State finished ‘21-22 with record $4.6 billion GAAP surplus

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The state finished 2021-22 with a record high positive GAAP balance of $4.6 billion.

The Evers administration released the Comprehensive Financial Report on the previous fiscal year, a final look at the state’s finances for 2021-22.

The report found under Generally Accepted Accounting Principles, the state’s balance increased more than 300 percent from the end of the 2020-21 fiscal year.

GAAP principles are designed to reflect accounting practices in business and are different from what the state uses as the foundation for its budget process. The Department of Administration in November released a look at the 2023-25 budget, for example, that listed a gross balance at the end of 2021-22 of $4.3 billion.

The state had a GAAP deficit in the general fund of $773.5 million at the end of the 2018-19 fiscal year shortly after Evers took office. That was an improvement over the $1.3 billion GAAP deficit the year before.

“Wisconsin is in the best fiscal position we’ve ever seen, and this year’s remarkable increase is another positive indicator that we are headed in the right direction — toward a stronger, more secure economic future that ensures we can keep working to build a Wisconsin that works for everyone,” Evers said.

Joint Finance Co-chair Howard Marklein, R-Spring Green, noted the GAAP deficit was $3 billion when he was first elected to the Legislature a dozen years ago.

“We have made remarkable, consistent progress since Republicans have had control of the state’s checkbook,” he said.

The Comprehensive Financial Report also found:

*the state’s transportation fund balance increased $275 million to $1.3 billion at the end of 2021-22.
*long-term debt decreased by more than $365 million. That was driven largely by a drop of $183.3 million in outstanding annual appropriation bonds and repayments of general obligation debt exceeding new issuances by $102.1 million.

Read the report.