



# FISCAL YEAR 19-20 STATE BUDGET REDUCTIONS

## BACKGROUND AND OVERVIEW

### THE ACTION.

Wisconsin, like the rest of the nation, is facing unprecedented pressures related to the wide-ranging impacts of the COVID-19 pandemic. Current economic trends indicate the state will be facing significant financial challenges.

On April 28, 2020, Department of Administration Secretary Joel Brennan announced the immediate implementation of a 5% budget reduction of state operations that are funded primarily through taxpayer investments in FY19-20. Smaller state agencies and those with limited GPR resources were exempted from the budget reduction requirement, although they too were expected to do everything possible to reduce expenditures for the remainder of fiscal year.

### THE URGENCY.

By actively addressing anticipated state revenue losses related to the COVID-19 pandemic in FY 19-20:



**Wisconsin will start the second year of the biennium in a stronger position.**

### 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.

### THE NUMBERS.

In less than thirty days, nearly \$70 million in cost savings were identified and implemented across eighteen of Wisconsin's largest agencies.

And, we were able to do this **without** jeopardizing current public health efforts or day-to-day public safety and law enforcement activities.

Agency budget reductions are outlined below.

| State Agencies   | Final 2019-20 Budget Reductions |
|--|---------------------------------|
| Department of Administration                           | \$552,200                       |
| Department of Agriculture, Trade & Consumer Protection | \$1,151,600                     |
| Department of Children and Families                    | \$1,910,500                     |
| Department of Corrections                              | \$2,397,300                     |
| Department of Financial Institutions                   | \$898,600                       |
| Governor's Office                                      | \$201,360                       |
| Department of Health Services                          | \$7,482,700                     |
| Office of the Commissioner of Insurance                | \$986,200                       |
| Department of Justice                                  | \$965,200                       |
| Department of Military Affairs                         | \$510,400                       |
| Department of Natural Resources                        | \$1,494,700                     |
| Department of Public Instruction                       | \$2,747,900                     |
| Department of Revenue                                  | \$5,671,400                     |
| Technical College System Board                         | \$150,800                       |
| Department of Tourism                                  | \$714,000                       |
| University of Wisconsin System                         | \$40,774,400                    |
| Wisconsin Economic Development Corporation             | \$1,000,000                     |
| Department of Workforce Development                    | \$367,500                       |
| <b>Total Budget Reduction</b>                          | <b>\$69,976,760</b>             |



*"These budget reductions will immediately save significant tax dollars because the Administration is serious about doing everything we can to stabilize the state budget.*

*But, we also know that these FY19-20 reductions are just the first steps of many tough decisions we are going to have to make in the weeks and months to come."*

**Secretary Joel Brennan**



**The Administration and State Agencies are continuing to work to identify additional savings and spending reductions for FY19-20**

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

Questions? Contact [DOACommunications@wisconsin.gov](mailto:DOACommunications@wisconsin.gov)