



# FISCAL YEAR 20-21 STATE BUDGET REDUCTIONS

## BACKGROUND AND OVERVIEW

### SEPTEMBER 22, 2020: THE ACTION.

Wisconsin Department of Administration (DOA) Secretary Joel Brennan announced that state agencies will return more than \$300 million to the state's general fund in the current budget year (FY20-21).

The reductions follow Gov. Tony Evers' July request that the DOA work with state agencies to identify \$250 million in cost savings, known as lapses, for the current fiscal year (FY20-21), which ends June 30, 2021. This action also follows the nearly \$70 million in cost savings that were identified and implemented across 18 of Wisconsin's largest agencies in the previous fiscal year (FY19-20).

#### THE TARGETS.

Following The North Stars, DOA worked collaboratively with State Agencies to identify agency-specific reduction targets for FY20-21. Those targets are outlined below.



**The next step is for agencies to develop plans on how they will achieve their targeted savings amounts before the end of the fiscal year. Agencies are being asked to submit their lapse plans to the DOA by December 15, 2020.**

#### THE NORTH STARS.

As we look at the challenging list of unknowns remaining ahead of us during the unprecedented time of the pandemic, we know it is going to require sincere and genuine teamwork to get Wisconsin back on its feet and identify savings for taxpayers.

**That's why the Administration set the following "North Stars" as our guiding principles for addressing budget reduction activities:**

- Our primary responsibility is to provide Wisconsin residents relevant, quality, and timely services.
- Public service means making sure Wisconsin's hard-earned tax dollars are invested in ways that benefit their communities. It is also about being deeply knowledgeable and aware of the complicated ways in which state government, local governments, and individuals are interconnected financially (directly or indirectly).
- Transparency and accountability to both state employees and the Wisconsin public requires that we communicate prompt and useful information to stakeholders regarding budget reduction activities.
- Humility, creative problem solving, service, flexibility, truth, and patience, those are the values that will help us navigate the difficult fiscal road ahead.

### Agency budget reductions targets.

State Agency	FY20-21 Reduction Target
Department of Agriculture, Trade & Consumer Protection	\$3,142,500
Department of Financial Institutions	\$1,450,000
Office of the Commissioner of Insurance	\$2,469,600
Educational Communications Board	\$243,500
Higher Educational Aids Board	\$40,000
Wisconsin Historical Society	\$1,028,600
Department of Public Instruction	\$ 8,877,000
UW System	\$45,036,500
Wisconsin Technical College System Board	\$5,923,700
Department of National Resources	\$5,074,800
Department of Tourism	\$801,300
Department of Corrections	\$28,243,700
Wisconsin Employment Relations Commission	\$58,700
Board on Aging & Long-Term Care	\$115,000
Department of Health Services	\$31,720,700
Department of Children and Families	\$24,705,700
Department of Workforce Development	\$ 367,500
Department of Justice	\$3,400,000
Department of Military Affairs	\$ 846,900
Department of Administration	\$1,843,800
Board of Commissioners of Public Lands	\$107,800
Governor's Office	\$506,200
Department of Revenue	\$5,671,500
Miscellaneous Appropriations	\$998,900
Miscellaneous Appropriations-Veterans Trust Fund GPR Transfer	\$2,000,000
Program Supplements-Maintenance of Capitol and Executive Residence	\$4,508,900
Program Supplements-Discretionary Merit Compensation (DMC) Awards	\$2,300,000
Department of Health Services-Medicaid Savings	\$120,000,000
<b>Total Budget Reduction Target</b>	<b>\$301,482,800</b>

*"There is no doubt that state agencies must make difficult decisions. This pandemic has affected every community in Wisconsin, and families across our state have also had to make tough decisions.*

***This Administration is committed to taking the necessary actions to stabilize the state's budget and spur on Wisconsin's economic recovery from the COVID-19 pandemic."***

**Secretary Joel Brennan**

**The Administration and State Agencies are continuing to work to identify additional savings and spending reductions for FY20-21**

**Information regarding those additional budget savings will be shared as it is available.**

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