



NANCY VANDERMEER

STATE REPRESENTATIVE • 70TH ASSEMBLY DISTRICT

February 9, 2021

State Finances in Sound Position for Next Budget

Governor Evers will give his second budget address on Tuesday, February 16th, at 7:00pm. As we in the Legislature prepare to hear the address and review the governor's budget proposal for the next two fiscal years, I wanted to share some information on how the state puts together its budget, point out where we're at looking forward, and highlight what the governor proposed in his first budget address.

Our state runs on a July to June fiscal year and we operate on a biennial budget cycle, meaning that every two years, the Legislature and the governor are responsible for coming up with a new budget for the state that includes planned revenues and expenditures. The state budget is the single most important piece of legislation that is taken up each two-year legislative session.

Usually as early as the summer prior to a new budgetary cycle, state agencies start to put together their budget requests and submit them to the governor, sometimes with public or private direction or guidance from the governor's advisory team. The governor then begins to put together his or her proposed budget to submit and present to both houses of the Legislature in the first part of the new legislative session.

Sometimes the governor will include legislative proposals from previous sessions. For example, Governor Walker previously included the sales tax holiday proposal I authored in his 2017 budget, and it looks like, based on a media announcement, that Governor Evers will include a proposal I authored and passed out of the Assembly last session with Senator Howard Marklein that adds College of Agricultural and Life Sciences (CALS) researchers to the UW-Extension System to work with our agricultural producers.

After the governor presents his or her budget, the Legislature, led by the Joint Committee on Finance (JFC), puts together their version of the budget, which can include keeping the governor's recommendations, not including the governor's proposals, adding our own, revising some recommendations and omitting others, or as is usually the case, a combination of all aforementioned. The budget is then sent back to the governor for passage. The governor can accept or decline the Legislature's budget, with or without vetoes, exercising one of the most powerful veto authorities in the nation. Once a final version of the budget is passed by both houses of the Legislature and signed by the governor, the budget is enacted into law and the cycle is complete.

There has been a high degree of concern with this session's budget considering the COVID-19 situation and the effect of statewide and local lockdowns on tax revenue. However, as Co-Chairs of the Joint Committee on Finance, Senator Howard Marklein of Spring Green and Representative Mark Born of Beaver Dam, stated in a [press release](#) toward the end of January, based off new [estimates](#)



NANCY VANDERMEER

STATE REPRESENTATIVE • 70TH ASSEMBLY DISTRICT

from the nonpartisan [Legislative Fiscal Bureau](#), despite the COVID-19 pandemic and government-mandated shutdowns, the state is currently in a strong fiscal position and we generated more revenue than projected at this time last year, even during a pandemic.

We're in a good spot because of responsible budgeting by Legislative Republicans over the last several years. We've repeatedly been able to make investments that have a positive impact for residents throughout the state while holding the line on spending and even repeatedly delivering tax cuts to the tune of over \$8 billion since 2011.

In the last budget, which no Legislative Democrat voted for, we made the largest investment in public education in history, quadrupled funding for the Broadband Expansion Program, funded roads and transportation-related projects across the state, supported healthcare providers, made historic investments for our veterans, and increased reimbursements for those who take care of our most vulnerable, all while also cutting taxes for the middle class.

As described in a recent [letter to the governor](#) from the Chairs of the Joint Committee on Finance encouraging him to present a responsible budget in light of current circumstances, the governor's last budget proposal included more than \$1 billion in tax increases. His budget would have increased state spending by more than 8%; the largest increase in nearly 20 years, and also included a number of divisive, non-fiscal policy items like eliminating drug testing for welfare recipients, in-state tuition for illegal aliens, and doing away with reforms that have put our state in a strong financial position.

Ideally, the governor's budget proposal this cycle will be a practical financial plan that doesn't raise taxes, limits government spending, facilitates workers getting back to work and businesses being able to recover, incentivizes getting kids back into the classroom throughout the state, and continues to invest in areas that provide benefit to residents throughout the state. However, if recent history is in fact a predictor of future behavior, that unfortunately might be a wish unfulfilled.

Nancy VanderMeer represents the 70th Wisconsin State Assembly District, which includes portions of Monroe, Jackson, Portage and Wood counties and serves as the Chairperson of the Assembly Committee on Rural Development and Vice-Chairperson of the Assembly Committee on Veterans and Military Affairs.