



The **Fine  
Print**

# Wisconsin State Budget

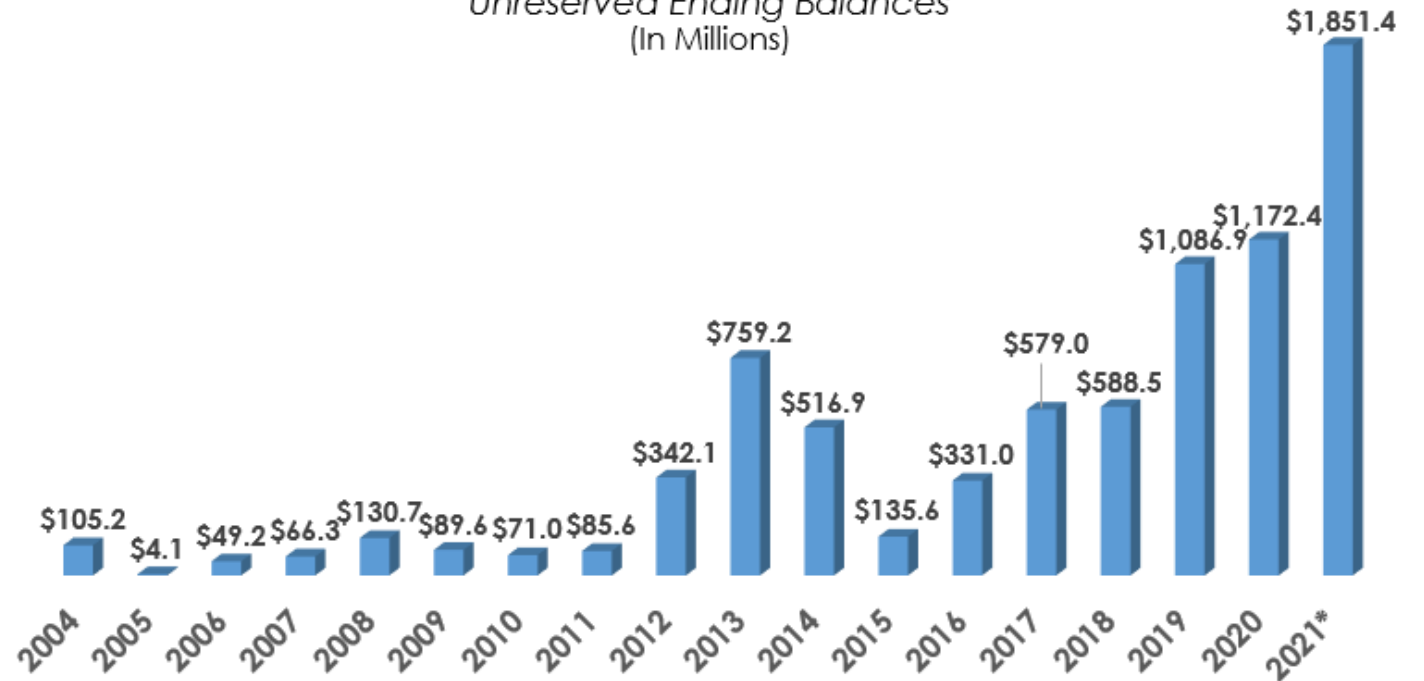
2021-2023

# State Budget Background

- ▶ Wisconsin has a biennial, two-year state budget. The process begins in odd years when the Governor releases his budget recommendations. This typically happens in February.
- ▶ Wisconsin is not like the federal government. Wisconsin must have a balanced budget.
- ▶ Thanks to prudent budgets sent to the governor by the State Legislature, today Wisconsin's fiscal house is in order and our surpluses have been growing!

