

IRG: Releases state of Wisconsin public debt overview

Posted on Thursday, Aug 3, 2023

>> **WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)**

Delafield, WI – Today the Institute for Reforming Government (IRG) released Wisconsin's [Finances: Debt and Borrowing](#). In the 2023-2025 budget, the Legislature chose to pay down existing debt obligations and reduce new borrowing compared to previous budgets. Despite the decrease in borrowing, the state will maintain a robust rainy day fund and is estimated to have a \$4 billion surplus at the end of the current budget.

WHAT IT IS

IRG's policy brief describes the types of debt the state authorizes, the current outstanding debt obligations, new debt authorized in the current budget and the status of the state's rainy day fund.

Highlights:

Outstanding Debt. Wisconsin holds about \$13 billion in debt which equates to \$2,226 per capita.

Borrowing in the 2023-2025 State Budget. \$681 million in new debt has been authorized.

Rainy Day Fund. There is currently \$1.8 billion in the Rainy Day Fund. Over the next biennium the fund is expected to increase by \$7 million per month due to investment returns.

WHY IT MATTERS

Due to Governor Evers' veto of the income tax cut, the state is expected to have a

surplus of \$4 billion at the end of the biennium. This means that when the 2025-2027 state budget process begins, if additional tax cuts are not signed beforehand, the legislature will again have a surplus and the ability to cut taxes and control borrowing.

WHAT'S NEXT

With Wisconsin on stable financial footing and a large surplus, policymakers will decide in the coming months what to do with Wisconsin's \$4 billion surplus.