

2021-23 WISCONSIN BUDGET



MIDDLE CLASS TAX CUT

TYPICAL FAMILY SAVES **\$1,200**

INCOME TAX SAVINGS OF **\$1,000** PROPERTY TAX SAVINGS OF **\$200**

RAINY DAY FUND

WISCONSIN'S SAVINGS IN 2011 = **\$0**

WISCONSIN'S SAVINGS IN TODAY = **\$2 BILLION**

ENDING BALANCE

EVERS' PROPOSED ENDING BALANCE = **-\$700 MILLION**

LEGISLATURE'S ENDING BALANCE = **+\$450 MILLION**

SMART, TARGETED INVESTMENTS

2/3rds FUNDING FOR SCHOOLS **\$100 Million** FOR LOCAL ROADS

\$586 Million INCREASES FOR HEALTH CARE

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7. Sample Briefing Sheet for calls with *school officials*

Important Documents:

- a. [LFB Memo on Meeting the Maintenance of Effort Requirements](#)
 - b. [General Fund Condition Statement](#)
 - c. [Property Tax Estimates](#) (Median Value Home)
 - d. [Typical Wisconsin Family](#)
 - e. [2021-23 Budget by Agency](#) or [JFC Motions](#)
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General Fund Condition

(Ending Balance of \$450 million surplus – largest projected ending balance since at least 1995)

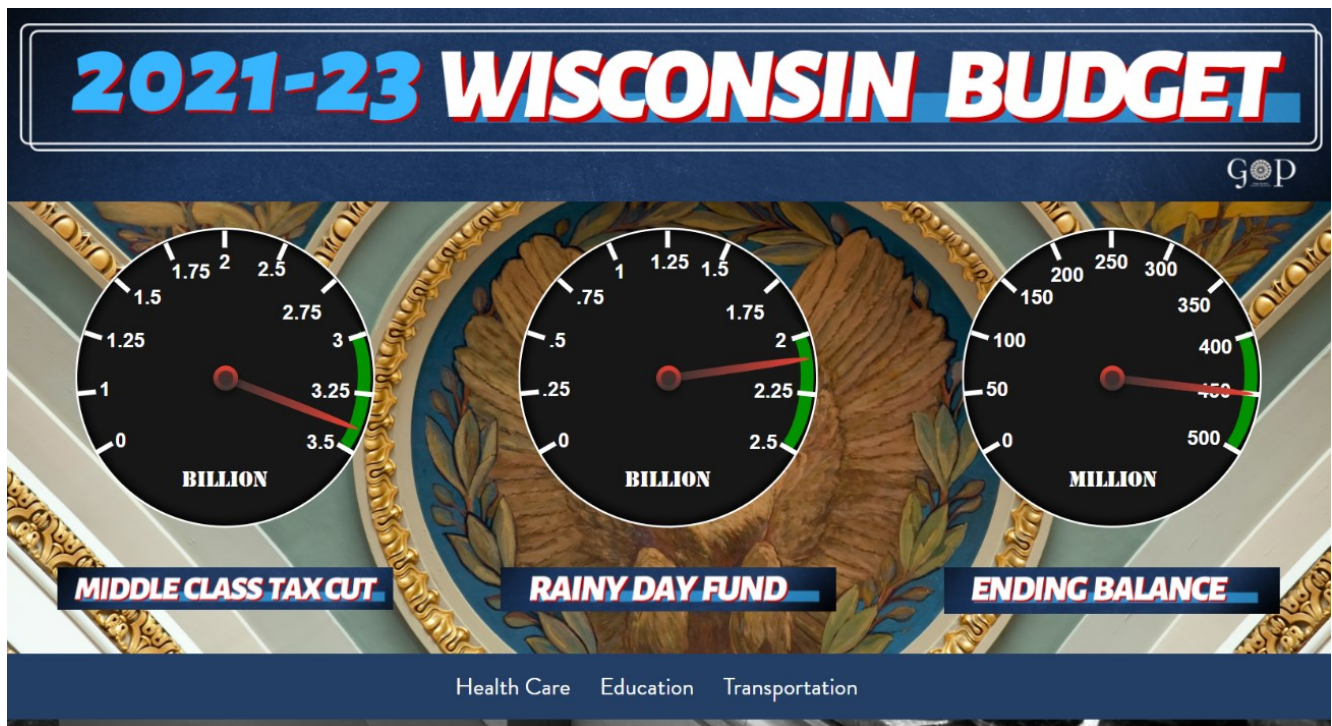
	<u>2021-22</u>	<u>2022-23</u>
Revenues		
Opening Balance, July 1	\$2,520,354,800	\$1,336,506,600
Taxes	17,886,964,000	19,457,864,000
Departmental Revenues		
Tribal Gaming Revenues	0	20,764,200
Other	<u>484,355,600</u>	<u>471,370,400</u>
Total Available	\$20,891,674,400	\$21,286,505,200
Appropriations, Transfers, and Reserves		
Gross Appropriations	\$19,304,316,200	\$19,753,674,400
Transfers to:		
Transportation Fund	178,869,600	97,289,300
Budget Stabilization Fund	0	550,000,000
Building Trust Fund	15,000,000	0
MA Trust Fund	174,665,900	527,783,700
UI Trust Fund	60,000,000	60,000,000
Compensation Reserves	41,929,200	105,951,600
Less Lapses	<u>-219,613,100</u>	<u>-267,069,300</u>
Net Appropriations	\$19,555,167,800	\$20,827,629,700
Balances		
Gross Balance	\$1,336,506,600	\$458,875,500
Less Required Statutory Balance	<u>-90,000,000</u>	<u>-95,000,000</u>
Net Balance, June 30	\$1,246,506,600	\$363,875,500