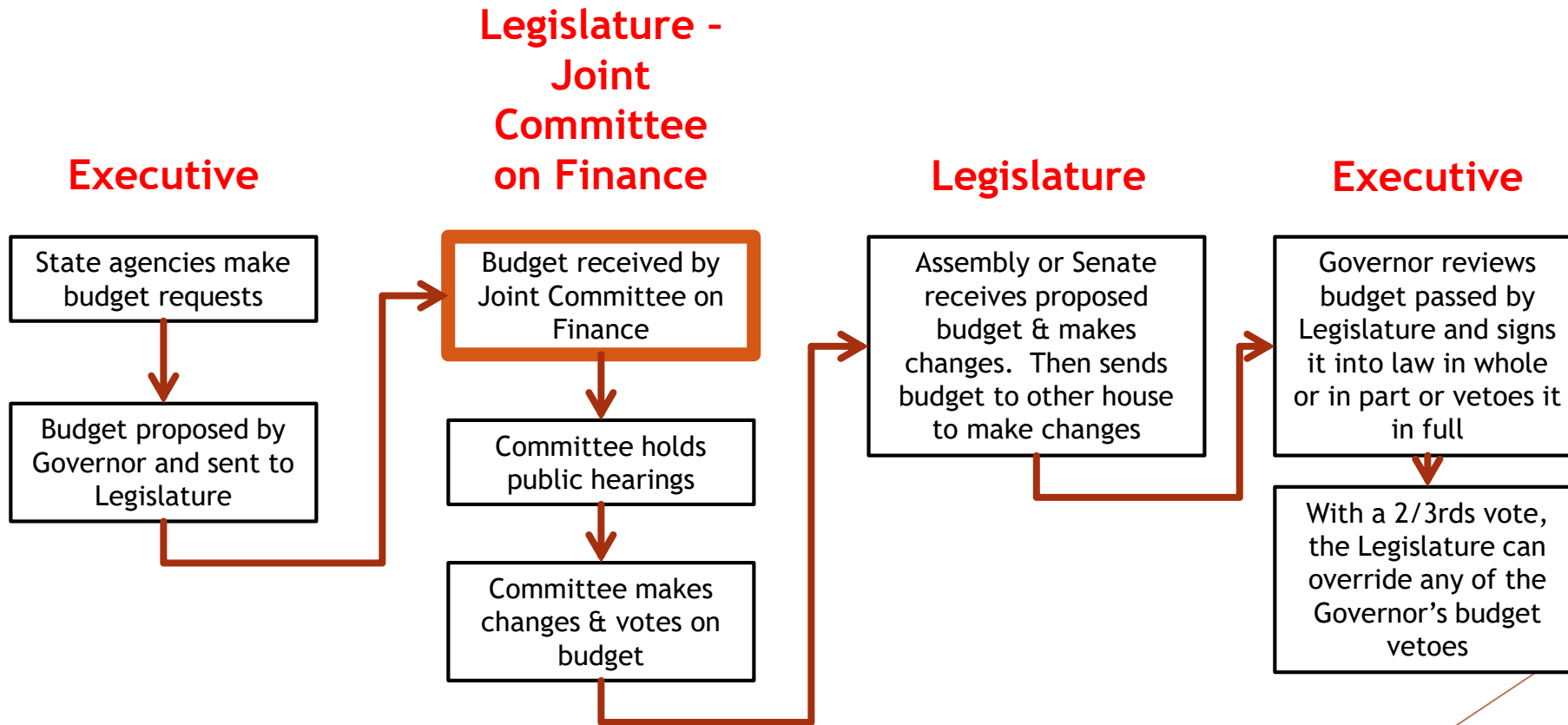
## Republican Leadership Improves the State's Bottom Line

Unreserved Ending Balances  
(In Millions)



Sources: Annual Fiscal Reports and \*estimated by LFB.

