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Wisconsin's 2023-25 budget

May 2023

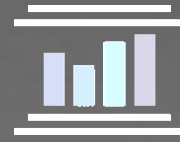


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Informed &
Impartial Analysis

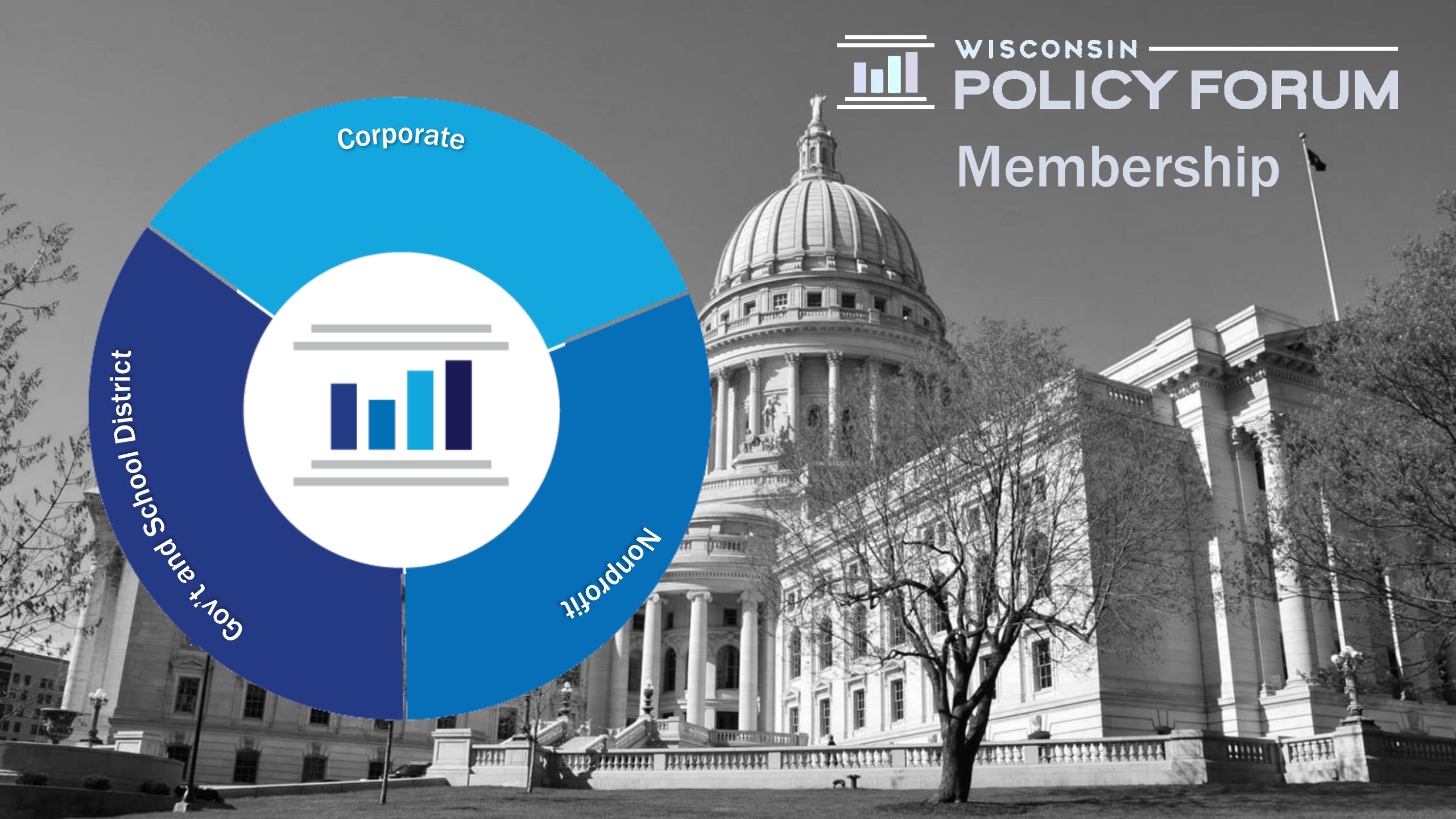
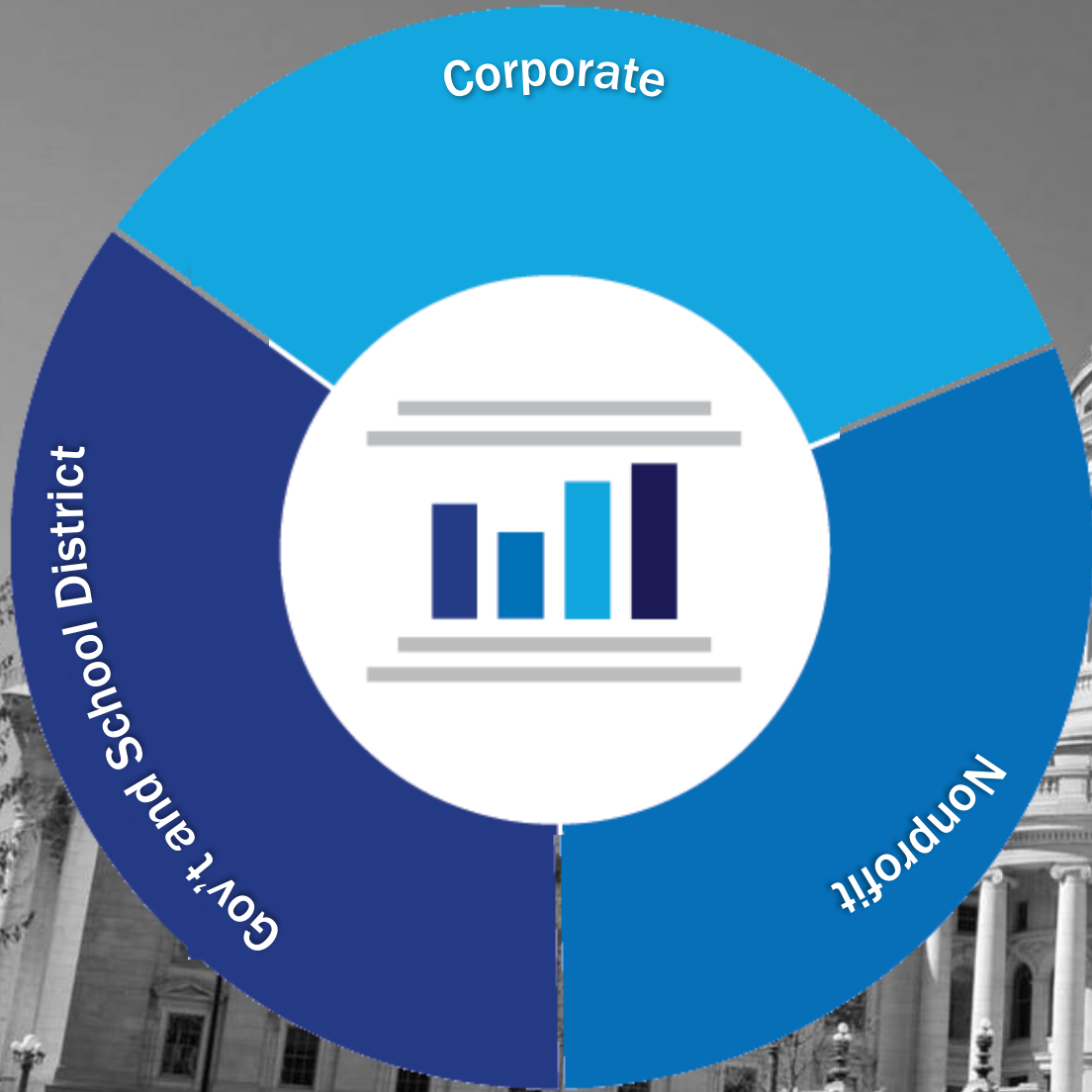
Data-Driven Decisions
Thoughtful Debate






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Membership



Research Reports

SOMETHING IN COMMON
Exploring Fire and EMS Service Sharing Opportunities in the La Crosse County Region



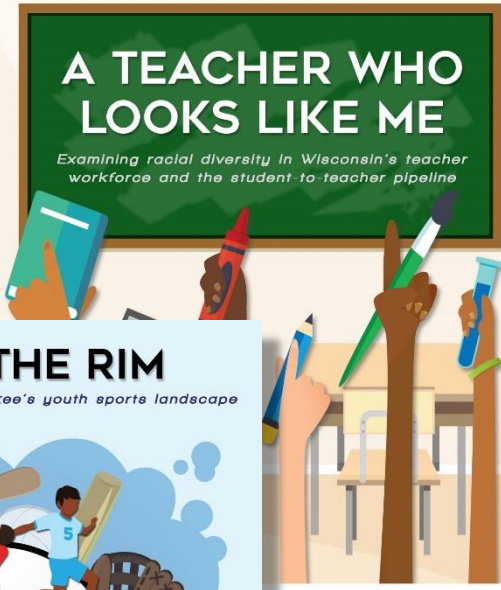
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FALLING BEHIND?
The State of Wisconsin's Public Universities and Colleges



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A TEACHER WHO LOOKS LIKE ME
Examining racial diversity in Wisconsin's teacher workforce and the student to teacher pipeline



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LAYING THE FOUNDATION
An overview of city of Milwaukee affordable housing programs and priorities



