



**For Immediate Release**  
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## **Incoming Revenue Estimates Could Signal Big Budget Problems**

MADISON – In the coming weeks, the state’s non-partisan Legislative Fiscal Bureau (LFB) will release their annual state revenue report with updated budget figures. These numbers will show the revenue collections to date for the current 2015-17 budget as well as forecast any projected budget balance that will be available for the upcoming 2017-19 budget, which begins July 1.

However, several clues seem to imply that the numbers LFB will release may not be good news for the Governor and Republicans, who have had unilateral control of the state budget for over six years. Hours before Christmas Eve, Governor Walker’s Department of Revenue (DOR) quietly released its November Revenue Collections, which paint a less than robust picture of state revenue growth.

**“Just this week, the Governor made claims about beginning to restore some of the funding for public schools and the UW System that he has cut over the past six years. But these latest numbers suggest trouble on the horizon,”** said Rep. Hintz (D-Oshkosh), a member of the budget-writing Joint Committee on Finance. **“The Governor may have made a lot of false promises to Wisconsinites at his State of the State, without mentioning that his past prioritizing of massive, regressive tax cuts for the wealthy has left the state without the financial means to follow through.”**

Last January’s LFB revenue estimate predicted state revenue growth for fiscal year (FY) 2017 at 3.7%. The Governor’s Department of Administration abruptly lowered that expectation for the year ending June 30, 2016 to 2.3% in November. However, the most recent report from the DOR shows that collections for FY 2017 have been an anemic 1.2% so far. To put this number in perspective, a 1% drop in revenue will equal a \$157 million hit to the Governor’s budget. If the current 1.2% tax revenue growth rate doesn’t change, the small \$104 million projected budget balance carried over will be wiped out and a budget repair bill could be required to balance revenues and expenditures for the current budget year.

It is important to note that the recently reduced \$104 million fund balance projection was only made possible by the Governor’s decision last May to defer payment of \$101 million in debt into future budgets, instead of making the debt payment when it came due. After passing expensive, regressive tax cuts that overwhelmingly benefit the rich, the Governor has had to skip debt payments for the last two years just to keep his budget in the black. In other words, Governor Walker and Republicans have had to borrow money to pay for tax cuts each of the past two years to keep the budget in the black.

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**“Our state’s current budget problems are self-inflicted by a Governor who has prioritized untargeted and regressive tax cuts for the rich, at the expense of programs that increase opportunity for all Wisconsinites,” said Rep. Hintz, “His latest promises to provide increased funding for our public schools and universities suggest a delusional attempt to begin fixing the problems he created over the past six years. Short-sighted budget priorities and sluggish state economic growth have resulted in lower revenue to fund the program investments crucial to our state’s future. When he can’t cut programs anymore, he borrows taxpayer money to make up the difference. The Governor’s failure of leadership and poor decisions over the past six years have resulted in an economy where, once again, the revenues he needs to balance his budget may not be there.”**

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