# State Budget: *What Happens Now?*



# Things I Like in the State Budget

- ▶ Expand the veterans outreach and recovery program with new positions for the Department of Veterans Affairs
- ▶ Increase general aids by \$18 million GPR per year for the Technical College System
- ▶ Invest \$1.6 million in marketing funds for the Department of Tourism
- ▶ Create economic development incentive grants at \$250,000 per year
- ▶ Provide \$150 million for broadband expansion grants
- ▶ \$20 million towards the creation of a program at the Department of Children and Families to improve the affordability of internet access

# Things I Like in the State Budget

- ▶ Provide additional funds to expand youth apprenticeship opportunities to more school districts and youth throughout the state
- ▶ Create state tax-preferred savings accounts that would allow first-time homebuyers to subtract from their adjusted gross income up to \$5,000 in contributions for single filers and up to \$10,000 in contributions for married-joint filers.
- ▶ Promote college affordability by continuing the tuition freeze at the University of Wisconsin System in the 2021-22 and 2022-23 academic years.
- ▶ Make critical and overdue improvements to the state's unemployment insurance system which will avoid significant information technology challenges in future periods of higher or spiking unemployment.
- ▶ Increase high cost and regular cost special education aid
- ▶ Provide a total of \$565.6 million in federal and state funds for the major highway program over the biennium to continue work on projects throughout the state.