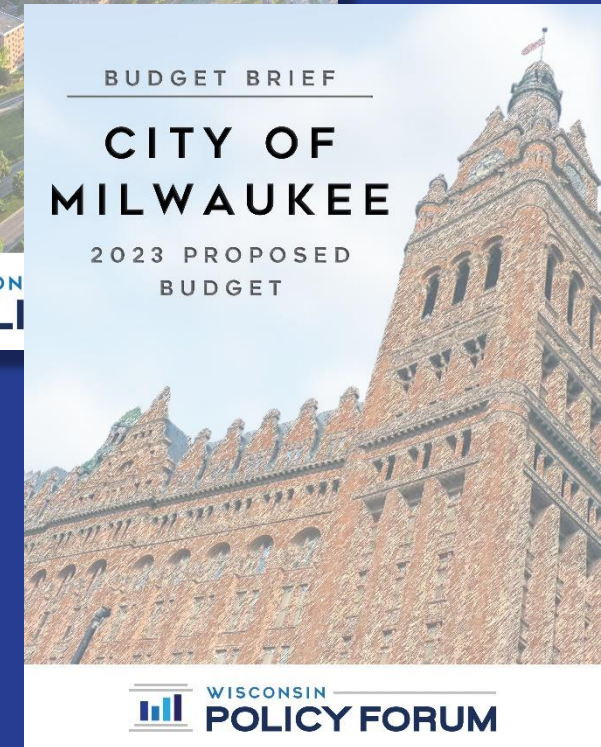
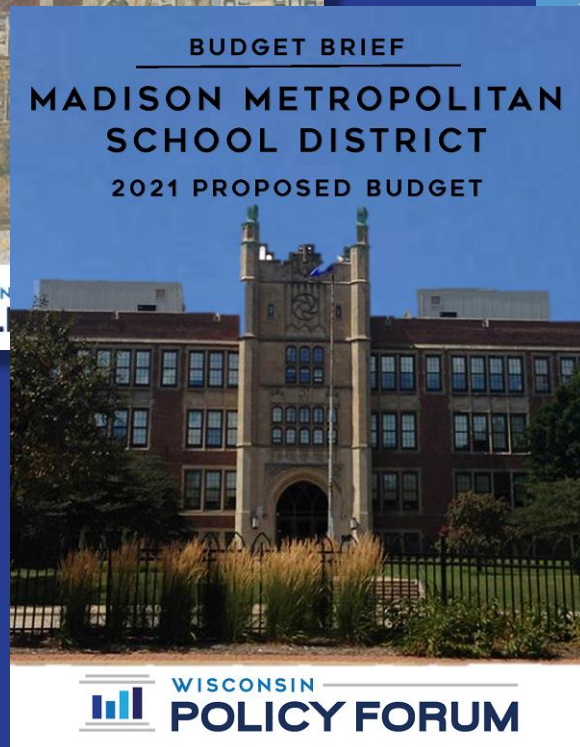
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ABOVE THE RIM
A high-level scan of Milwaukee's youth sports landscape



