

## Doyle offers plan for \$652 million deficit

by Kevin Bargnes

Badger Herald

Tuesday, March 11, 2008

Democratic Gov. Jim Doyle announced his plan Monday to offset the state's \$652 million budget shortfall.

The plan features \$330.4 million in cuts from state agencies and a 0.7 percent tax on hospitals' gross revenue that will result in \$700 million in federal Medicaid reimbursement funds.

"We do have to take prompt, responsible action to repair our budget," Doyle said. "This plan protects the basic priorities of education and health care. It does not raise taxes."

The plan is headed for consideration in the Assembly, and the Legislature will meet for a special session starting Thursday to work on the problem. Democratic Minority Leader Jim Kreuser, D-Kenosha, has been talking with Assembly Speaker Mike Huebsch, R-West Salem, in hopes of reaching bipartisan support.

"If we adjourn this session without doing our jobs, the people of this state will hold us accountable, and this will truly be a do-nothing Legislature," Kreuser said.

A large portion of Doyle's plan hinges on the hospital tax, which failed to pass last session as part of the original budget proposal. Huebsch spokesperson John Murray said the speaker's view on the tax is "very cool, if not outright frosty."

"He doesn't think we should be raising taxes on sick people and doesn't think we should be skimming money off of the medical assistance budget for the general fund," Murray said.

Kreuser and Doyle contended that the hospital tax is necessary and has support from the medical community, including the Wisconsin Hospital Association.

"They say they're called sick taxes, but I'm going to bet you that the leaders of the hospitals in the state are going to support this because it's the smart thing to do," Kreuser said.

Huebsch wants the state to continue to tighten its belt.

"What the tax-first crowd doesn't seem to realize is that this economy is hitting those folks too, and higher taxes means less in their pockets for mortgages, gas, groceries and other family bills," Huebsch said in a statement.

Doyle said several programs will be cut, including the renewable energy fund. These cuts will be kept between 10 and 20 percent and will only account for about \$30 to \$40 million. He was unsure about whether or not BadgerCare Plus would be affected.

The plan would result in a surplus of \$100 million, which Doyle said was needed as a safeguard to be prepared for the "uncertain future ahead of us."

Doyle said, realistically, the Legislature has roughly three weeks to act. After this period, resolving the shortfall will become very difficult.

Kreuser said the budget fix must be done as soon as possible so local governments know how much funding they will have from the state to repair roads.

"We need to make sure that we take care of our infrastructure in this state," Kreuser said. "And if you've driven down some of these roads you know they've taken a little bit of a beating this year." Carrie Lynch, spokesperson for Senate Majority Leader Russ Decker, D-Weston, believes something can pass before the end of the special session but not everything will be done on Thursday.

Kreuser said he will be able to deliver 47 votes in the Assembly. Murray said the lines of communication between Huebsch and Kreuser continue to be open.