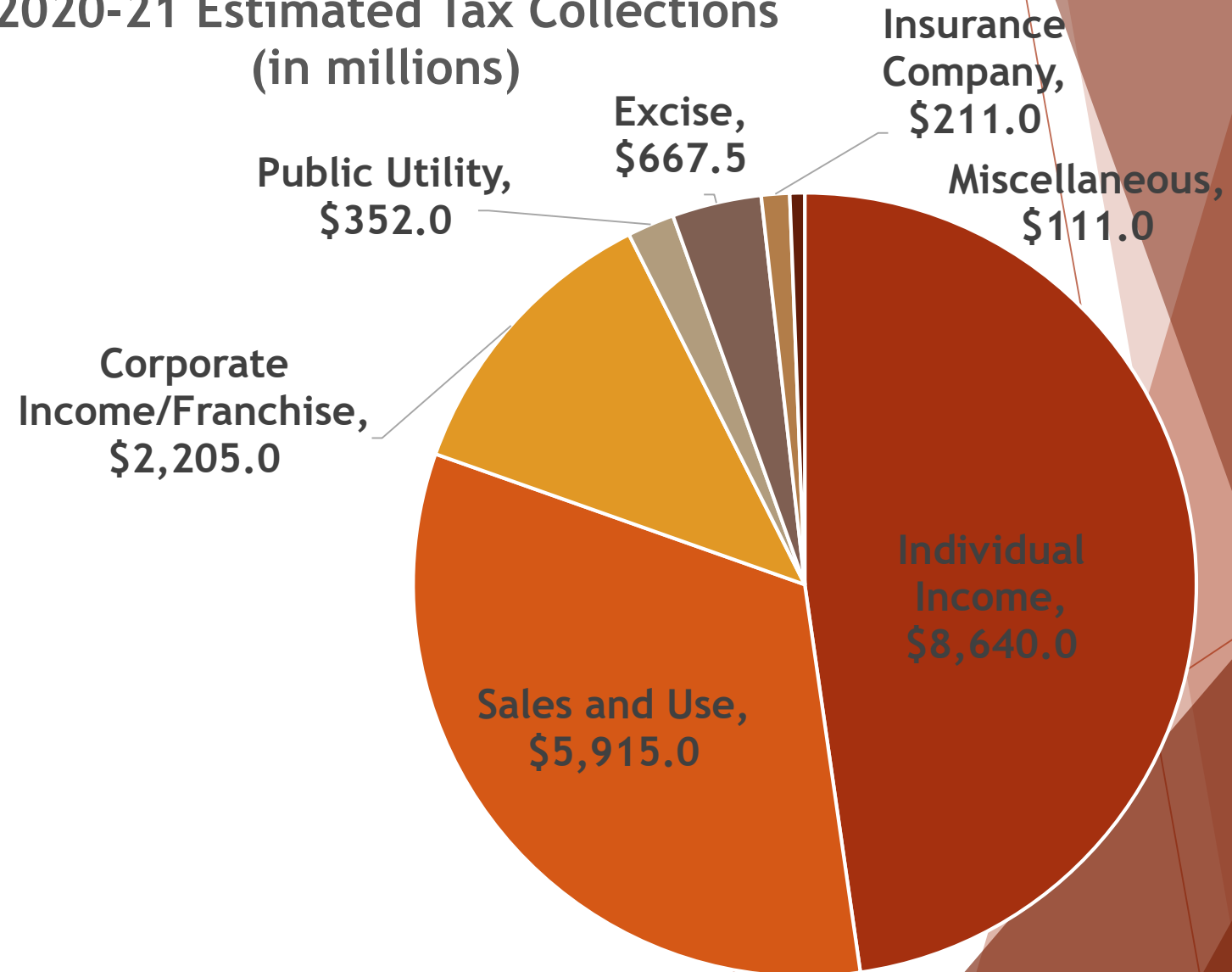
# Things I Like in the State Budget

- ▶ Provide \$40 million in bonding to start the I-94 East/West expansion project in Milwaukee County
- ▶ Provide funding which would provide for the development and management of an emergency services Internet protocol network; grants to counties for the development of geographic information systems data; development and management of the geographic information systems data provided by counties; and grants to 9-1-1 public safety answering points for training, equipment, or software expenses.
- ▶ Expand the earned release program to include educational, vocational, treatment, or other qualifying training programs that are evidence-based to reduce recidivism.
- ▶ Allocate funding to purchase body-worn cameras for state police officers and pay for the storage of data

# By the Numbers: *Taxes and the Source*

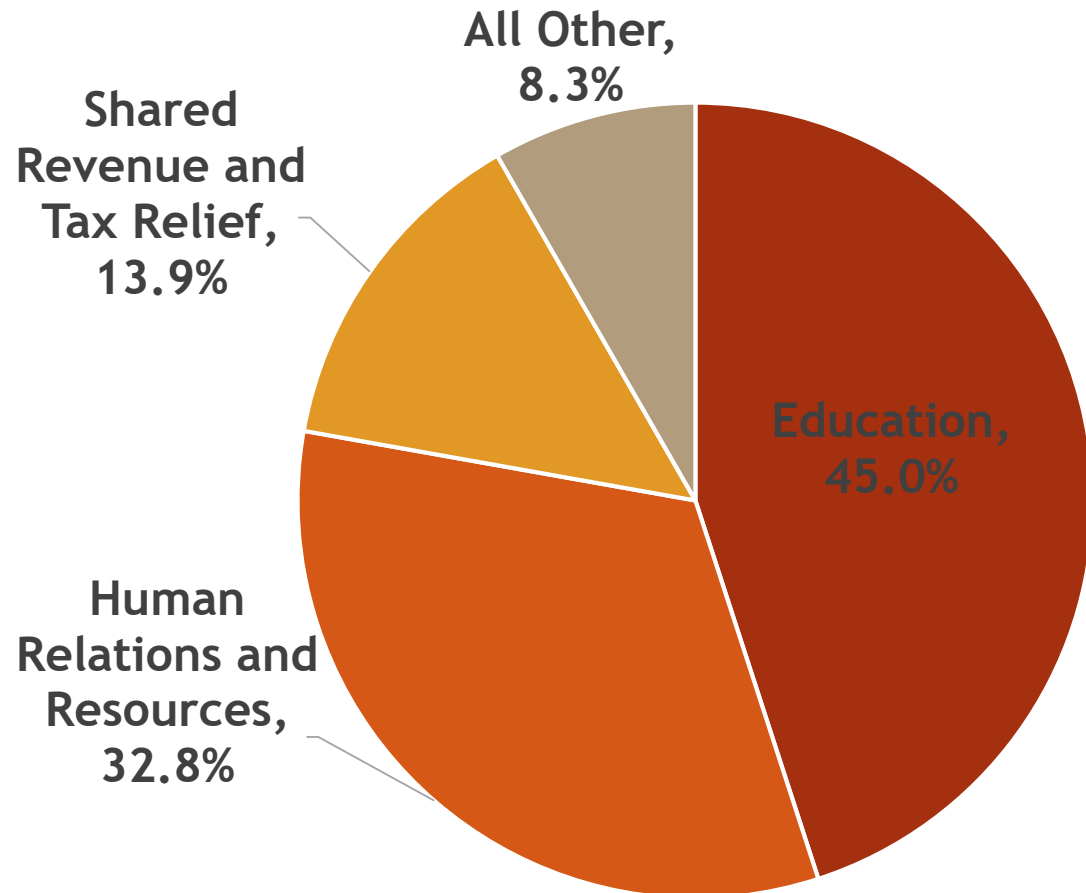
- ▶ State tax dollars are collected through a variety of means - including through the use of sales and income taxes.
- ▶ Along with federal money, these dollars make up a bulk of what our state spends each year.
- ▶ Property taxes are predominantly a local tax.