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Budget Briefs



Municipal DataTool

About the Tool



Key Findings



Our Sponsors



Property Taxes



Municipal Spending



Debt



Fund Balance



Shared Revenue & Property Values



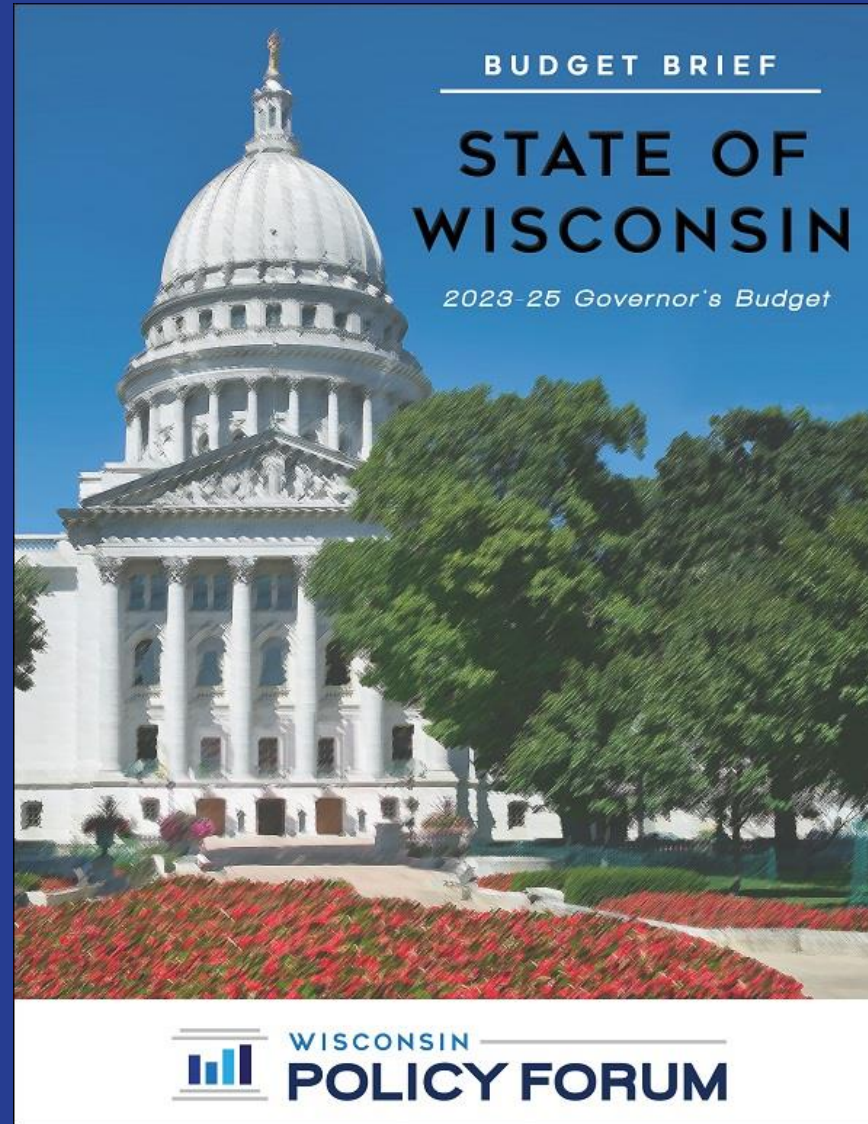
Income and Population



Glossary of Terms

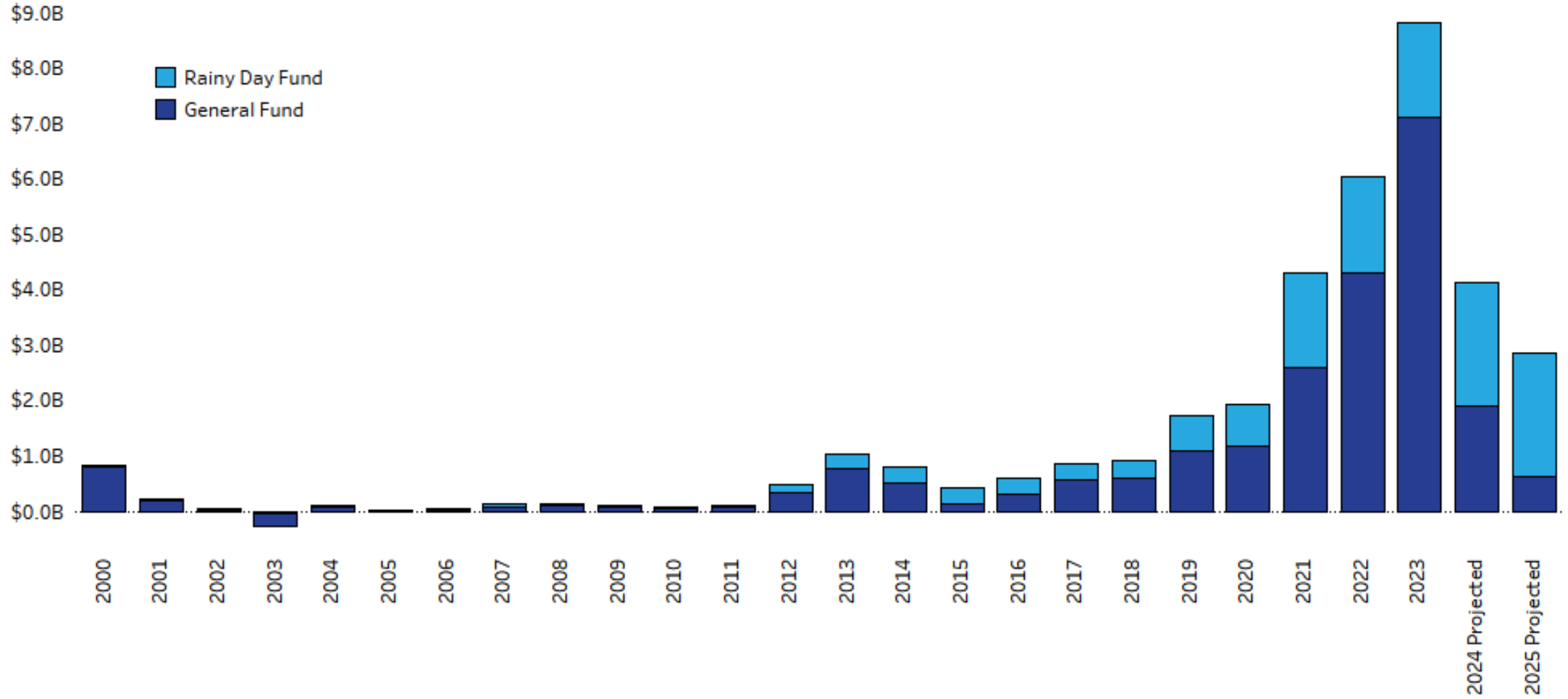


2023-25 budget has huge surplus



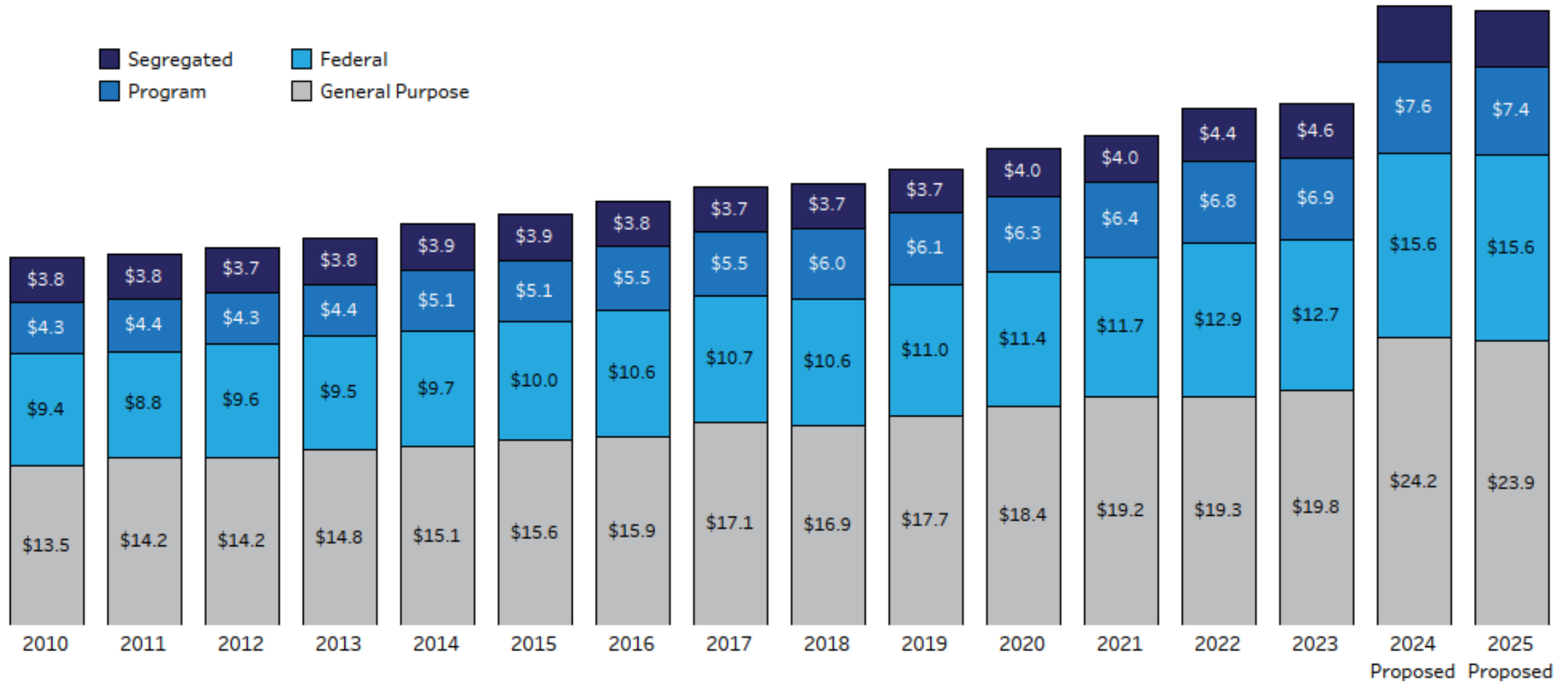
STATE RESERVES Have grown

State general and rainy day fund balances by year (nominal dollars)



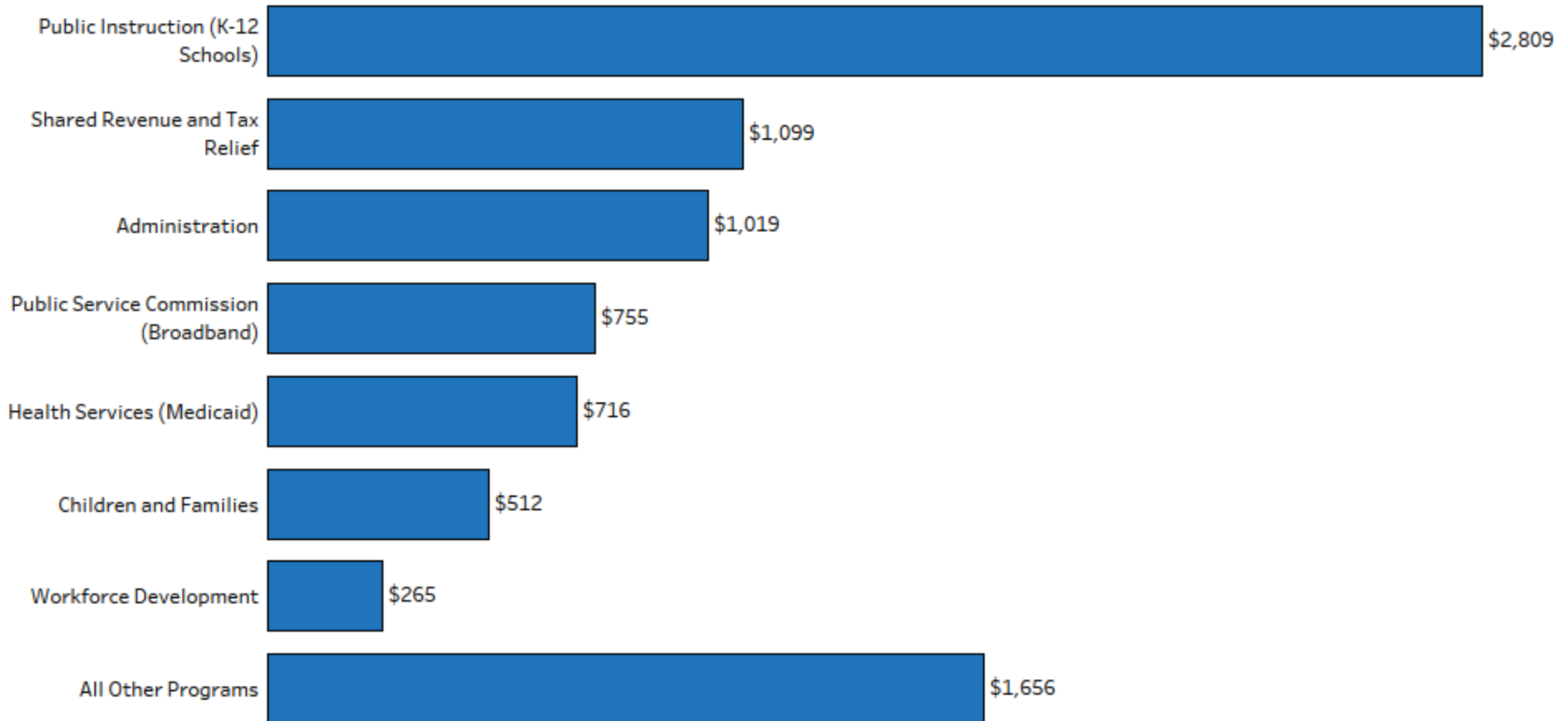
Spending would rise 18% in year one

Appropriations from all revenue sources by year in billions (nominal dollars)



