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STATE SENATOR • 17TH SENATE DISTRICT

Capitol Update
By Senator Howard Marklein
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State of Wisconsin: Annual Fiscal Report

Every year the State of Wisconsin issues an annual fiscal report detailing the revenue and spending of the state over the previous fiscal year. The report is completed on a cash accounting basis but still offers an opportunity to look at the ongoing condition of our state government. Taking a broad look at the tax dollars the state received and how we spent that money in the last year can reveal important lessons.

Crunching the numbers and looking closer at how state government spends money shows some of our priorities. The table below details the top 10 programs the State of Wisconsin funds with general fund tax dollars. Spending this year, last year, and the percent change in the ten biggest programs in our state is included.

Top Ten Programs
GPR Expenditures
(\$ in Millions)

Programs	FY 14	FY 15	\$ Change	Percent Change
1.) School Aids	\$ 5,142.2	\$ 5,336.8	\$ 194.6	3.8%
2.) Medical Assistance	2,305.5	2,520.0	214.5	9.3
3.) Correctional Services	1,167.3	1,145.1	-22.2	-1.9
4.) UW System	1,150.0	1,086.0	-65.0	-5.6
5.) State Property Tax Credits	895.7	894.1	-1.6	-0.2
6.) Shared Revenue	822.6	824.0	1.4	0.2
7.) WI Technical College System	108.1	511.1	403.0	372.8
8.) Individual Tax Relief	234.5	226.2	-8.3	-3.5
9.) Community Aids	184.6	197.2	12.6	6.8
10.) State Supplement to SSI	150.9	153.5	2.6	1.7
All others	2,471.1	2,439.9	-31.2	-1.3
Total	\$ 14,633.5	\$ 15,333.9	\$ 700.4	4.8%

Source: Department of Administration

Wisconsin's investment in education remains a top priority while medical assistance represents an increasing amount of the state's budget, mirroring increases in health costs and Medicaid enrollment. The Wisconsin Technical College System shows a large increase due to a \$400 million investment in that system. The last budget included an increase of \$400 million in aid to technical colleges, which allowed the colleges to reduce their tax levies.

The second component of our state's budget is revenue, or the tax dollars the state collects. Over the past year tax collections have increased by 4.3%, primarily a result of improving economic growth and activity. This included an increase in individual income taxes, sales and use tax, as well as corporate taxes.

General Purpose Revenue Taxes
GPR Tax Collections
(\$ in Millions)

Tax Source	FY 14	FY 15	\$ Change	Percent Change
Individual Income	\$ 7,061.4	\$ 7,325.8	\$ 264.4	3.7%
General Sales & Use	4,628.3	4,892.1	263.8	5.7
Corporate	967.2	1,004.9	37.7	3.9
Excise	698.7	699.1	0.4	0.1
Inheritance, Estate & Gift	-0.1	-0.1	0.0	0.0
Public Utility	361.0	381.8	20.8	5.8
Insurance Companies	165.8	165.5	-0.3	-0.2
Miscellaneous	65.8	72.1	6.3	9.6
Total	\$ 13,948.1	\$ 14,541.2	\$ 593.1	4.3%

Source: Department of Administration

Taking revenue and expenses together, I am hopeful we are moving in a positive direction for the State of Wisconsin. We continue to focus on making investments in our state, while being mindful of taxpayers, and ultimately keeping the bottom line for our state in mind. Wisconsin ended its June 30, 2015 fiscal year with a positive cash balance of \$135.5 million.

For more information and to connect with me, visit my website <http://legis.wisconsin.gov/senate/17/marklein> and subscribe to my weekly E-Update by sending an email to Sen.Marklein@legis.wisconsin.gov. Do not hesitate to call 800-978-8008 if you have input, ideas or need assistance with any state-related matters.