Budget Talking Points

Comparison Grid

	Governor's Proposed Budget	Legislature's Budget
Taxes	More than <u>\$1.5 Billion in tax & fee INCREASE</u> . Plus local options sales tax of 1%	\$3.4 billion total tax CUT - \$2.3B income (\$900/fam) - \$650M property (\$300/home) - \$200M Main Street (PPT)
Spending	\$8 billion increase in spending (9.3%)	\$1.5B in smart, targeted investments while limited on-going costs (4.1% GPR increase)
Structural Deficit	\$938 million	\$286 million
Ending Balance	-\$694 million (FY23)	+\$459 million (FY23)
Healthcare	Expanded Government-run healthcare programs (MA expansion)	Invested wisely directly to providers to help patient care: - Personal Care worker rate increase (\$78M) Direct Care Workers (\$104M), - Hospital Reimbursement increase (\$104M) - Long-term care facility (nursing home) reimbursement rate increase (\$254M, 12%), - Surgical Care Quality Improvement program funding for rural hospitals, - Community Health Centers (\$2M increase) Free and Charitable Clinics (\$2M increase)
Property Taxes	Lift Levy Limits on Locals by 2% per year	\$200 lower on MVH (\$650M prop. tax cut)
Government Employees	+363	-168
Budget Size	2,000 pages (bloated, big-government)	400 pages (slim, smart, targeted)

Caucus Budget Website: Budget.WisSenGOP.com



Total Tax Cut

- INCOME: \$2.5 billion
- PROPERTY: \$650 million
- MAIN STREET: ~\$200 million
- TOTAL: ~\$3.4 billion

OVERALL Numbers

- GAAP positive (near zero)
- Rainy Day transfer of \$1.3 B (\$2+B total now)
- General Fund Growth around 2%/year (< 4% over biennium)
- Median Value Home (MVH) will be \$200 lower
- Structural Deficit of only \$286M
- Cut more than 160 FTE

Income Tax Cut:

- \$1,200 saving for typical family (\$1,000 income, \$200 property)
- \$200M tax cut to Main Street Employers (PPT)
- [Sen. Kooyenga Op-ed on Income Tax](#)

School Numbers:

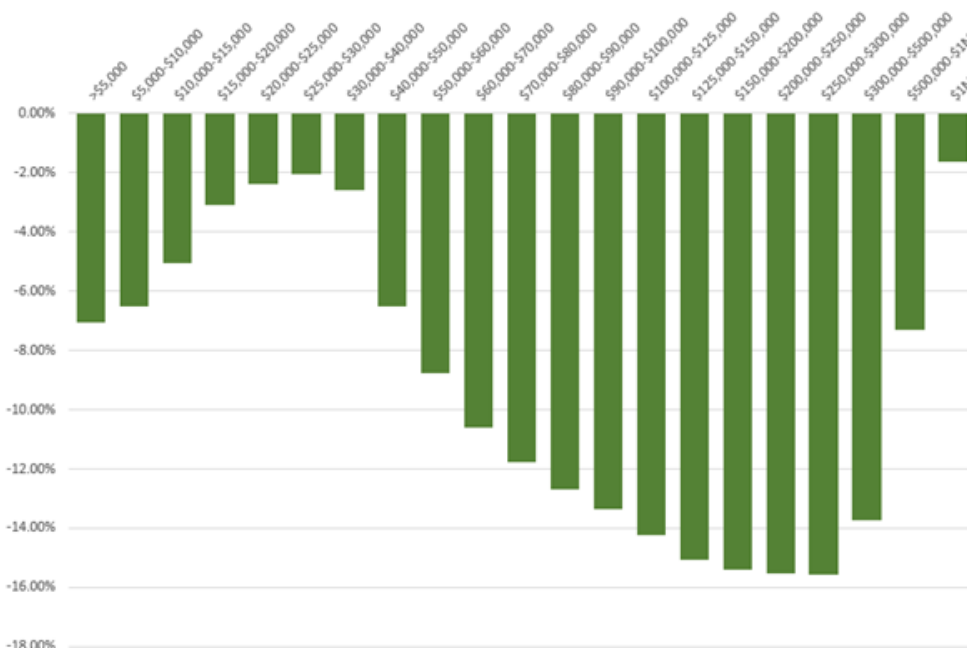
- \$2,900 per student increase statewide average (Federal COVID Aid)
 - o \$881 per kid – last budget increase
- \$781 per student floor (for 95% of districts will have this floor)
- \$128M for Special Ed, mental health, other needs
- \$350M set aside for future education spending
- Met the MOE (secured \$2.6 B in federal funding)
- Achieved 2/3 state funding of k-12 education

Transportation:

- \$100 million in Local Road Aids
 - o \$35M county, \$25M muni, \$39M towns
- 2% increase to General Transportation Aids (\$19M)
- \$207 million GPR transfer to Transportation Fund
- All Projects on schedule w/ NO tax or fee increases
- Lowest level of bonding in decades

- **3rd Income Tax Bracket: \$23,930 - \$263,480** (*middle class workers, dual income families, small businesses, those who don't qualify for other gov. benefits*)
- The last two budgets GOP cut taxes in the **second** bracket
- This was an unprecedented opportunity to make a transformational tax cut

Estimated Distribution of Taxpayers with a Tax Decrease under Proposal to Reduce Tax Rate in 3rd Bracket from 6.27% to 5.30% and Replace the Current Law Deduction for Child and Dependent Care Expenses with a Child and Dependent Care Credit Equal to 50% of the Federal Credit, Tax Year 2022



MIDDLE CLASS TAX CUT

\$1,200 Savings for a Typical Family

\$1,000 Income Tax Relief for Typical Family

\$200 Property Tax Relief for Typical Home

\$200 Million in Tax Relief for Main Street

Targeted, Smart Investments by Topic: ([Marklein Op-ed](#))

“Despite keeping state spending to historic lows, we made targeted investments in every essential function of state government including schools, healthcare, higher education, children and families, transportation, corrections, emergency services, natural resources, agriculture, broadband and more.”

Schools: With new state investments and the \$2.6 billion in federal funds, Wisconsin Schools are set to receive \$17.9 billion over the next two years – an increase of \$2,900 per student statewide average. With discretionary funds, we ensured a minimum increase of \$781 per pupil for all school districts that were in-person at least 50% in 2020-21. We heard about the areas of greatest need and made targeting increases to Special Education (10% increase or \$86M), Student Mental Health (\$12M), Sparsity Aid (\$6.3M increase, expanded eligibility), High Cost Transportation Aids (\$13M investment), and \$1.6M for the Reading Corps. In addition to meeting the federal MOE, the Legislature achieved a long-sought-after target of 2/3rds state funding of K-12.