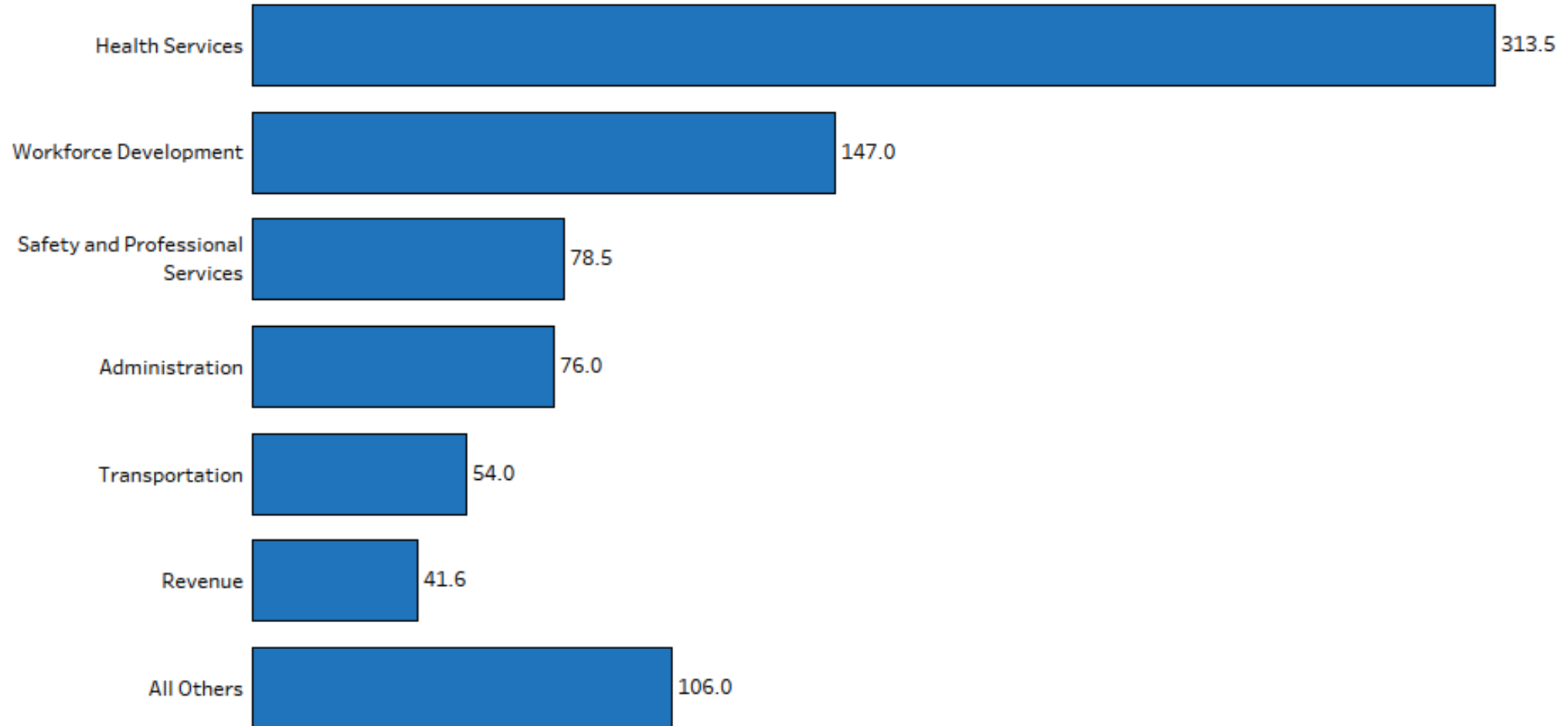
Funds go to several priorities

State general fund spending increases by area (in millions), 2023-25



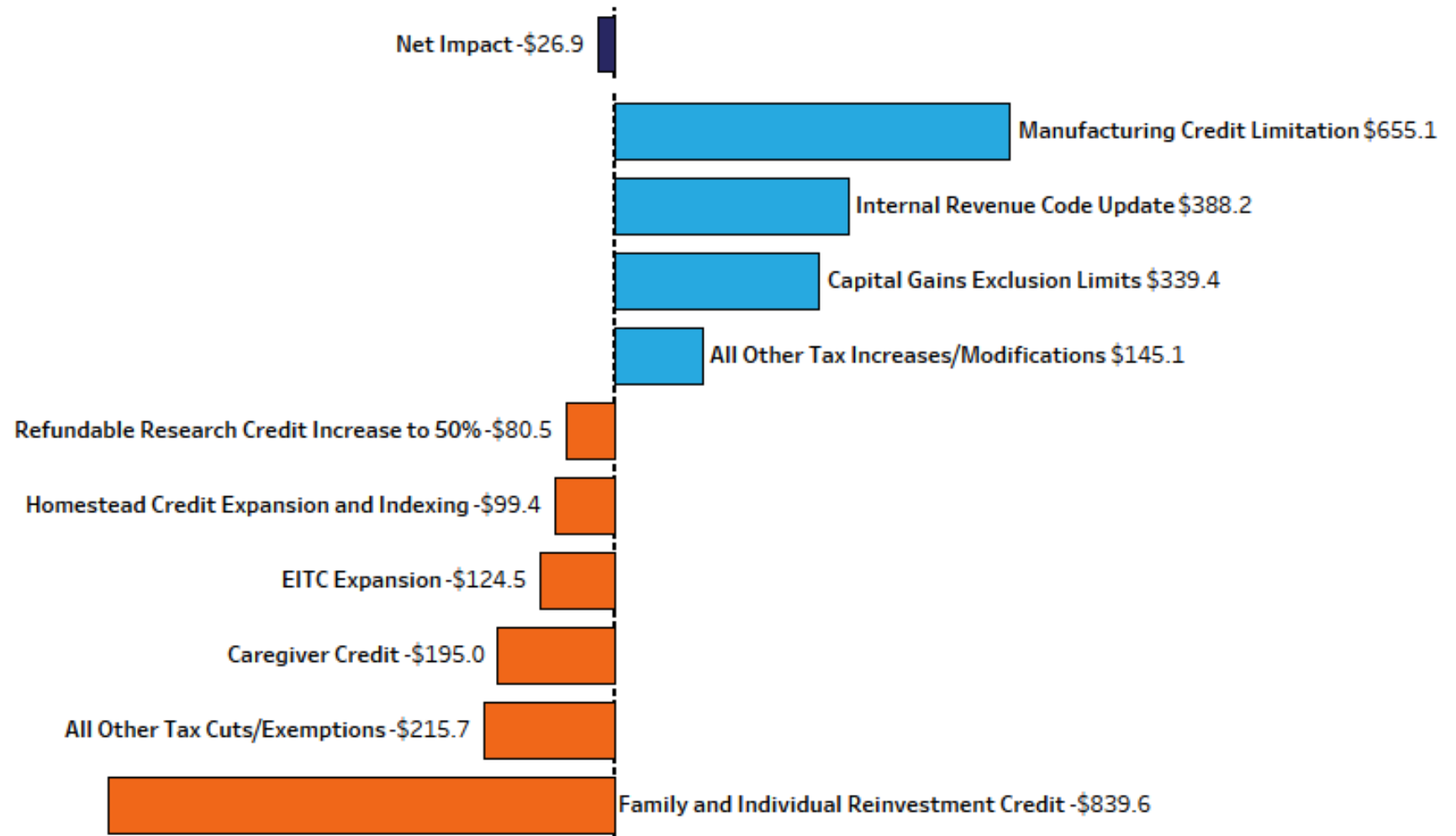
Bill would add 800+ positions

Proposed change in all state FTE positions, 2023-25



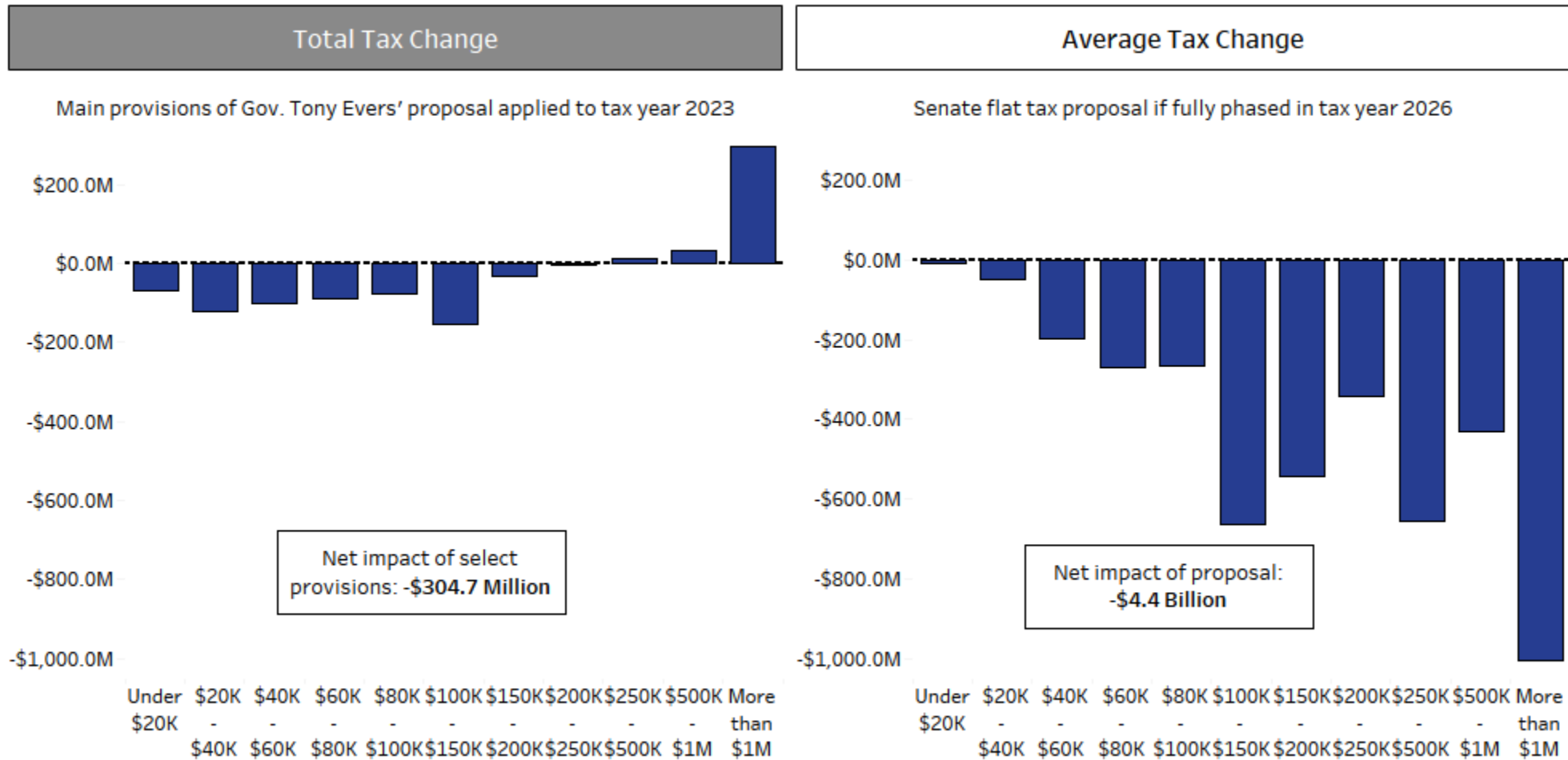
Tax cuts, increases cancel out

Impact of general fund tax changes in 2023-25 Executive Budget (in millions)



