largest cuts in the history of Wisconsin. In signing this budget, I will trim our state payroll by almost 2,300 positions. Instead of freezing the bureaucracy, I am actually cutting state agencies by 10 percent, or \$400 million. And because I believe in leading by example, the first office I cut was my own.

The result is that spending in the Fiscal Year that began on July 1 will decrease by 2.4 percent over last year. Over the course of the biennium, spending will increase by less than one percent – a record in fiscal restraint.

I am signing this budget with a total of 131 vetoes – lowering spending by eliminating \$315 million in appropriations. I am reducing the amount the Legislature added to our “structural deficit” by \$258 million. When my vetoes become law, we will wipe out our \$3.2 billion deficit and leave a \$205 million balance. Most importantly, I am doing this the fiscally responsible way – without raising taxes.

Protecting Our Priorities

At the same time, we are protecting our most important priorities: education, health care, and basic local services like police and fire protection.

- We are increasing funding for our public schools by \$189 million – without cutting 4-year-old kindergarten and the SAGE program.
- We are preserving eligibility and benefits for Medical Assistance, BadgerCare and SeniorCare – and without the devastating copayment increases imposed by Republican legislators.
- I am approving an aggressive road-building program in this state -- a \$77 million increase over the last biennium. We will build the Marquette Interchange and hundreds of other road projects large and small throughout Wisconsin.

When it comes to holding the line on taxes, Republican legislation has spoken louder than Republican lip-service. After all their rhetoric about taxes, they imposed a \$23 million income tax increase on family farmers. Legislative Republicans broke their promise to the taxpayers, but I am keeping mine – and vetoing the Republican tax increase.

I had hoped that in this budget we would have given children like the ones who are joining me today the best opportunities we can provide. The research is very clear: a great education starts with great teachers. But the Legislature wouldn't even consider any effort to encourage the best minds to enter the teaching profession. Instead, they socked teachers with a 50 percent fee increase.

I am also deeply concerned about the hole that the Legislature put the state in when it comes to Medicaid. They have relied on wildly inflated estimates of federal revenue, and caved into special interests by rejecting the transfer from the Patients' Compensation Fund. As a result, we now have a hole in the Medicaid budget of more than \$200 million – a hole that will endanger prescription drug coverage for seniors, as well as health care for working families and low-income children.

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Therefore, to protect our health care programs, I am creating a Budget Reserve Fund of \$205 million by using my veto pen to trim excessive spending that the Legislature added to my budget.

I would have preferred to use money from the Patients' Compensation Fund, but the only option available to me with the veto pen is to take it from transportation. Let me put this as plainly as possible – I would not be making the cuts I have been forced to make if the Legislature had acted responsibly. The Legislative leadership chose a well-to-do special interest over our seniors. But my vetoes will create enough savings to safeguard our commitment to the Greatest Generation.

Avoiding a \$400 Million Cut to Education

Somewhere in the four months the Legislative leadership spent debating this budget, they lost sight of their true objective - fixing the mess they created. Instead of doing their job and bringing fiscal responsibility back to state government, they decided to point the finger at someone else.

Just so they could have an empty campaign slogan about property taxes, they traded away an opportunity to fund education, promote job creation, and preserve local control.

Let me be clear: I believe property taxes are too high. That is why I restored funding for shared revenue -- preventing the largest property tax increase in state history. I kept revenue caps in place to hold down future property tax increases. And I fully funded a billion dollars of property tax relief through the levy credit.

In my Budget Address, I called on school boards and local officials to join together with us to hold the line on taxes. I reaffirm that message today: Do as I have done -- balance your local budgets by cutting spending with no tax increases.

However, there is one thing I will not do. I will not let Madison politicians make decisions about local property taxes that are best made by local communities. Local citizens know best whether police need new patrol cars in Kenosha, or whether firefighters need a new firehouse in Green Bay.

I am not about to let the people who so mismanaged the state budget now try to manage local governments. They had their chance to be fiscally responsible, and they blew it.

As for the so-called tax freeze, I will do what is right for Wisconsin's future. I will not cripple local efforts to create jobs. I will not deny local communities adequate police and fire services. And because I cannot allow Wisconsin's public schools to incur a devastating \$400 million cut, I will reject this reckless and hypocritical political gimmick.

One of the worst features of the Republican scheme is that it limits the flexibility of local governments to such an extent that it would endanger their ability to secure bond financing for critical economic development efforts. I recently heard from the City Administrator of River Falls that the so-called property tax freeze could prevent the city from financing a new industrial park. Without that industrial park, River Falls could lose a major local employer responsible for dozens of jobs.

If the so-called freeze goes into effect, the City of Oshkosh has told me that a major downtown revitalization project they have begun will have to be curtailed, and three major road projects might have to be delayed.

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As Governor, I cannot play bumper sticker politics. My job is to work every day to bring state spending under control, improve education, and focus on job creation.

The choices made to balance this budget have been difficult – and were made more difficult because the Legislature returned to its same old bad habits. I hope future budgets will see a departure from the politics of the past. No deals cut in the middle of the night. No reliance on unrealistic estimates. And no pork added to buy off votes.

While I have had to use my veto authority extensively to improve many aspects of this bill, I do want to commend the Legislature for finishing the budget on time. I respect their efforts in sending me a budget that, with my vetoes, allows Wisconsin to avoid tax increases, brings spending into line with revenues, meets our highest priorities and lays the foundation for the future.

It is a new day in Wisconsin, and a new beginning for fiscal responsibility. While the budget is signed today, our work has only begun. We need a major focus in this state on economic development, creating the jobs and opportunities that will carry our state forward. We must continue to improve our schools and protect our environment. And we must do more to address the health care needs of our citizens.

This is about ensuring that these kids have a bright future. It's about making sure that the state they inherit will be better and stronger than it is today.

When people look back at this 25 years from now, I believe they will say of us here today that even at this most difficult moment, we stayed true to the values that make Wisconsin great. We put our children first, we shared the sacrifice, and we kept our word.

It is a new day in Wisconsin – and our best and brightest days lay ahead.

On Wisconsin.