

Dept. of Administration: Forecasts modest increases in state revenue for next three fiscal years

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Administration says COVID-19 creates unprecedented volatility, calls on federal government to 'get to work'

Madison, Wis. –A report released today by the Wisconsin Department of Administration (DOA) estimates state revenues are expected to modestly increase over the next three fiscal years. It also highlights an expected all-time high in the State's Budget Stabilization Fund at the end of the 2020 Fiscal year.

But the state budget also faces unprecedented volatility, as the [federal funding supporting nearly all of Wisconsin's COVID-19 response efforts are set to expire on December 30](#). Without new federal legislation to fund response efforts and economic stabilization, Wisconsin will be compelled to use state dollars to fund vital services like testing, contact tracing and support for local public health.

Earlier this week, [Governor Tony Evers released a plan](#) to help Wisconsinites and communities across the state and called on the state legislature to pass it.

REPORT HIGHLIGHTS

The Department projects a general fund balance of \$1.222 billion at the end of the current fiscal year. An additional \$13 million to the State's Budget Stabilization Fund is also expected, which reached an all-time high of \$761.8 million at the end of the 2020 Fiscal Year.

"Like so many across our state and country, our state agencies have made sacrifices because of this pandemic," said Gov. Evers. "I instructed agencies earlier this year to cut more from their budgets to put us in the best position for next year, but there's a long road ahead of us. Each day COVID-19 goes unchecked is a setback for our economic recovery, so we have to get to work fighting this virus."

Revenue forecasts include:

- \$132 million in state tax revenue increases in 2020-2021 for a total revenue estimate of \$17.664 billion,
- \$353 million in state tax revenue increase in 2021-2022 for a total revenue estimate of \$18.017 billion, and
- \$646 million in state tax revenue increase in 2022-2023 for a total revenue estimate of \$18.663 billion.

"Though the steps taken to date have made the road ahead somewhat less daunting, we are living through the most serious challenge our nation has faced in a century – the COVID-19 pandemic," said DOA Secretary Joel Brennan. "We will continue to take the steps necessary toward economic recovery in Wisconsin, but the federal government must get back to work now to pass another relief bill to help Wisconsin businesses, farmers, families, and communities."

The report released by DOA today also noted Gov. Evers' 2019 budget delivered \$623 million in tax cuts for Wisconsin families and middle-income individuals. Additionally, DOA paid down more than \$56 million in debt service in the 2018-2019 fiscal year that resulted in \$4.4 million in savings on debt service in the current biennium.

In addition to revenue estimates, the DOA report includes a fiscal overview of state agency budget requests that were submitted earlier this fall to Governor Evers for consideration in his 2021-2023 executive budget. Although current agency requests exceed projected revenues, this is a common occurrence and has occurred in the previous two administrations. Governor Evers will submit a balanced budget to the Legislature in early 2021, as required by law.

A summary of the report is available [HERE](#). The full copy of the report is available [HERE](#).