
II. Promoting fiscal restraint at the state level while encouraging strategic financial investment of state and private resources so that they complement a statewide economic development plan. Specifically, priority investments should target;

- ⇒ K-12, technical, and higher education
 - ⇒ Infrastructure
 - ⇒ Worker training
 - ⇒ Health care
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The Minnesota Plan focused primarily on holding the line on state government spending, recreating the financial relationship between state and local governments, consolidating government agencies and services, restraining dedicated government fund transfers, and reforming the tax system to make it more equitable and simple.

FACTS:

- ✓ State GPR expenditures have increased 44% between 1997 and 2007. (Wisconsin Taxpayer Alliance)
- ✓ Wisconsin's taxes-plus-fees claimed 15.20% of personal income, 13th highest among the states in 2004-05. State-local taxes in Wisconsin claimed 12.13% of personal income in 2004-05, 8th highest among states. (Wisconsin Taxpayer Alliance)
- ✓ Wisconsin's rainy day fund only contains \$780,000, significantly trailing all of our neighboring states; Minnesota (\$1.1 billion), Iowa (\$392 million), Indiana (\$328 million), Illinois (\$276 million) and Michigan (\$2 million).

CWI agrees will support policies that restrain state spending, limit fund transfers, improve the state's bond rating, and make Wisconsin's tax system more equitable.

Strategies:

- ✓ Restrain state spending increases.
- ✓ Restrict transfer of funds from one account to another to balance the budget.
- ✓ Grow Wisconsin's "Rainy Day Fund" to \$500 million.
 - Fiscal impact: Wisconsin's "Rainy Day Fund" currently has \$780,000. This would have a \$499 million fiscal impact.
- ✓ Improve Wisconsin's competitive position in the tax arena by removing Wisconsin from the top ten states for state-local tax burden. Actively market Wisconsin's more competitive rank on state-local government revenue burden when taxes and fees are considered at the same time.

- ☑ Conduct a tax fairness survey to consider policy changes to Wisconsin's tax mix.

The Minnesota Plan called for "investment budgeting" that made education a strategic priority for government resources. Still, it was not more money for the same old thing. So that Minnesota children could compete globally in a high-tech society, the plan called for upgrading the type of education that Minnesotans were receiving in the K-12 system.

CWI supports applying a more strategic "investment budgeting" approach which will prioritize spending on areas that will grow Wisconsin's economy, create more high-paying jobs and raise per capita income 5, 10 and 20 years from now. Those areas which state resources should be prioritized are: K-12, technical and higher education, Infrastructure, Worker training, and Health care.

Strategies:

- ☑ Adopt investment budgeting strategy to better prioritize spending decisions, improve state bond rating and prepare the state for potential economic downturns. Outcomes must be regularly measured to determine the effectiveness of specific spending decisions.