



2025-27 State Budget Preview

The budget process has already begun...

To help you understand how the state budget process works, we're providing a preview of what the process may look like going into the 2025-26 legislative session. The state works on a two-year (biennial) budget cycle, which begins on July 1 of odd-numbered years. The 2025-27 biennium will begin on July 1, 2025, and end on June 30, 2027 (see timeline).

■ New dynamics in play for the 2025-27 budget debate

Governor Tony Evers is not up for reelection this fall. In the state Legislature, November will see the election of half (even numbered) of the 33 state Senate districts, and all 99 state Assembly districts. A new dynamic is major legislative redistricting occurring this year. Redistricting, combined with the usual list of legislators not seeking reelection, could mean significant turnover in

both chambers next session.

Another new dynamic is the Governor's veto from the last state budget (2023-25) that provided revenue limit increases of \$325 per pupil for multiple centuries. That veto is currently being challenged in court.

We will also see school choice advocates lobbying to change how vouchers are funded. Concerned by the property tax impact of vouchers, they are pushing to fund them entirely by a state appropriation rather than through deductions from school district funding (a process commonly referred to as "decoupling"). What hasn't changed is there will continue to be a strong push for voucher expansion (through the lifting of enrollment caps and income eligibility limits).

■ Setting the table for 2025

Wisconsin's K-12 spending levels continue to fall in national rankings

(along with our tax burden). In 2002, Wisconsin had the 11th-highest per pupil spending in the country. In 2020, that fell to 25th.

The economic climate is also challenging, with rising inflation, rising wage demand and employers facing workforce shortages. We don't have to tell you that school districts are also grappling with staffing challenges, administrative turnover and competition with private sector wages.

That being said, the fiscal condition of the State of Wisconsin is historically strong, with an over \$3 billion surplus in the state's coffers (largely the result of the governor and legislature being at odds on how to spend it down) and a fully funded rainy-day fund.

■ DPI budget request coming in mid-September

The Department of Public Instruction's

STATE BUDGET PROCESS TIMELINE

2024

JUNE:

State agencies begin planning their 2025-27 budget requests.

SEPTEMBER:

State agencies submit their budget requests to the governor. The DPI plans to release their budget request in mid-September.

2025

JANUARY-FEBRUARY:

The governor delivers the biennial budget message and proposes a two-year budget.

MARCH-APRIL:

The Joint Finance Committee (JFC) holds public hearings on the governor's budget proposal, typically at four to six locations around the state.

APRIL-MAY:

The JFC modifies, deletes and adds provisions to the governor's proposed budget, and sends another version to the Legislature.

MAY-JUNE:

The Assembly and Senate majority and minority parties develop their own amendments.

budget request is typically the high-water mark for investment in schools during the state budget process. We will be looking for:

THE REVENUE GAP CAUSED BY ENDING INFLATIONARY INCREASES

	Year	Per Pupil Adjustment Under Prior Indexing	Actual Combined Resource Change	Difference
▪ Strong investment in special education aid.	2008-09	\$274.68	\$274.68	\$0.00
	2009-10	\$274.68	\$200.00	- \$74.68
▪ Revenue limit adjustments and/or per pupil categorical aid that keeps pace with inflation.	2010-11	\$281.00	\$200.00	- \$81.00
	2011-12	\$288.59	- \$554.00	- \$842.59
▪ Low revenue ceiling adjustment.	2012-13	\$296.38	\$100.00	- \$196.38
	2013-14	\$300.83	\$100.00	- \$200.83
▪ Investments in workforce recruitment and retention initiatives, including loan forgiveness, student teaching/mentorship stipends, allowing retirees to come back and help out without losing their pensions, etc.	2014-15	\$305.34	\$150.00	- \$155.34
	2015-16	\$305.34	\$0.00	- \$305.34
▪ Investments to help schools partner with providers to provide mental health services to students and staff.	2016-17	\$308.09	\$100.00	- \$208.09
	2017-18	\$315.48	\$200.00	- \$115.48
	2018-19	\$323.05	\$204.00	- \$119.05
	2019-20	\$329.19	\$263.00	- \$66.19
	2020-21	\$334.13	\$179.00	- \$155.13
	2021-22	\$342.82	\$0.00	- \$342.82
	2022-23	\$371.96	\$0.00	- \$371.96
	2023-24	\$390.56	\$325.00	- \$65.56
	2024-25	\$404.23	\$325.00	- \$79.23

WASB resources

The budget process can be confusing and move very quickly. The WASB Government Relations Team will be there the entire way, making sure you know what is happening and when you can make a difference. Read the weekly eConnection emails, subscribe to the WASB Legislative Update blog and attend your Fall Regional Meeting to keep up to date.

Thank you for your efforts on behalf of Wisconsin students. ■

The chart above shows inflationary increases, actual increases and the difference between the two since automatic inflationary increases in revenue limits were repealed in the 2009-11 budget. Schools have faced a cumulative deficit in comparison to inflation of over \$3,300 per student.

From 1998-99 to 2008-09, the revenue limit per pupil adjustment was indexed for inflation each year. The inflation increase was the percentage change, if not negative, in the consumer price index for all urban consumers between the preceding March and second-preceding March. Under the 2009-11 budget act, the inflation adjustment was deleted. Per pupil adjustments under revenue limits were then specified by law in biennial budget acts.

EARLY TO MID-JUNE:

After the individual caucuses have finished deliberations, the majority party's budget package is introduced and scheduled for floor debate where the minority party will offer amendments. The budget bill is adopted by a majority vote of the first house, and then proceeds to the other house, where it is amended and adopted in similar fashion.

LATE JUNE:

If the Assembly and Senate approve an identical version of the budget, it goes to the governor for signature and/or vetoes. If the Assembly and Senate approve separate versions of the budget, the differences are reconciled in a conference committee before a final budget is approved in both houses. The reconciled version is sent to the governor.

JUNE-JULY:

The governor reviews the budget bill. The Wisconsin Constitution provides the governor with extensive authority to partially veto appropriation bills (bills that spend money). Once the governor signs the budget bill into law, minus any partial vetoes, it then becomes the state's fiscal budget document for the biennium.

The Legislature has the authority to override any of the governor's partial vetoes with a two-thirds vote in each house.