Hospitals & Health Care: We heard about the importance of our state health care system from every corner of Wisconsin. We met critical needs for Personal Care worker (\$78M), Direct Care Workers (\$104M), Hospital Reimbursement increase (\$104M), Long-term care facility (\$254M, 12% increase), Surgical Care Quality Improvement program funding for rural hospitals, Community Health Centers (\$2M increase), and Free and Charitable Clinics (\$2M increase). This budget will help care for the most vulnerable in Wisconsin, keeping healthcare accessible, affordable and high quality.

Transportation: We invested heavily into our local roads programs putting \$100 Million into county, municipal, and town roads. Additionally, we increased general transportation aids by 2% each year. We made targeted \$200 M transfer into the transportation fund which kept all projects on schedule with no tax or fee increase. We also achieved the lowest bonding level in over 20 years bending our debt payment curve sharply downward.

Broadband: The legislature voted to expand on infrastructure investments by authorizing \$125 million in broadband expansion grants. Our investment will be further supplemented by the near \$1 billion in Broadband Expansion money that is currently moving through Wisconsin.

Corrections: The Legislature’s budget provides \$400,000 each year of the budget for medication-assisted treatment such as Vivatrol and other medications that provide treatment for addiction. It also provides workforce training, job placement, and coaching to help incarcerated individuals transition back into society.

Agriculture: We addressed challenges in the meat processing industry by approving four new state meat inspector positions to free up the supply chain delays. The Legislature also created Meat Processor Grant program (\$400,000) and increased the Dairy Processor Grant program. Mental health has been a major need across many areas of our state, as such we increased Farmer Mental Health program by \$200,000.

Natural Resources: The budget bill reauthorized the stewardship program for four years at \$3.25 million per year, while also authorizing additional funds for state park improvements. Investments were also made to Dam Safety grants, well compensation grants, and assistance to help manage the PFAS issue.

Justice: The Legislature restored 5.9 Assistant District Attorney positions that were vetoed in the last budget by Governor Evers and added additional ADA positions to manage increasing caseloads. To further control costs, we increased funding for the Treatment Alternatives and Diversion (TAD) program by \$2.5M which has proven successful in reducing court and corrections costs. To support our hard working police officers, we funded Law Enforcement Training Grants (\$2M) to sustain this important program for local police departments.

Higher Education: Nearly half of our Capital Budget was invested in UW System buildings for both maintenance and special projects. We also strategically funding building projects on five UW Campuses; UW Madison, UW Green Bay, UW Stevens Point, UW Oshkosh and UW River Falls to maximize our return on investments and give state students on those campuses the best opportunity to succeed.

2021-23 WISCONSIN BUDGET



Meeting w/ Town of Waukewaunabagowanochippasharapacawalfordton

“Despite keeping state spending to historic lows, we made targeted investments in every essential function of state government including schools, healthcare, higher education, children and families, transportation, corrections, emergency services, natural resources, agriculture, broadband and more.”

I am very proud of the Legislature’s work on behalf of all taxpayers. We crafted a responsible budget that addresses our priorities while respecting taxpayers.

We funded our strategic priorities while keeping state government spending to less than 4.1% growth over the biennium. This is a great budget for towns!

- **Transportation:** \$100 M for Local Roads, 2%/2% (\$2,681/mile, \$2,734/mile) increase for General Transportation Aids (GTA), all projects remain on schedule with no tax or fee increase, lowest Department of Transportation (DOT) bonding in 10 years.
- **Broadband:** \$125 Million for the Rural Broadband Expansion Grant program.
- **EMS:** Fully funded the EMS Funding Assistance Program (FAP), funding to local, volunteer departments.
- **Payments In Lieu of Taxes (PILT):** Increase PILT payments to \$3.50 per acre for all lands acquired by the Department of Natural Resources (DNR) before July 1, 1969.

