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## **Governor Doyle Signs Budget, Restores Fiscal Responsibility to State Government**

*Creates \$205 Million Balance, Does Not Raise Taxes*

Surrounded by students, local officials, business leaders and others at the Executive Residence, Governor Jim Doyle signed into a budget into law today that fixes the state's \$3.2 billion deficit without raising taxes, keeping his commitment to restore fiscal responsibility to state government.

The 2003-05 biennial budget the Governor signed today – with a total of 131 vetoes – erases the state's \$3.2 billion budget deficit, cuts state spending by \$1.5 billion, trims the state payroll by almost 2,300 positions, and reduces the amount the Legislature added to the state's structural deficit by \$258 million.

Because the Republican Legislature created a hole in the Medicaid budget of more than \$200 million, Governor Doyle is using his partial-item veto power to trim excess spending from the budget and create a \$205 million Budget Reserve Fund. This balance will help ensure that the state does not have to slash prescription drug coverage for seniors, and can protect health care for working families and low-income children.

"Even before I took the oath of office, many said balancing this budget with no tax increase was next to impossible," Governor Doyle said. "Well, I've got a surprise for the pundits: I kept my word. 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."

Under Governor Doyle's leadership, Wisconsin will balance its \$3.2 billion deficit without resorting to the worst choices other states facing budget deficits have made. States across the country are cutting people off health care, releasing prison inmates, and raising taxes by billions of dollars to cover their deficits – including 12 states with Republican Governors.

"Make no mistake about it, this is a tough budget that entails real sacrifice," Doyle said. "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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The budget signed by the Governor increases funding for public schools by \$189 million. It also includes an aggressive road-building program -- a \$77 million increase over the last biennium.

Through his veto power, the Governor has protected Wisconsin's most important priorities, restoring cuts to the state's model 4-year-old kindergarten program, protecting our small class size program, rejecting devastating copayment increases for SeniorCare, preserving funding for the Knowles-Nelson Stewardship Program, and vetoing a Republican \$23 million income tax increase on family farmers.

To create the \$205 million Budget Reserve Fund that will safeguard critical health care programs and protect against future revenue shortfalls, the Governor had to trim excess spending added by the Legislature. This includes about \$100 million they added to transportation. The budget signed by the Governor transfers from the transportation fund to the general fund an additional \$145 million beyond what was approved by the Legislature.

"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," the Governor said. "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."

The Governor said he believes property taxes are too high and has done everything he should do as Governor to keep property taxes down, including restoring funding for shared revenue, keeping revenue caps in place, and funding a billion dollars of property tax relief through the levy credit.

Referring to the so-called property-tax freeze, Governor Doyle said: "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."

"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," Doyle said. "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. It is a new day in Wisconsin -- and our best and brightest days lay ahead."