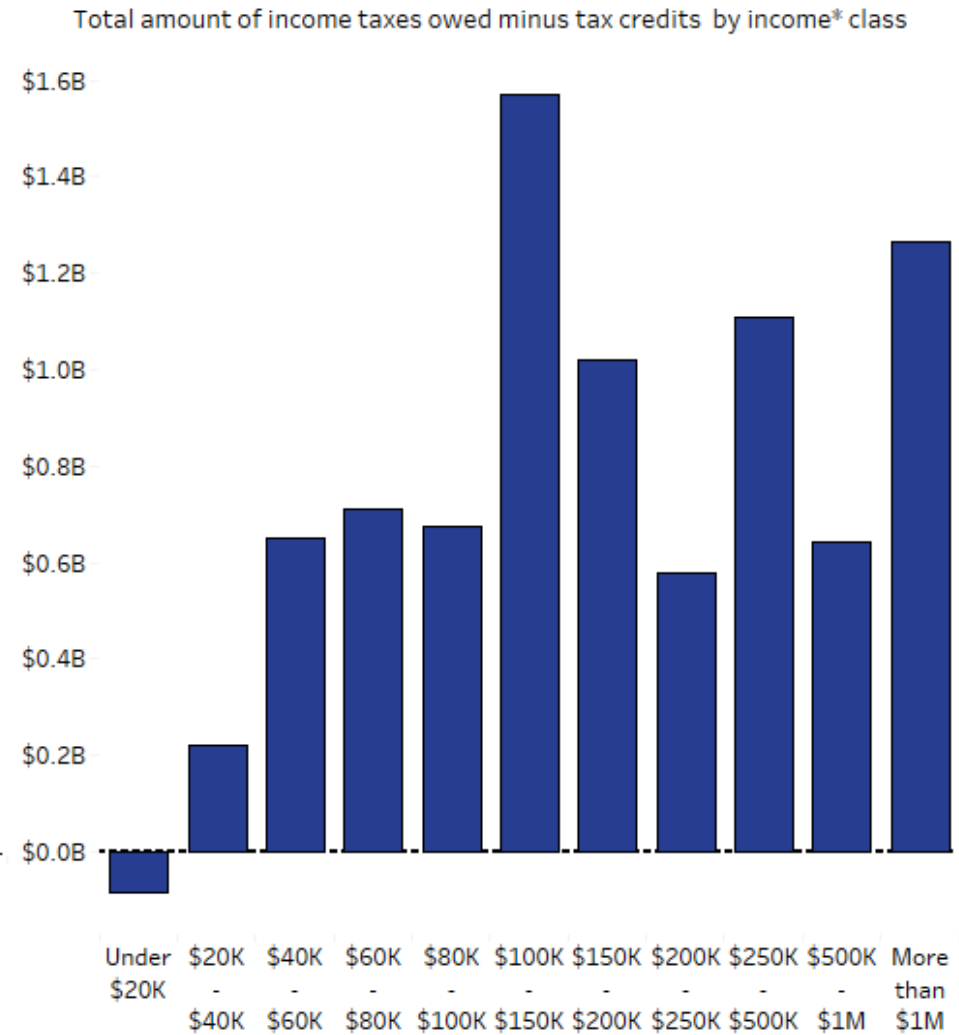
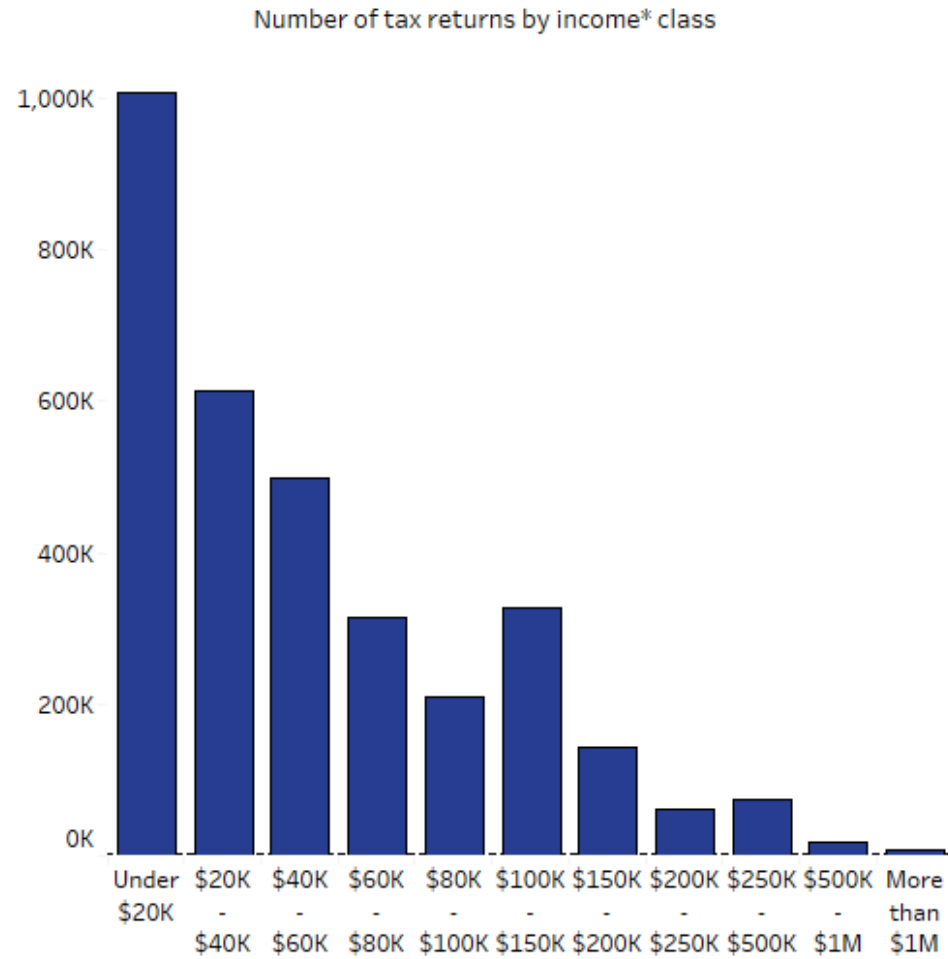
Income tax plans compared

Amount of total income tax change compared to current law by income* class of tax filer



Sources: Wisconsin Department of Revenue and Legislative Fiscal Bureau. *Wisconsin Adjusted Gross Income - amounts are not adjusted for inflation.

