



## WISCONSIN CATHOLIC CONFERENCE

### EYE ON THE CAPITOL

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#### STATE BUDGET 2009: HISTORY IN THE MAKING

By John Huebscher, Executive Director

The state budget is a fixture of every legislative session. It holds “center stage” for the first several months of every odd-numbered year before it becomes law. Once it is adopted, the legislature turns its attention to other matters.

Every budget reflects the fiscal and political reality in which it is debated and enacted. The 2009 budget was shaped first and foremost by Wisconsin’s dire fiscal situation and the obligation of the Governor and legislature to deal with a more than six billion-dollar gap between spending commitments and available revenues.

The fiscal crisis provided a powerful incentive for lawmakers to enact the budget before the beginning of the new fiscal year on July 1. The hard truth of the matter was that the sooner a budget was adopted, the sooner spending reductions and tax increases – both needed to close the gap – would have the desired impact. And the incentive had its effect. For the first time in 32 years, lawmakers and the Governor met this deadline.

The federal government provided other incentives to act quickly. Washington had set a July 1 deadline for certain state actions needed to capture additional federal dollars – dollars that are essential to balance the books in Madison.

The fact that for the first time in 24 years the Democrats control both houses of the legislature and the Governor’s office, provided a third incentive for prompt action. The Democrats were eager to show they could manage the state’s fiscal affairs in a timely way and that they could produce a budget in June, as opposed to budgets adopted in October in years when they and the Republicans shared power.

As with most budgets, the process by which it was enacted was also part of the story. And the process by which the Senate and Assembly enacted this budget reminded everyone of just how wide the loopholes are in Wisconsin’s open meetings law. First the Assembly, and then the Senate, revised the work of the Joint Finance Committee in secret caucuses where the real debates took place. The action on the floor of both houses was well-scripted theater in which the outcome was predetermined.

The work of reconciling the differences between the budgets adopted by the Assembly and the Senate also took place out of public view. In other years, a conference committee exchanged comments and suggestions over several days or more as they negotiated their compromises. This time, the Committee did not even meet until the deals were all worked out. Then the Committee ratified the agreement.

The process has its critics, but few legislators lose elections over the process. As one legislative leader observed some years ago when asked about the manner in which the budget is produced, "the content of the budget is history, the way it is enacted is process. The voters will judge us by history."

The legislature and the Governor have just completed a few pages of history with the 2009-11 budget. However, the voters will write the final chapter in the fall of 2010.