



Legislative Fiscal Bureau

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TO: Members
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: 2021-23 Condition of the State's General Fund

The following table indicates the condition of the state's general fund for the 2021-23 biennium. The table is based upon estimates made at the time of enactment of the 2021-23 state budget (July 8, 2021) with the following two modifications.

First, on October 7, 2021, the Department of Revenue announced that it had revised the individual income tax withholding tables, effective January 1, 2022, to reflect income tax rates, brackets, and sliding scale standard deduction in effect for tax year 2022 under current law. Due to timing differences between the state fiscal year and the tax year, there is an estimated one-time revenue reduction to the general fund of \$709.8 million in 2021-22 associated with the revised withholding tables.

Second, on October 15, 2021, the Department of Administration published the Annual Fiscal Report for the 2020-21 fiscal year. That report indicates that the gross, closing balance for 2020-21 (and, thus, the opening balance for the 2021-23 biennium) is \$60.7 million above the projection at the time of budget enactment.

The net effect of these two items is to reduce the projected net general fund balance at the end of the 2021-23 biennium by \$649.1 million. At the time of enactment of the 2021-23 budget, that balance was projected to be \$1,579.7 million. Based upon the two items mentioned above, that estimate is now reduced to \$930.6 million.

In addition to the amounts shown on the table, it should be noted that the balance in the budget stabilization fund on June 30, 2021, is \$1,729.9 million.

**2021-23 General Fund Condition Statement
(in Millions)**

	<u>2021-22</u>	<u>2022-23</u>
Revenues		
Opening Balance, July 1	\$2,581.1	\$1,352.3
Taxes	17,860.9	19,457.9
Departmental Revenues		
Tribal Gaming Revenues	0.0	20.8
Other	<u>464.3</u>	<u>471.3</u>
Total Available	\$20,906.3	\$21,302.3
 Appropriations, Transfers, and Reserves		
Gross Appropriations	\$19,302.5	\$19,752.7
Transfers to:		
Transportation Fund	178.9	97.3
Building Trust Fund	15.0	0.0
MA Trust Fund	174.7	527.8
UI Trust Fund	60.0	60.0
Compensation Reserves	41.9	105.9
Less Lapses	<u>-219.0</u>	<u>-267.0</u>
Net Appropriations	\$19,554.0	\$20,276.7
 Balances		
Gross Balance	\$1,352.3	\$1,025.6
Less Required Statutory Balance	<u>-90.0</u>	<u>-95.0</u>
Net Balance, June 30	\$1,262.3	\$930.6

In January, 2022, this office will prepare general fund revenue and expenditure estimates for the remainder of the 2021-23 biennium, which will identify any projected revisions to the condition statement shown above.

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