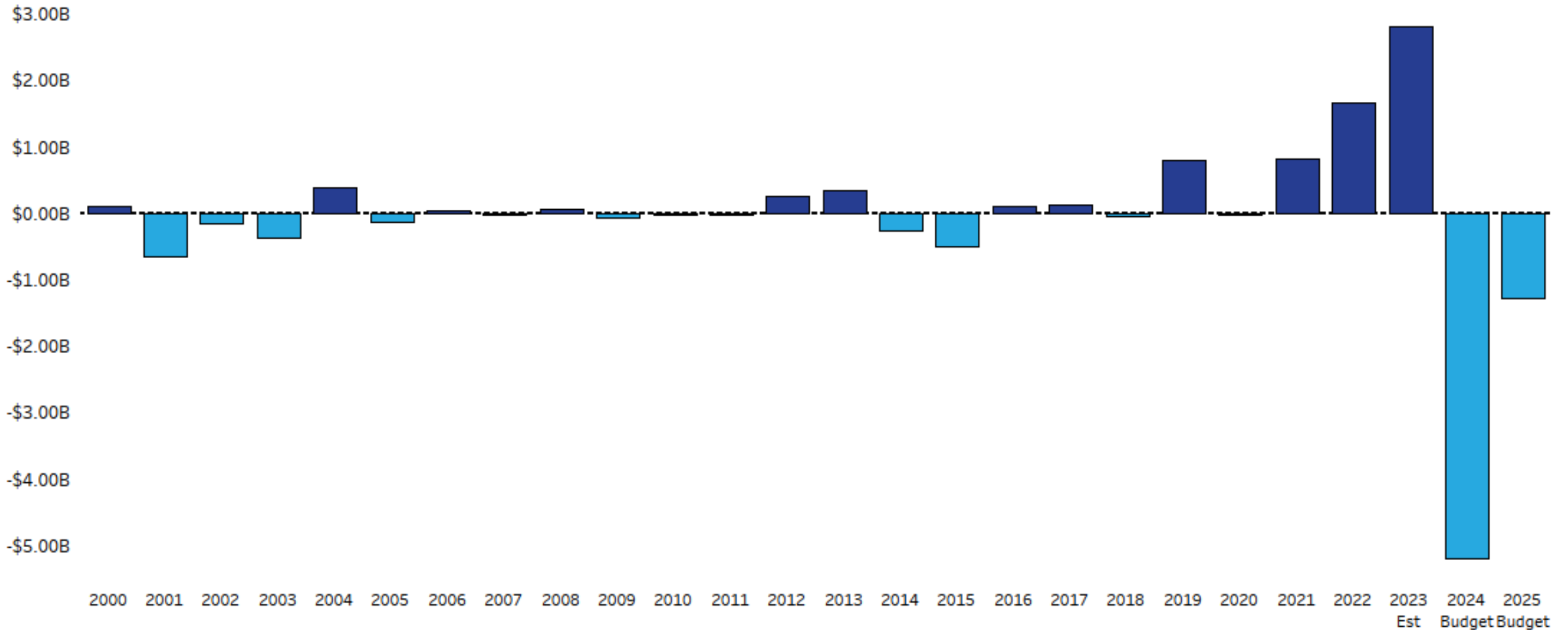
Current Taxes owed by filer group



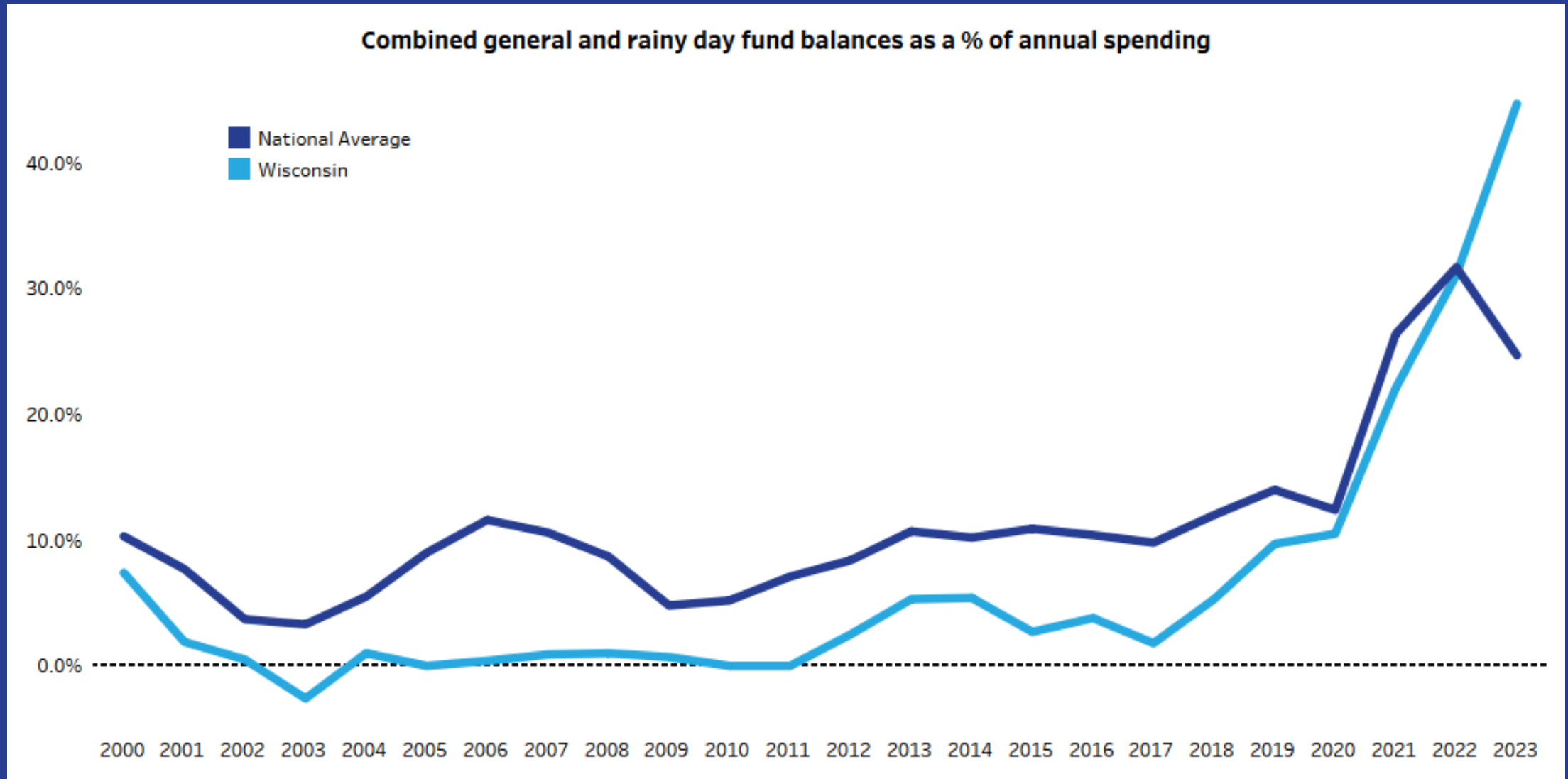
Source: Wisconsin Department of Revenue. *Wisconsin Adjusted Gross Income

Spending would exceed revenues

General fund revenues minus net appropriations in billions (nominal dollars)

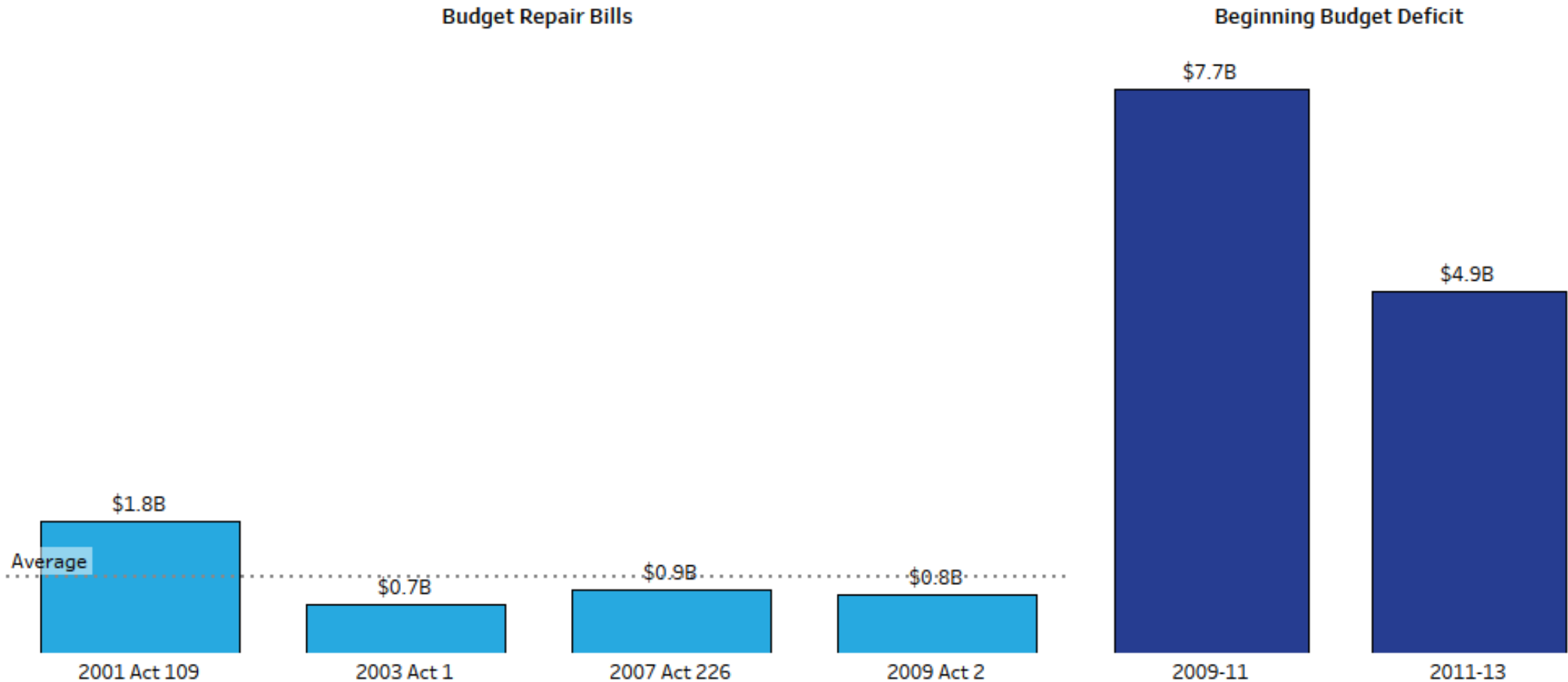


How high should reserves be kept?



