



## Legislative Fiscal Bureau

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TO: Members  
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: 2023-25 and 2025-27 General Fund Budget -- 2023 Wisconsin Act 19

The following tables (in millions) provide information on the condition of the state's general fund for 2023-25 and 2025-27 under 2023-25 Act 19 (the 2023-25 biennial budget). Table 1 displays the projected 2023-25 general fund condition statement under Act 19.

**TABLE 1**  
**2023-25 General Fund Condition Statement**

	<u>2023-24</u>	<u>2024-25</u>
<b>Revenues</b>		
Opening Balance, July 1	\$6,877	\$4,347
Taxes	21,251	22,014
Departmental Revenues		
Tribal Gaming Revenues	0	9
Other	<u>832</u>	<u>726</u>
Total Available	\$28,960	\$27,096
<b>Appropriations, Transfers, and Reserves</b>		
Gross Appropriations	\$22,651	\$21,041
Transfers to:		
Building Program	1,234	0
PFAS Trust Fund	110	0
Local Government Fund	0	1,563
Innovation Account	0	303
Transportation Fund		
EV Sales Tax	39	55
0.25% Transfer	48	52
Other	556	0
Compensation Reserves	311	398
Less Lapses	<u>-336</u>	<u>-384</u>
Net Appropriations	\$24,613	\$23,028
Gross Balance	\$4,347	\$4,068
Less Required Statutory Balance	<u>-100</u>	<u>-105</u>
Net Balance, June 30	\$4,247	\$3,963

Table 2 focuses only on the 2024-25 fiscal year. 2024-25 is the "base year" for construction of the 2025-27 budget.

**TABLE 2**

**2024-25 General Fund Condition Statement**

	<u>2024-25</u>
Opening Balance, July 1	\$4,347
Revenues (Taxes and Departmental Revenues)	<u>22,749</u>
Total Available	\$27,096
Net Appropriations	\$23,028
Gross Balance	\$4,068

Table 3 addresses the structure of the general fund budget. To do so, only the revenues, net appropriations, and the difference between the two is shown. Thus, Table 3 ignores the opening balance and focuses only on the revenues and net appropriations for the 12 months of the fiscal year.

**TABLE 3**

**2024-25 Balance of Revenues and Expenditures**

	<u>2024-25</u>
Revenues	\$22,749
Net Appropriations	<u>23,028</u>
Difference	-\$279

Table 3 indicates that net appropriations exceed revenues by \$279 million. The -\$279 million becomes \$4,068 billion when the \$4,347 billion opening balance is considered. However, Table 3 focuses only on the revenues and net appropriations for the 12 month period (July, 2024, through June, 2025).

Table 4 shows estimated 2025-27 general fund commitments. This table reflects estimated increases or decreases of various items for each year of the 2025-27 biennium as a change to base year (2024-25) revenues and net appropriations.

**TABLE 4**

**2025-27 General Fund Commitments  
(\$ in Millions)**

	<u>2025-26</u>	<u>2026-27</u>
<b>Revenues (Taxes and Departmental Revenues)</b>		
2024-25 Base Revenues	\$22,749	\$22,749
Modifications to Base		
Interest Earnings	-20	-40
Broadband Exemption (Telephone Companies)	-16	-11
2017 Act 231 -- IRC Update	19	10
IIJA Automatically Adopted -- IRC Update	4	7
ARPA Automatically Adopted -- IRC Update	-1	3
CAA23 Automatically Adopted -- IRC Update	-5	-16
Federal Expiration of SALT Deduction	-40	-90
Low-Income Housing Tax Credit	-6	-6
DOR Advanced Technology System	3	7
Expiring Auditor Project Positions	<u>-29</u>	<u>-39</u>
Subtotal -- Modifications	-\$91	-\$175
Total	\$22,658	\$22,574
<b>Net Appropriations</b>		
2024-25 Base	\$23,028	\$23,028
Modifications to Base		
DHS -- WisCaregiver Careers	-2	-2
DHS -- Allied Health Professional Training Grants	-2	-3
DCF -- Child Support Information Technology Modernization Project	-7	-8
Innovation Account	-300	-300
Innovation Planning Account	-3	-3
Historical Society IT Services	-2	-2
School Mental Health	-15	-15
Milwaukee Choice	9	19
Independent Charter	3	6
Appropriation Obligation Bonds	-24	-60
General Obligation Bonds	-76	-61
DOA -- District Attorney IT	-4	-4
EITM Zone (Foxconn)	9	1
Refundable Research Credit	10	10
Expiring Auditor Project Positions	-2	-3
Sales Tax Transfer to Local Government Fund	24	24
Forestry Mill Rate	<u>5</u>	<u>11</u>
Subtotal -- Modifications	-\$377	-\$390
Total	\$22,651	\$22,638

Table 5 places the figures from Table 4 into condition statement format for the 2025-27 biennium

**TABLE 5**

**2025-27 General Fund Condition Statement  
(Before Revenue Growth and Program Expansion)**

	<u>2025-26</u>	<u>2026-27</u>
Opening Balance, July 1	\$4,068	\$110
Revenues (from Table 4)	<u>22,658</u>	<u>22,574</u>
Total Available	\$26,726	\$22,684
Net Appropriations (from Table 4)	\$22,651	\$22,638
Required Balance	<u>110</u>	<u>115</u>
Total	\$22,761	\$22,753
Balance	\$3,965	-\$69
Biennial Amount		\$3,896

Table 5 shows that, for 2025-26, the general fund would have an estimated balance of \$3,965 million after meeting commitments under Act 19. In 2026-27, an imbalance of -\$69 million would occur, resulting in a cumulative balance of \$3,896 million.

It is important to note that the amounts shown in Tables 4 and 5 represent commitments under current law and Act 19. No assumptions are made regarding revenue modifications in 2025-27 due to such unknowns as future law changes or economic factors. Likewise, no assumptions are made to appropriations regarding changes in caseloads, population estimates, enrollments, employee compensation, or inflation.

The intent of the exercise is to provide policymakers with an indication of the beginning point for the budget of the succeeding biennium. It does not project whether the next budget will have a surplus or a deficit (the Constitution requires that the Legislature pass a balanced budget). Rather, the analysis is intended to serve as a guide during current budget deliberations and provide some insight regarding the succeeding budget.

Over the past 10 biennia, the estimated amounts under this exercise ranged from \$1,021 million to -\$2,511 million. For eight of the previous 10 biennia, the exercise resulted in a negative number. The average of those eight biennia was -\$1,430 million.

It should be noted that at the end of the 2023-25 biennium, the budget stabilization fund will have an estimated balance of \$1.8 billion, excluding any interest or other deposits that may accrue to the fund.

BL/lb