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While much of our attention has been on transportation, health care and education spending decisions, Sen. Vinehout also discusses the importance of our modest revenue estimates and lesser known budget realities.

MADISON - When it comes to paying the bills you've got to deal with what's real. You can't spend rhetoric.

Lawmakers are doubling down to deal with the state budget. Public hearings and town hall meetings are scheduled across the state. Many civic groups are hosting legislators in a discussion of the state budget. Many are burning the midnight oil to get to the bottom of the state's financial matters.

In all these conversations and the budget votes to come in the Capitol, lawmakers must to deal with what's real.

People know about the state's transportation fund. More money is leaving the fund than money coming in to pay for roads. Potholes are real.

In a future column I'll discuss solutions to fix our roads. But, today, I'd like to focus on lesser known budget realities and possible solutions.

First, the reality of revenue; money coming into our state through taxes is increasing, but less money is expected than the nonpartisan Legislative Fiscal Bureau originally estimated for the same time period a year ago.

When our state budget passed two years ago, the growth between last year and this year was pegged at 3.8%. Based on recent estimates, growth between last fiscal year and the current year is at 2.7%. We won't know the actual figures until later, but we do know the Bureau's revenue estimates for this year are reduced downward.

Why? Some changes are due to tax breaks costing more than originally anticipated.

Other changes may be related to Wisconsin's economy lagging the nation. For example, wages in Wisconsin are lower than 31 other states. Even states like Georgia and Louisiana have higher wages. Economic growth has also lagged. Wisconsin is ranked 23rd among states for economic growth since 2009 according to the Bureau of Economic Analysis.

Second, health costs continue to grow faster than any other part of the budget. Governor Walker's budget spends about $3 billion more (all funds) than the last budget. Half of this spending goes to health programs.

There are many reasons why health costs are increasing. For the one in five Wisconsinites that receive health care from the state, we can do much more to provide better value for taxpayers.

For many years I've advocated for common sense changes to our health system. For example, about half of all births are paid for with Medicaid. We need to make sure all new moms have prenatal care. It's simple and it saves lives and money.

Finally, lawmakers need a dose of reality in funding schools. Our funding formula is broken. State Superintendent Tony Evers has proposed changes every budget since 2011. This budget, like previous budgets, ignores Mr. Evers' proposals.

In this budget, the Governor is putting money outside the formula – evidently acknowledging the formula is broken but not fixing it. At best this is a Band-Aid approach that has, and will continue to, result in more referenda and higher property taxes.

Fixing the school funding formula would move Wisconsin forward. School board members would have consistency and be able to plan. Superintendents could count on steady, predictable revenue.

I agree with Mr. Evers in that every school needs a fixed amount of state aid. Evers suggests $3,000 per student. This approach will help both low aided districts and rural schools. Evers raises the amount for students in poverty. This will help both urban districts and poor rural districts.

Small school districts will still cost more money to operate. Maybe we need a conversation about a fixed dollar amount for rural school operation and then add a per student rate. Options are many but let's have a conversation about solutions.

We do have an increase in revenue. Not as much as we thought a few years ago, and not much more than in past budgets. We are only slowly recovering from the Recession – slower than most of our neighbors.

But let's be prudent and deal with reality. There are a lot of simmering problems that need our attention.