



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

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TO: Members  
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: 2013-15 and 2015-17 General Fund Budget

The following tables (in millions) provide information on the condition of the state's general fund for 2013-15 and 2015-17 under the Governor's 2013-15 budget recommendations (2013 AB 40). Table 1 displays the projected 2013-15 general fund condition statement under the Governor's bill.

**TABLE 1**  
**2013-15 General Fund Condition Statement**  
**2013 Assembly Bill 40**

	<u>2013-14</u>	<u>2014-15</u>
<b>Revenues</b>		
Opening Balance, July 1	\$488	\$287
Taxes	13,991	14,521
Departmental Revenues		
Tribal Gaming Revenues	26	27
Other	<u>563</u>	<u>521</u>
Total Available	\$15,068	\$15,356
<b>Appropriations, Transfers, and Reserves</b>		
Gross Appropriations	\$14,978	\$15,508
2013 Enrolled AB 14	9	11
Transfers to:		
Transportation Fund	58	36
Veterans Trust Fund	5	0
Compensation Reserves	47	76
Less Lapses	<u>-316</u>	<u>-363</u>
Net Appropriations	\$14,781	\$15,268
<b>Balances</b>		
Gross Balance	\$287	\$88
Less Required Statutory Balance	<u>-65</u>	<u>-65</u>
Net Balance, June 30	\$222	\$23

Table 2 focuses only on the 2014-15 fiscal year. 2014-15 is the "base year" for construction of the 2015-17 budget.

**TABLE 2**

**2014-15 General Fund Condition Statement**

	<u>2014-15</u>
Opening Balance, July 1	\$287
Revenues (Taxes and Departmental Revenues)	<u>15,069</u>
Total Available	\$15,356
Net Appropriations	\$15,268
Gross Balance	\$88

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**

**2014-15 Balance of Revenues and Expenditures**

	<u>2014-15</u>
2014-15 Revenues	\$15,069
Net Appropriations	<u>15,268</u>
Difference	-\$199

Table 3 indicates that net appropriations exceed revenues by \$199 million. Thus, the structure of the general fund shows a balance of -\$199 million. The -\$199 million becomes \$88 million when the \$287 opening balance is considered. However, Table 3 focuses only on the revenues and net appropriations for the 12-month period (July, 2014, through June, 2015).

Table 4 shows estimated 2015-17 general fund commitments. This table reflects estimated increases or decreases of various items for each year of the 2015-17 biennium as a change to base year (2014-15) revenues and net appropriations.

**TABLE 4****2015-17 General Fund Commitments**

	<u>2015-16</u>	<u>2016-17</u>
<b>Revenues (Taxes and Department Revenues)</b>		
2014-15 Base Revenues	\$15,069	\$15,069
Modifications to Base		
Manufacturing and agriculture credit	-\$41	-\$74
Capital gains for Wisconsin-based assets	0	-6
Collections from federal audit reports	0	-10
Increase cap for economic development credits	2	8
Phase-out medical records credit	3	5
Program revenue lapses	<u>-38</u>	<u>-38</u>
Subtotal-- Modifications	-\$74	-\$115
Total	\$14,995	\$14,954
<b>Net Appropriations</b>		
2014-15 Base	\$15,268	\$15,268
Modifications to Base		
Depletion of TANF balance	\$41	\$41
Zoo Interchange bonding debt service	11	14
Debt service (excluding Zoo interchange)	-13	-78
Parental choice program	10	20
FoodShare work requirements	10	10
Attorney pay progression	5	9
Covenant	0	-4
Health care data grants	-2	-3
Courts lapse	8	8
Legislative lapse	5	5
Extended foster care	<u>1</u>	<u>2</u>
Subtotal -- Modifications	\$76	\$24
Total	\$15,344	\$15,292

Table 5 places the figures from Table 4 into condition statement format for the 2015-17 biennium. It is important to note that the amounts shown in Tables 4 and 5 represent commitments under current law and the provisions of 2013 AB 40. No assumptions are made about changes (increases or decreases) in caseload and population estimates or for such items as state employee compensation in the 2015-17 biennium. Also, the figures in Table 5 are displayed for the purpose

of examining base revenues and appropriations, adjusted for 2015-17 commitments. The table does not reflect any potential revenue growth or other appropriation changes.

**TABLE 5**

**2015-17 General Fund Condition Statement  
(Before Revenue Growth and Program Expansion)**

	<u>2015-16</u>	<u>2016-17</u>
Opening Balance, July 1	\$88	\$65
Revenues (from Table 4)	<u>14,995</u>	<u>14,954</u>
Total Available	\$15,083	\$15,019
Net Appropriations (from Table 4)	\$15,344	\$15,292
Required Balance	<u>65</u>	<u>65</u>
Total	\$15,409	\$15,357
Amount Needed	\$326	\$338
Biennial Amount		\$664

Table 5 shows that, for 2015-16, the general fund would need to generate \$326 million in order to meet commitments under current law and the provisions of 2013 AB 40, maintain the required statutory balance, and balance the budget for that year. In 2016-17, \$338 million (\$12 million over the \$326 million in 2015-16) would need to be realized.

Table 6 lists the estimated general fund amounts necessary to produce a balanced budget for 2015-17 and the nine preceding biennia.

**TABLE 6**

**General Fund Amounts Necessary for a Balanced Budget\***

	<u>1<sup>st</sup> Year</u>	<u>2<sup>nd</sup> Year</u>	<u>Total</u>
For the 2015-17 Biennium	\$326	\$338	\$664
For the 2013-15 Biennium	-140	-6	-146
For the 2011-13 Biennium	1,232	1,279	2,511
For the 2009-11 Biennium	800	882	1,682
For the 2007-09 Biennium	653	846	1,499
For the 2005-07 Biennium	701	845	1,546
For the 2003-05 Biennium	1,340	1,527	2,867
For the 2001-03 Biennium	693	1,026	1,719
For the 1999-01 Biennium	589	914	1,503
For the 1997-99 Biennium	624	908	1,532

\*Except for 2013-15, all figures indicate amounts necessary to produce a balanced budget. A surplus of \$146 million is shown for 2013-15.