We also made targeted investments in:

- **Schools:** Special Education (10% increase or \$86 million to 30% of eligible costs), Mental Health (additional \$12 M), Sparsity Aid (\$6.3 M increase, expanded eligibility), High Cost Transportation Aids (\$13 M investment). **Hospitals:** Personal Care worker rate increase (\$31 M), Direct Care Workers (\$40 M), Hospital Reimbursement increase (\$40M ongoing), Long-term care facility (nursing home) reimbursement rate increase (\$98.1M, 12% increase), Surgical Care Quality Improvement program funding for rural hospitals.
- **Corrections:** \$1.3 Million increase for Length-of-Service Awards for Corrections staff at all prisons, including Boscobel.
- **Agriculture:** Addressed challenges in the meat processing industry by approving four new state meat inspector positions. Created Meat Processor Grant program (\$400,000) and increased the Dairy Processor Grant program. Increased Farmer Mental Health program by \$100,000 per year.
- Grew our Rainy Day Fund to more than \$2 Billion.
- Met the Maintenance of Effort (MOE) requirement from the Federal government to capture \$2.6 Billion for Wisconsin schools.
- Returning \$3.4 Billion to Wisconsin Tax Payers - \$2.5 Billion in Income Taxes, \$650 Million in Property Taxes and \$200 Million for Small Businesses by ending the Personal Property Tax (PPT).
- Invested in UW System by funding building projects on five UW Campuses; UW Madison, UW Green Bay, UW Stevens Point, UW Oshkosh and UW River Falls.

MIDDLE CLASS TAX CUT

\$3.4 BILLION

- **\$1,200 Savings for a Typical Family**
- **\$1,000 Income Tax Relief for Typical Family**
- **\$200 Property Tax Relief for Typical Home**
- **\$200 Million in Tax Relief for Main Street**

2021-23 WISCONSIN BUDGET



Call with School District Administrator Mr. Feeny

We crafted a responsible budget that addresses our priorities while respecting taxpayers. We made sure to invest new state money into schools this budget to meet the federal MOE and capture \$2.6 billion in funds for school.

Despite what you may have heard from your Madison folks...

This is a great budget for Schools!

- Wisconsin schools will receive \$17.9 billion over the next two years
 - This is a 17% increase
- \$2,900 increase per student statewide average (Fed COVID Aid)
 - \$881 per kid increase last budget (*This budget triples that!*)
- \$781 per kid floor (95% of districts will have this floor)
- \$128M for Special Ed, mental health, other core needs
 - Special Education (10% increase or \$86 million to 30% of costs)
 - Mental Health (additional \$12 M)
 - High Cost Transportation Aids (\$13 M investment)
- \$350M set aside for future education spending
- Met the MOE (secured \$2.6 B in federal funding)
- Achieved 2/3rds state funding of school

EDUCATION FUNDING

2/3 FUNDING

2/3 State Funding for K-12 Schools

\$2,900 per Student Increase Statewide

Historic Investment In Education

Meeting Federal M.O.E. Requirements

We also made other targeted investments that will help schools:

- Invested in UW System by funding building projects on five UW Campuses; UW Madison, UW Green Bay, UW Stevens Point, UW Oshkosh and UW River Falls.
- Invests in Youth Apprenticeship Program increasing maximum from \$900 to \$1,100 per student

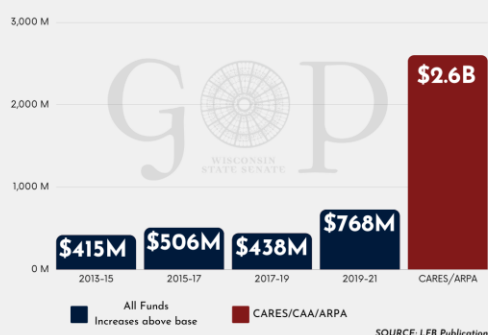
K12 Funding Increases

Growth in education budget compared to new federal funds

\$2.6B

in new federal money for schools*

*CARES, CAA, ARPA



“Schools have never had this much money to teach Wisconsin students – schools are fully funded.”

- The JFC budget, plus an influx of federal aid, means Wisconsin schools will receive about \$17.9B over the next two years.
- Also, the federal aid can be used for virtually anything a school needs to operate.
 - The Wisconsin Department of Public Instruction itself told the Joint Finance Committee that the money can be used for any and all “activities that are necessary to maintain the operation of and continuity of services in local educational agencies and continuing to employ existing staff of the local educational agency.”
- The total state is spending on schools is \$15.3 billion