



Wisconsin Taxpayers Alliance

401 North Lawn Avenue • Madison, WI 53704-5033
www.wistax.org • 608.241.9789 • fax: 608.241.5807

NEWS

Contact: Todd A. Berry or Dale Knapp
608.241.9789 or wistax@wistax.org
April 1, 2013

Rising State Debt Concerns Some Lawmakers Governor Walker Proposes to Continue Borrowing Trend

MADISON—Over the past decade, state debt rose 131.9%; in per capita terms, it more than doubled. These figures concern some state lawmakers as Governor Walker (R) requests over \$2.1 billion in borrowing in his 2013-15 state budget, according to a new report by the Wisconsin Taxpayers Alliance (WISTAX), “State budget sticking points (II): Debt and deficits.” WISTAX is a nonpartisan, nonprofit organization dedicated to policy research and citizen education.

State debt has climbed from \$5.84 billion in 2002 to \$13.55 billion in 2012. In per capita terms, it rose from \$1,081 to \$2,372. Although some lawmakers have recently expressed misgivings about continued state borrowing, the governor’s proposed 2013-15 budget contains \$1.03 billion in new bonding, with virtually all for transportation (\$0.99 billion). The capital budget asks for an additional \$1.15 billion in borrowing, the largest part of which is for the University of Wisconsin System. Total requests of more than \$2.1 billion represent about 16% of outstanding debt as of last summer.

The administration is also asking for \$2.01 billion in additional bonding authority to refinance existing debt with the intent of cutting interest costs, WISTAX said.

In addition to rising state debt, the report also notes a return to rising deficits under generally accepted accounting principles (GAAP). The GAAP deficit is projected to fall to \$2.06 billion this June, down from \$2.99 billion in 2011. However, under 2013-15 budget proposals, the deficit would increase to \$2.36 billion next year and to \$2.64 billion in 2015.

This analysis is available in the latest WISTAX newsletter entitled “State budget sticking points (II): Debt and deficits.” Copies are available at www.wistax.org or by emailing wistax@wistax.org; calling 608.241.9789; or writing WISTAX at 401 North Lawn Ave., Madison, WI 53704-5033. □

(Editor’s Note: An electronic version of this release is available at www.wistax.org.)