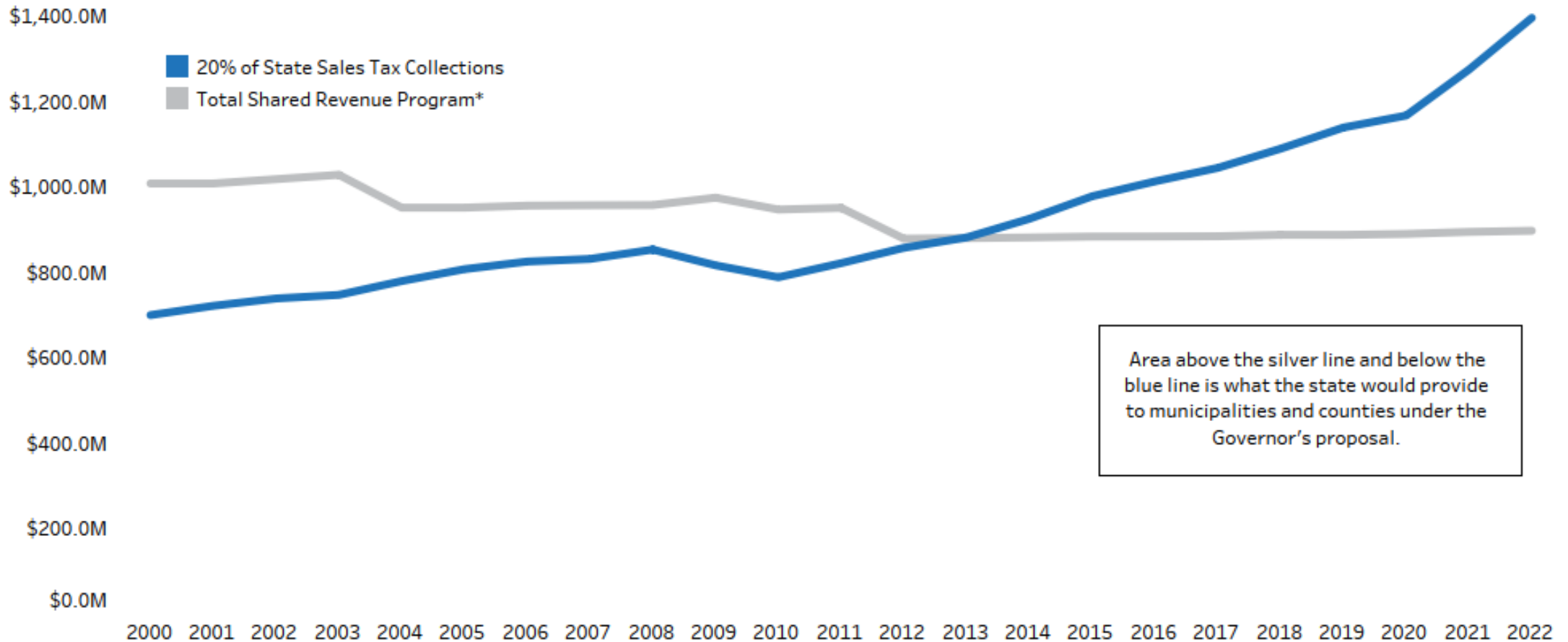
A look at Past budget challenges

Budget repair bill and projected budget shortfalls adjusted for inflation



State aid to locals would rise

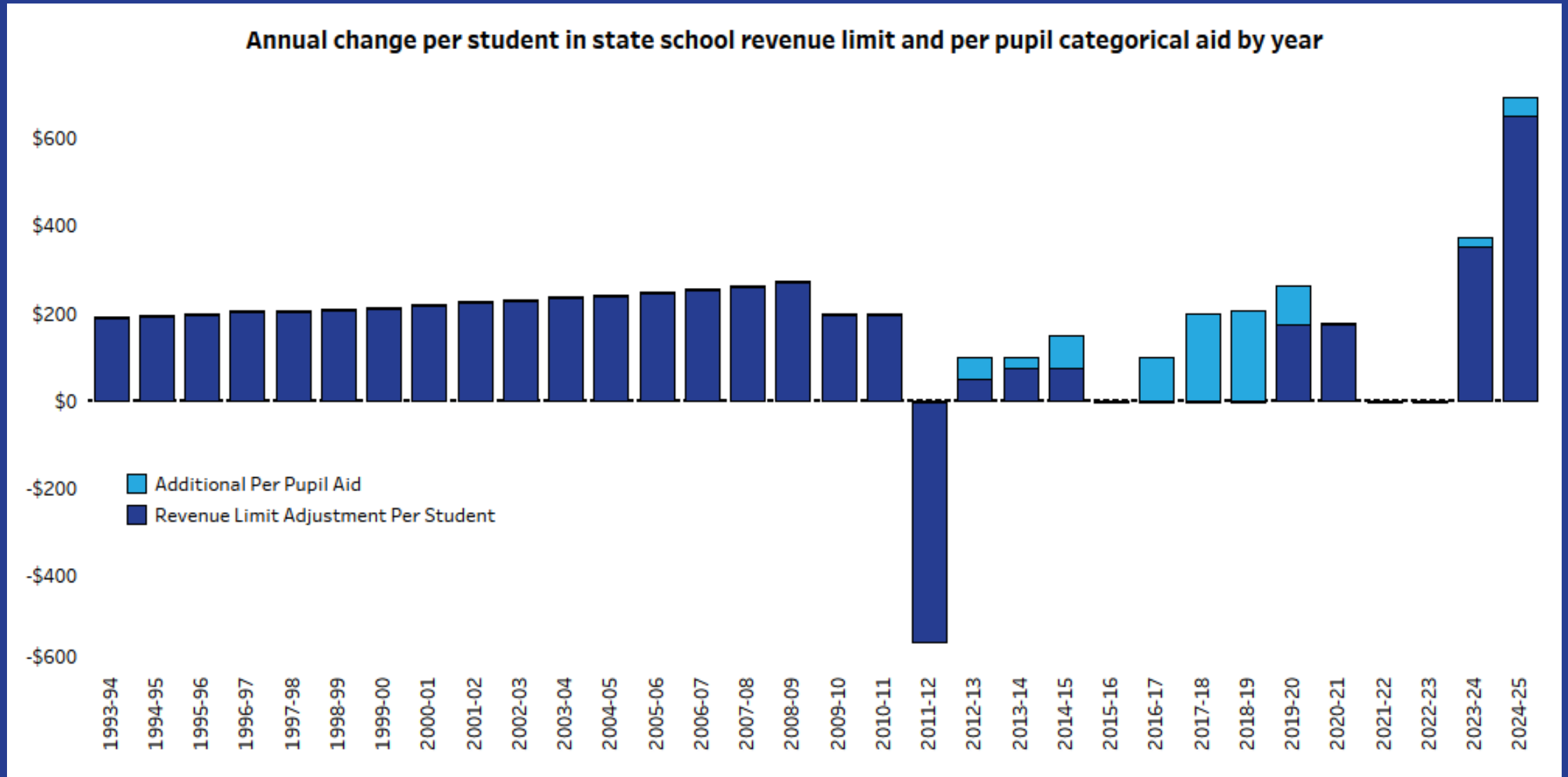
Total state aid to local governments from shared revenue program* vs. 20% of state sales tax collections



Area above the silver line and below the blue line is what the state would provide to municipalities and counties under the Governor's proposal.

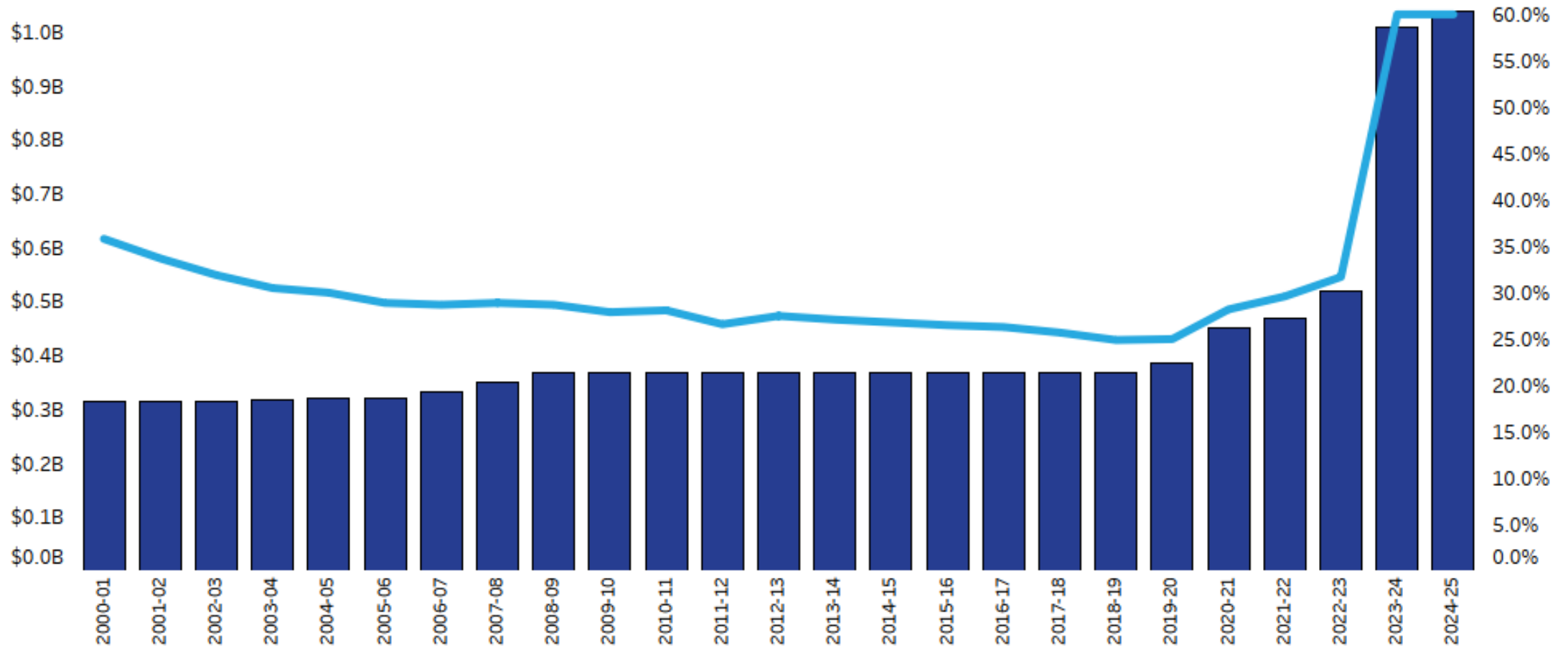
*Includes County and Municipal Aid, Utility Aid, and the Expenditure Restraint Program.