2020-21 Estimated Tax Collections  
(in millions)



# By the Numbers: *Where the Money is Spent*

## 2019-21 Budget General Fund Spending



- ▶ State general purpose dollars is mostly used for education.
- ▶ Human relations and resources include low income health care like BadgerCare.
- ▶ Programs - like state transportation spending - largely come from separate, segregated accounts.



# Federal COVID Relief: *Who Gets the Money?*

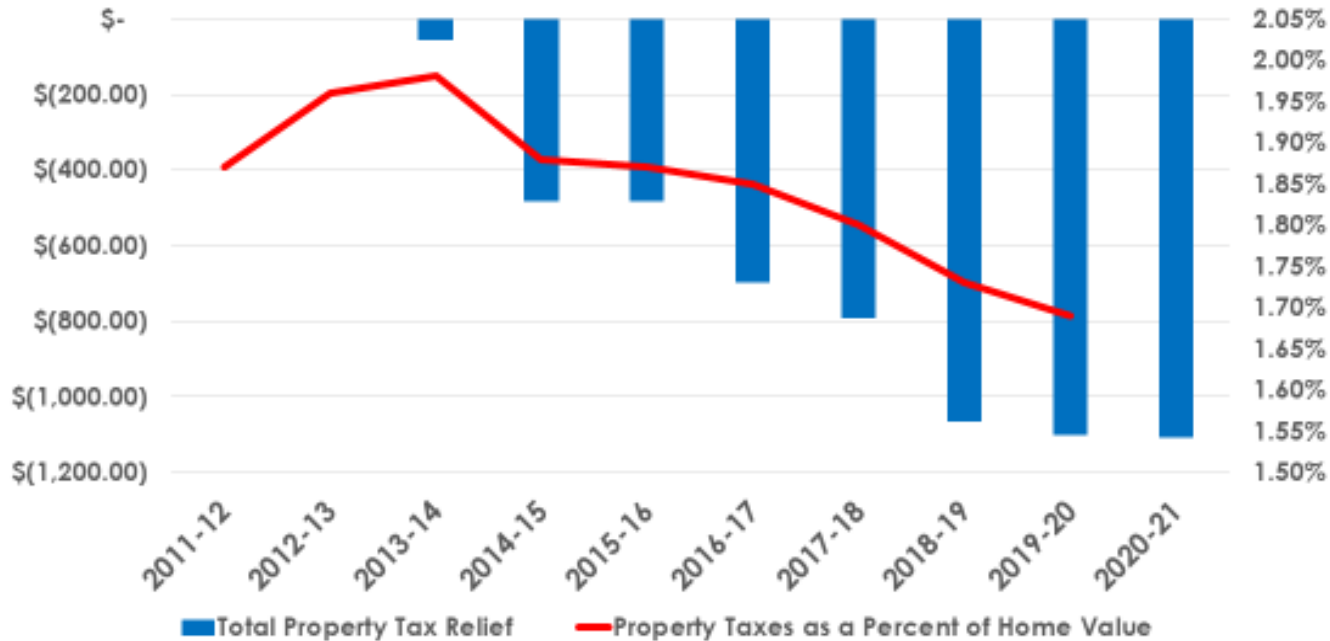
- ▶ \$35 billion has thus far come into, or been made available to Wisconsin from the federal government in response to COVID-19.
- ▶ These totals do not include the latest \$1.9 trillion package passed through Congress. As an example, within that package is \$170 billion for education which is more than double what has already been provided.

