

To: Assembly Democratic Caucus
From: Speaker Mike Sheridan, JFC Co-Chair Mark Pocan, Rep. Mary Hubler
Date: Friday, June 26th 2009
Re: 2009-2011 Wisconsin State Budget Accomplishments

Deepest spending cuts in Wisconsin history.

- Contains more than **\$3 billion in spending cuts** – the deepest in Wisconsin history.
- Features 2.5% or \$718.7 million in cuts in spending of state tax dollars. Assembly Republicans increased spending of state tax money by 74% during their 14-year majority.
- Implements 6.1% across-the-board agency spending cuts.
- GOP claims that the budget increases spending by as much as 6.8% are bogus. The figure is a distortion caused by the one-time influx of federal stimulus dollars. These dollars are being used to repair our roads, train our workers and fix our schools, but they are being disbursed through state agencies and departments, making it appear as though state spending is up when it really isn't.
- Democrats lead by example and shared the sacrifice:
 - The Legislature moved early to cut \$500,000 from its operating budget. When the deficit intensified in May due to the national economic crisis, the Assembly made more cuts, bringing the total amount slashed to \$1.4 million – for a 6% total reduction.
 - State legislators voluntarily froze pay until 2011, and implemented furloughs of state employees.

Protect Wisconsin's middle class, workers and families from tax increases.

- Shields more than 99% of all Wisconsin residents from an income tax increase.
- If you make less than \$300,000, your income taxes are not going up. If you make more than \$300,000, your income taxes are still less than those in Iowa and Minnesota.
- Protects every single Wisconsin resident from a general sales tax increase.
- Features no payroll tax and holds the line on property taxes.
- Eliminates an oil tax proposal that could have led to higher prices at the pump.

- Preserves capital gains tax exemption at 30% and contains an exemption for farms and farm investments.

Defend Wisconsin's most urgent priorities.

Creating Jobs and Growing Wisconsin's Economy

- Increases funding above Governor's recommendation for Wisconsin's technical college system – the front line in worker retraining efforts – to \$5.2 million.
- Includes \$250,000 in innovation and research grants, an angel investment program administered by the Wisconsin Technology Council, and a program that promotes rural areas as alternatives for companies considering outsourcing to other countries.
- Encourages economic growth in communities hit especially hard in the economic downturn by establishing Development Opportunity Zones which provide tax credits to businesses that create and sustain jobs.
- Creates 10,000 family-supporting jobs through investments in Wisconsin's infrastructure, including approximately \$250 million worth of projects to improve our highways, harbors, rivers and railways.
- To help businesses, removes proposed changes to joint and several liability laws.
- Extends 10% Research and Development tax credits for Wisconsin business like Harley-Davidson, Kimberly Clark and GE.
- Approves 10% Jobs Tax Credits (tax breaks for businesses that create jobs)
- Increased the type of investments businesses can make to qualify for the Enterprise Zone tax credit to help businesses attract and retain jobs.
- Sparks new industry and create jobs by strengthening the Wisconsin Film Tax Credit program.
- Supports Wisconsin farmers by funding the Buy Local, Buy Wisconsin program, and by removing the animal slaughter fee.
- Connects workers to jobs and triggers economic development through support for community planning of Regional Transit Authorities (RTAs) in Southeastern Wisconsin, Dane County, the Chippewa Valley and Northern Wisconsin.

- Invests in and strengthens Wisconsin's agricultural economy by:
 - Eliminates proposed land use assessment changes.
 - Eliminated proposed increases on fees for large Wisconsin farms.
 - Eliminating slaughter fees to help Wisconsin's meat-processing industry.
 - Ensuring that the County Land Conservation program which provides important resources to the agricultural community remains staffed.
- Invests \$13 million in stimulus funds for construction and rehabilitation of seven airports in Wisconsin, and \$4 million in bonding authority for dam safety and repair projects needed after the flooding of 2008 to improve the safety of our citizens and communities.

Strengthening Wisconsin Communities and Families

- Holds cuts to local shared revenue at 3.5% to help towns and municipalities preserve vital services, like police and fire services.
- Keeps our promise to our military heroes by increasing funding for the veterans' property tax credit and restoring full funding to the Department of Veterans Affairs.
- Restores funding for county-run nursing homes, preserving the best care for our seniors near their families and friends.
- Encourages families to provide safe, loving home environments for children in the foster care program through fair rates for their basic expenses.
- Supports clean, green communities through funding for the urban forestry and Clean Sweep programs.
- Increases funding for low-income utility assistance program.
- Provide \$2.3 million for civil legal services to those in need.
- Increases the homestead tax credit and indexes it to inflation.

Maintaining Investments in Education and Our Future

- Protects public schools from the 6.1% across-the-board agency cutbacks, holding funding reductions to 2.5%.

- Protects Wisconsin's working families from tuition increases at UW institutions, and provides additional support for students in need at all Wisconsin schools of higher learning.
- Limited cuts to K12 education to 2.5% rather than the 6.1% most other agencies will have to take to ensure that our future leaders have exceptional educational opportunities despite these economic times.
- Increased sparsity aid by \$11.4 million to help small, low-density school districts.
- Provide \$1.5 million for 4-year old kindergarten grants.
- Increases funding above the Governor's recommendation for Wisconsin's technical college system – the front line in worker retraining efforts – to \$5.2 million.

Expanding Health Care Access and Affordability

- Expands insurance to cover the cost of treating kids with autism.
- Expands health care coverage available for those struggling with mental health problems, alcoholism, and drug dependency.
- Expands the FamilyCare program to reduce delays for low-income people awaiting necessary medical care.
- Restores funding for the respite care program which provides support for those tending to a family member struggling with severe disability or suffering from serious illness like Alzheimer's.
- Addresses chronic understaffing and potentially dangerous overtime practices at targeted health care facilities through increased financial support.

Protecting the Public

- Restores \$5.4 million in DOJ cuts.
- Requires that every Wisconsin driver obtain auto insurance. Wisconsin is one of only two states in the country that does not require auto insurance coverage.
- Enacts smart and tough-on-crime policy to reform criminals and reduce exploding taxpayer costs in the state prison system.

- Protects children from internet predators by dedicating Department of Justice positions to the fight against online crimes against kids.
- Minimizes cuts to shared revenue to help local communities provide police and fire service.
- Ensures that revenue from the police and fire protection fund will be used for direct public safety expenditures by counties and municipalities.
- Allows the Government Accountability Board to have financial flexibility to obtain the resources necessary to investigate complaints.