

Illinois Budget Introduced: Layoffs, Tax Hikes & Massive Cuts to Medicaid

This week Illinois Governor Pat Quinn introduced his budget proposal, which according to the Chicago Tribune and Associated Press:

- Closed numerous prisons;
- Closed mental health and social service offices;
- Contained massive cuts to Medicaid;
- **Closed popular tourist attractions two days a week;**
- Contained a nine percent cut to most state agencies;
- Made major reductions in the public employee workforce, including layoffs; and
- Increased taxes on businesses.

The Chicago Tribune reported that even with these cuts Illinois still would carry over \$8 billion in unpaid bills. All of these cuts come after Illinois enacted massive tax increases on both businesses and individuals last year.

Also in his budget address Governor Quinn said, "This year's General Revenue Fund payment for public pensions is \$5.2 billion; triple what it cost in fiscal year 2008."

We are turning Wisconsin around due to the budget reforms put in place last year. Wisconsin is now on a path to prosperity, Illinois is not. In Wisconsin :

- Instead of passing off debt to the next generation, we eliminated a \$3.6 billion budget deficit;
- Instead of massive tax increases, we not only maintained current tax rates, but actually saw some of the best property tax bills in years-with the total school levy portion of the tax decreasing for the first time in six years;
- Instead of ending the budget with \$8 billion of unpaid bills, we paid back millions of dollars in unpaid bills (\$60 million payment to Minnesota for tax reciprocity and \$233 million repayment for the illegal raid of the Injured Patients and Families Compensation Fund);
- Instead of engaging in massive layoffs of public employees, our reforms saved the jobs of thousands of hardworking, middle-class public employees; and
- Instead of slashing funding for Medicaid, we invested \$1.2 billion of additional state taxpayer funds to help those who are truly in need.

I proposed, advocated for, and enacted solutions to the fiscal challenges that have been avoided and ignored for years because I care more about next generation than the next election. This has begun to turn our state around.

Boosting Small Businesses

Touring the state and talking to small business owners, one thing has become crystal clear to me: government regulations need to be science-based, predictable, and practical.

All too often I hear about how government is standing in the way of those who want to grow jobs in our state. This is why I just signed Executive Order 61, which will empower the Small Business Regulatory Review Board to determine the economic impact of rules on small business and increase the flexibility government must give employers.

Signing this Executive Order is another important step toward making our state an easier place to start up, expand, or relocate a small business. Giving small business owners a seat at the table when discussing state regulations will help get buy-in from employers, assist state agencies promulgate rules that are realistic, and ultimately grow jobs in Wisconsin .

Specifically, the Executive Order I signed requires all state agencies to cooperate with the Small Business Regulatory Review Board in the rules review process. All agencies will cooperate with the Board to identify and weed out rules that hinder job creation and small business growth. And they will also work with the Board to recommend changes to the rules that will reduce the burden on job creators.

According to the National Federation of Independent Business, Wisconsin small businesses spend eighty percent more per worker than large employers to comply with government regulations. Ninety-one percent of small businesses said it was impossible to know about, comply with, and understand all of government's regulations. Regulations are cited as one of the top three concerns for small business growth.

One great way to make sure that state regulations are science-based, predictable, and practical is to give small businesses a seat at the table when discussing the impact of new as well as existing rules and regulations. By partnering with Wisconsin's small businesses, many of which are family owned, I am confident that we can

continue to turn around Wisconsin 's economy and make it better for generations to come.

Precision Iceblast Corporation to Relocate to Peshtigo

I was excited this week to announce that Precision Iceblast Corporation will relocate its production and product training facility from Wallace , MI to Peshtigo , WI . The relocation is expected to add 64 jobs.

We continue to work hard to attract businesses to Wisconsin and create a positive business environment that fosters job creation.

Precision Iceblast is an independent contracting operation that provides ice blasting services to many industries such as printing, food, paper, tape, automotive, marine, restoration, and manufacturing. It uses CO₂ blasting as the modern alternative to chemical cleaning, sandblasting, water blasting, steam cleaning, manual scrubbing, scraping, and hand tooling.

Just Ask the Governor: Part VI

Each e-update I will answer a question submitted by a recipient of the previous e-update or from someone who contacts my office directly.

Question: Can you please explain what is going on with the recently announced mortgage settlement?

Answer: Nearly eighty-two percent of Wisconsin 's share of the settlement will go directly to consumers who were victims of the abusive practices of mortgage lenders. Key components of the settlement are:

- \$60 million will be made available for loan modifications for eligible consumers, including principal reductions of up to \$20,000 for eligible mortgage holders;
- \$31.3 million will be available for mortgage refinancing opportunities for eligible consumers;
- \$17.2 million will be used for direct payments of up to \$2,000 to individuals who lost their homes due to foreclosure; and
- \$31.6 million is available to the state for discretionary use-of that amount, \$25.6 million will be allocated to the state's general fund to provide relief for all Wisconsin taxpayers who were affected by the economic downturn that resulted from the ills of the housing market.

Additionally, two programs administered by the Wisconsin Housing and Economic Development Authority will specifically target the City of Milwaukee with up to \$1.5 million in funding. Another \$1 million, including \$500,000 in funding from the Department of Financial Institutions, will be used for a statewide program to address neighborhood blight.

The economic downturn was felt in every county, city and village across the state. Property values declined and local economies suffered as a result. So did the state's economy and budget.

Using a small portion of the settlement proceeds for the general fund is an acknowledgement that the housing crisis impacted all Wisconsin citizens. The \$141 million settlement for Wisconsin will be good for consumers, our housing market and the state's economy.

I would encourage you to read [Attorney General J.B. Van Hollen's op-ed piece in the Milwaukee Journal Sentinel , which is titled "Entire state should benefit from settlement money"](#) for a complete analysis.

It has been a pleasure communicating with you. It is an honor to serve as your Governor and represent the residents of Wisconsin .

Sincerely,

A handwritten signature in black ink, appearing to be 'Scott Walker', with a stylized flourish at the end.

Governor Scott Walker