<b>Flexible Relief for the Governor, Milwaukee, and Madison</b>	<b>\$ 2,257,711,000</b>
<b>K-12 Education - Public and Private</b>	<b>\$ 1,005,709,000</b>
<b>Higher Education - Public and Private</b>	<b>\$ 503,652,000</b>
<b>Aids for Children, Elderly, and Virus Response</b>	<b>\$ 1,230,885,000</b>
<b>Health and Human Services Funds for Health Care</b>	<b>\$ 1,493,740,000</b>
<b>Labor, Justice, Agriculture, and Security</b>	<b>\$ 519,972,000</b>
<b>Housing and Urban Development</b>	<b>\$ 139,572,000</b>
<b>Transportation</b>	<b>\$ 554,281,000</b>
<b>Small Business Administration</b>	<b>\$12,146,094,000</b>
<b>Federal Unemployment Assistance</b>	<b>\$ 3,248,678,000</b>
<b>Emergency Rental Assistance</b>	<b>\$ 386,778,000</b>

# By the Numbers: *Taxes Over the Years*

## Property Tax Relief Reduces Burden on Homeowners

Nearly \$5 Billion in Relief Since 2013-14  
(In Millions)



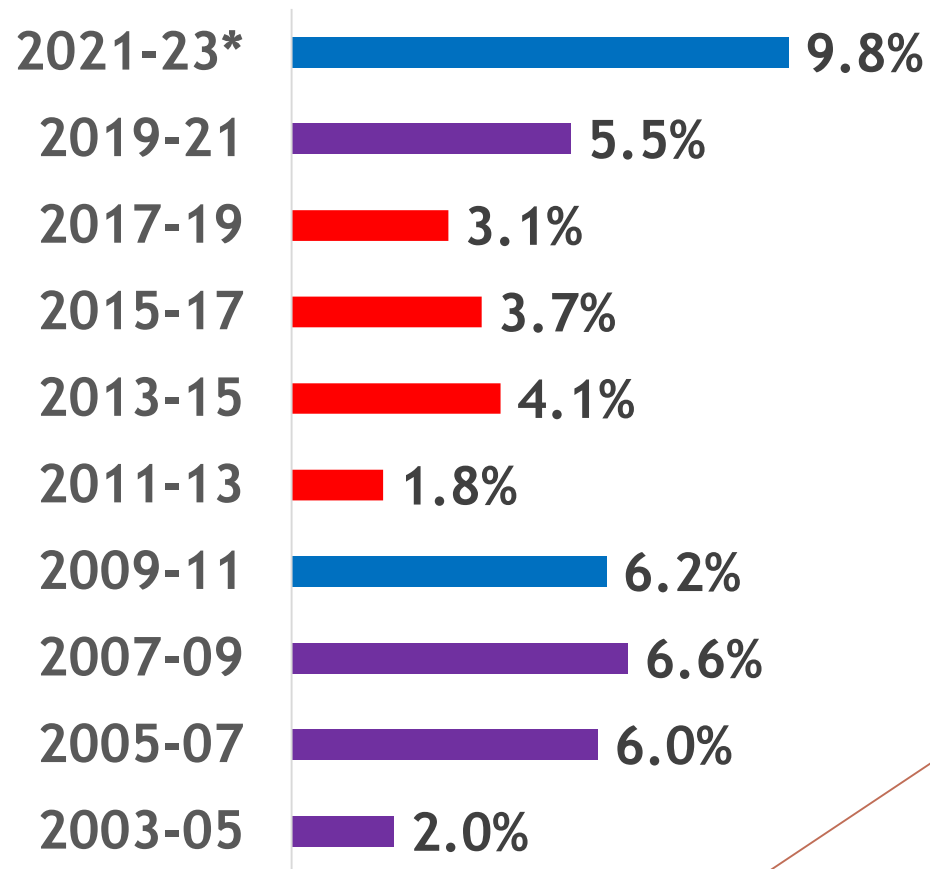
Sources: Legislative Fiscal Bureau Memos.

