



## Group Offers Plan to Avoid Budget Cuts without Raising Taxes

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A budget blueprint released today by the Wisconsin Budget Project lays out a plan for state lawmakers to avoid deep cuts proposed by the Governor. The new budget plan accomplishes that objective by reallocating resources and eliminating new tax cuts rather than raising any taxes.

Jon Peacock, director of the Wisconsin Budget Project, said “state legislators have an opportunity to protect Wisconsin’s assets by passing a budget that strengthens, not weakens, Wisconsin’s public schools, university, system and health care services.”

Some legislators recently pledged to restore budget cuts if revenue estimates improve, but Peacock said that regardless of the next tax projections, the Legislature can and should free up the revenue needed to make investments in education, strong communities and a healthy workforce.

“Lawmakers can avoid the worst of the proposed budget cuts without new taxes and without depending on an upward revision of revenue collections,” Peacock stated. “By stopping the growth of tax cuts and accepting increased federal funding for health care, legislators can create a budget that invests in Wisconsin and its residents.”

The alternative budget proposal would free up an estimated \$782 million by making three changes:

- Saving an estimated \$345 million by expanding access to BadgerCare for adults with low incomes, which would qualify Wisconsin for a much larger share of federal Medicaid funding;
- Freeing up \$226 million by capping a new corporate tax break that is now expected to cost more than twice the amount originally anticipated; and
- Halting the expansion of a property tax credit that does little to help most Wisconsinites.

The Wisconsin Budget Project recommends using at least \$50 million from the funding generated by those changes to boost the state’s slim budget reserves, and allocating the rest in the following ways:

- Restoring the \$300 million that the budget bill proposes cutting from the UW System budget;
- Providing \$200 million more than the Governor proposed for public schools – to eliminate the proposed cut of \$150 per student in the 2015-16 school year and to provide \$73 million more than the Governor recommended for general school aid (while adjusting revenue caps to allow school districts to spend the increased aid);
- Removing the significant cuts in health care services for seniors, people with disabilities, and very low-income adults, which are projected to save \$33 million in the 2015-17 biennium;
- Using \$11 million to adjust the Homestead Tax Credit and about \$26 million to undo the cut made in 2011 to the state Earned Income Tax Credit (EITC), beginning in tax year 2016; and
- Using the remaining \$162 million to mitigate other spending cuts in the proposed budget.

Further details can be found online in [“Better Choices for the Wisconsin Budget: Legislators Can Avoid Deep Cuts without Raising Taxes.”](#)

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