



Wisconsin Taxpayers Alliance

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New State Budget Changes Little in Final Stages WISTAX Budget Round-Up Examines Governor's Vetoes

MADISON—Wisconsin's 2009-11 state budget changed little as it moved from the legislature to the governor for final approval. While the governor used his partial-veto authority 81 times, veto savings were \$10 million (m), or about 0.02% of the \$62 billion (b) the state plans to spend this year and next.

This is one of the findings of a new "budget round-up" from the Wisconsin Taxpayers Alliance (WISTAX), a nonpartisan, nonprofit organization now in its 78th year. WISTAX also found that about 62% of gubernatorial vetoes either modified or eliminated law changes sought by the legislature, or rejected lawmakers' attempts to limit operation of state agencies or programs. Less than 14% of vetoes reduced spending.

Two budget issues attracting recent attention related to "earmarks"—or legislators' projects for their home districts—and to "nonfiscal" proposals included in the budget. In a review of five agencies most affected by earmarks, WISTAX found that only eight of 67 earmarks were vetoed. Of 24 transportation earmarks, only three were struck. Figures for other leading departments were: Natural Resources (0 of 13 vetoed); Revenue (1 of 9); Public Instruction (1 of 7); and Health Services (3 of 13).

In a departure from the past, the legislature's budget-writing Joint Committee on Finance left in the budget 40 of 80 nonfiscal items originally requested by the governor and later in the process restored even more. In the end, the governor did not veto any nonfiscal items left in the budget by the Finance Committee.

WISTAX also reports that state taxes and fees were increased over \$3 billion under the new state budget and February's budget adjustment bill. The largest area of tax increases was \$530m in new state income taxes. Meanwhile, gross state spending funded from all sources will rise 9.4% in the next two years from an estimated \$56.64b in 2007-09 to \$61.99b in 2009-11. General fund spending alone is slated to drop about 3.8%. The reason for the difference is about \$3.6b in new federal money, mostly stimulus dollars.

"Federal stimulus monies are one-time revenues that will leave a hole—a "structural deficit"—in the 2011-13 biennial budget," says WISTAX President Todd A. Berry. The legislature's Fiscal Bureau is projecting structural deficits of about \$900m in 2010-11 and an additional \$1.15b in 2011-12.

For a copy of the WISTAX report, "Budget round-up II: The governor makes it law" write: WISTAX, 401 North Lawn Ave., Madison, Wisconsin 53704; e-mail, wistax@wistax.org; or call 608.241.9789. □