K-12 funding would get big boost



Special ed funding would jump

State special education aid to schools (dark blue) and reimbursement rate (light blue), 2000-01 to 2024-25*



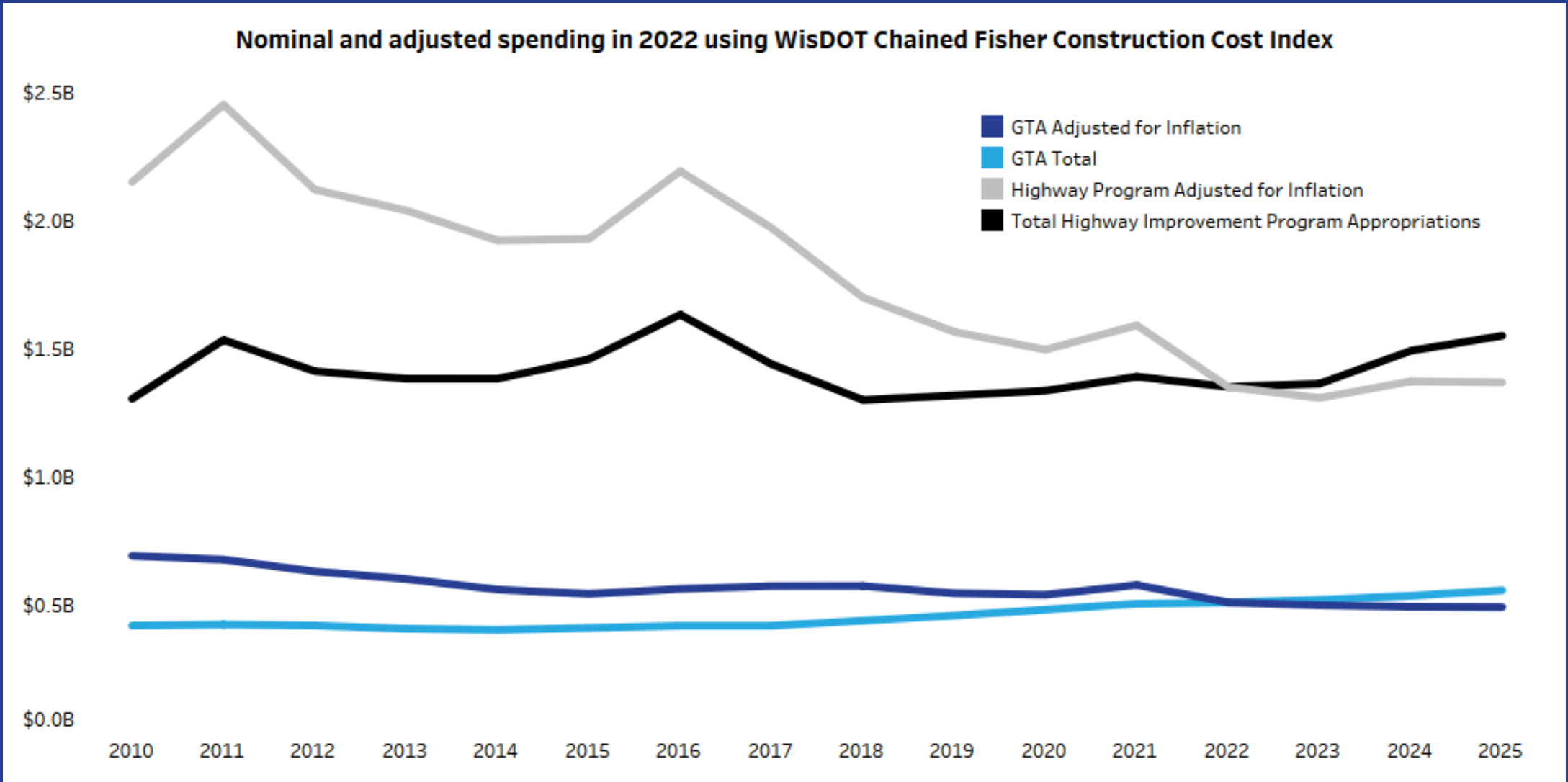
*2023-24 and 2024-25 amounts are as proposed.

Early childhood Education plans

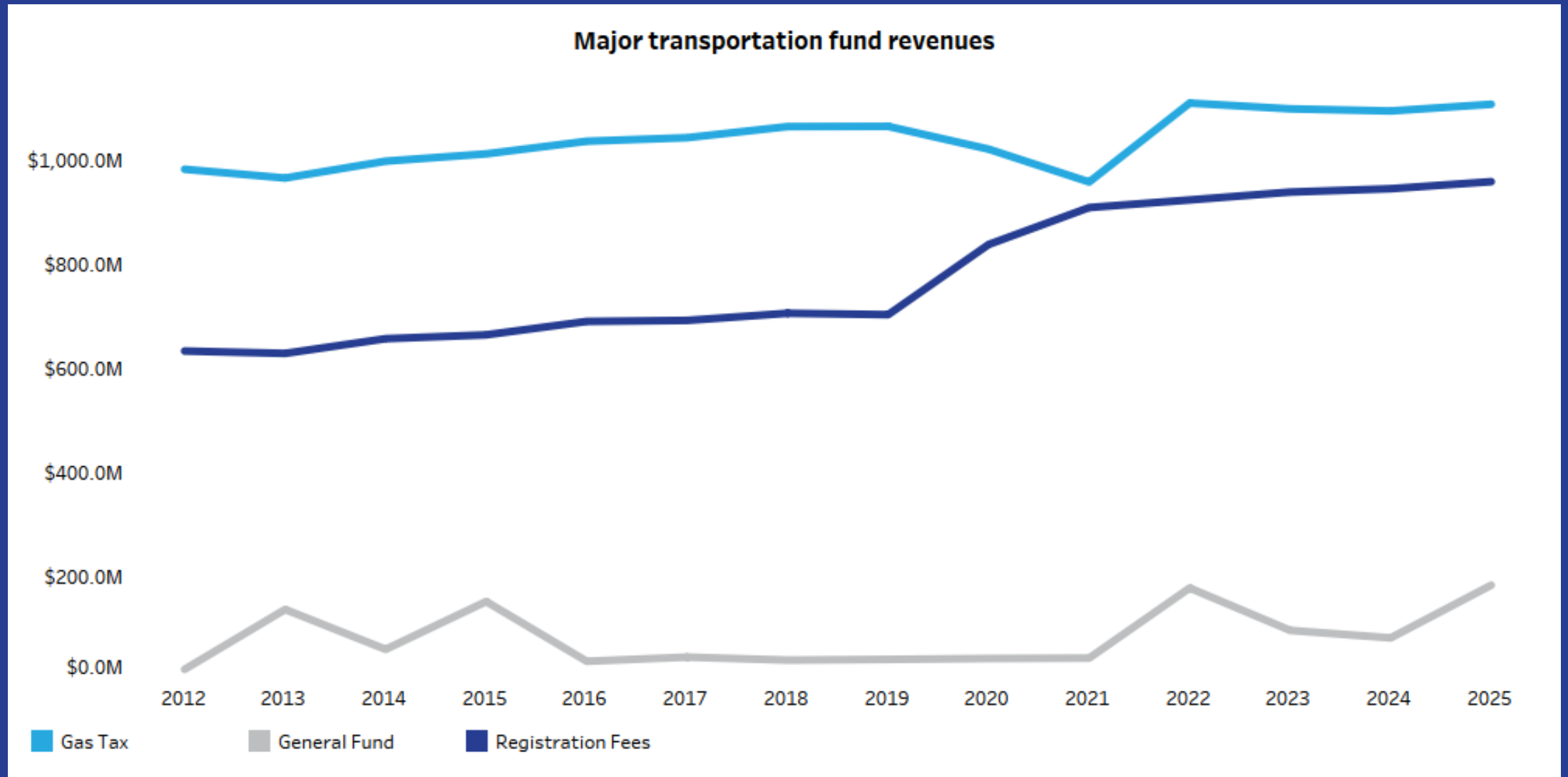
The governor's plan would:

- Use primarily state dollars to continue the pandemic-era Child Care Counts program (\$81M in GPR in 2024 and \$221M in 2025 plus \$19M in federal TANF funds in each year)
- Create an \$11.2M a year program to establish partnerships between businesses, workers, and child-care providers
- Provide \$5M in TANF each year for a New Provider grant to help increase the supply of child-care providers

Transportation funding has lagged



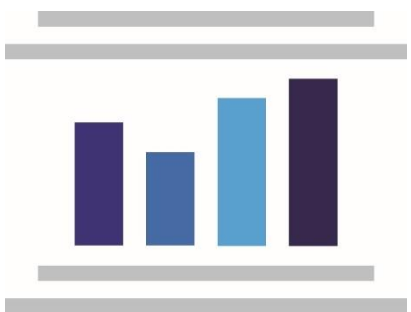
More general taxes for transportation?



What comes next?

Here are the mile markers:

- **Legislative Fiscal Bureau summary (Done)**
- **Joint Finance Committee hearings (Done)**
- **Joint Finance Committee amendments (May and into June)**
- **Floor votes (June)**
- **Action by the governor (early June or July)**
- **What are the scenarios for how this plays out?**



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