- ▶ Over the last eight years the State Legislature has been able to cut taxes.
- ▶ A median income family is paying over \$500 less each year in income taxes thanks to tax cuts.
- ▶ The Legislature created over \$5 billion in property tax relief since 2014.
- ▶ Governor Evers is proposing more than a \$1 billion tax increase - even after he stated he had no plans to raise taxes.

# By the Numbers: *Evers' Spending Increase*

- ▶ Prior to the pandemic our unemployment rate was hovering at a historical low.
- ▶ Median income families had seen their income rise nearly \$20,000 since 2010.
- ▶ However, Gov. Evers has proposed spending much more in this budget than before - reversing the policies that aided our economic growth and turning surpluses into deficits.

Increase In Spending Overall by State Budget



\*Governor proposed.

# By the Numbers: *Evers' Spending Increases and Items that Don't Belong in a Budget*

- ▶ Expanding the size of state government by adding more than **300 new employees** across agencies;
- ▶ **Repealing Act 10** reforms that have saved billions;
- ▶ Extending **in-state tuition benefits to undocumented immigrants**;
- ▶ **Expanding welfare benefits to tens of thousands** while **eliminating drug testing safeguards**;
- ▶ **Ending work requirements** for able-bodied adults without kids on welfare;
- ▶ **Increasing taxes** on energy, property, and income;
- ▶ **Loosening voting requirements** and proposing gun control laws; and
- ▶ **Legalizes marijuana**
  
- ▶ **Much, much more...**

# Budgeting Within our Means

- ▶ Stay with what works. Our current budget is projected to have a **\$1.8 billion surplus** and our state's rainy day fund is estimated to be nearly \$1 billion!
- ▶ Find areas of agreement. There are a number of shared priorities in this budget that we can work together on such as broadband - but **Gov. Evers' budget proposal relies too heavily on tax increases, welfare expansion, and out of control spending** to be taken seriously.
  - ▶ Even worse, **Evers' budget would create a \$1.3 billion structural deficit** going forward!
- ▶ Our state and our economy are growing - hiking your taxes and expanding the heavy hand of state government will only take us backward.

## Next Steps

- ▶ Now that Gov. Evers' budget bill has been introduced, the Legislature will begin our work by reviewing the contents of the budget and holding public hearings around the state.

# Thank You for Your Input!

## Questions? Feedback?

- ▶ Visit <https://legis.wisconsin.gov/assembly/52/thiesfeldt> to provide feedback or inquire about specific budget provisions.
- ▶ Email: [Rep.Thiesfeldt@legis.wi.gov](mailto:Rep.Thiesfeldt@legis.wi.gov)
- ▶ Find a copy of Gov. Evers' budget proposal at, <https://doa.wi.gov/Pages/StateFinances/CurrentBiennialBudget.aspx>.
- ▶ Or call my office toll-free at:  
(888) 529-0052

