

Financial state of the state

24 WISCONSIN



\$4,600
TAXPAYER
BURDEN



MONEY
NEEDED TO
PAY BILLS:
\$9 BILLION



THE FINANCIAL STATE OF WISCONSIN

The state's bills exceed its assets

Assets	\$50,285,689,000
Minus: Capital assets	-\$29,379,953,000
Restricted assets	-\$11,464,469,000
Assets available to pay bills	\$9,441,267,000
Minus: Bills	-\$18,547,175,000
Money needed to pay bills	-\$9,105,908,000

Each taxpayer's share of this debt **-\$4,600**

Wisconsin has \$50.3 billion in assets, but most of these assets are not available to pay state bills.

The \$29.4 billion of capital assets, such as roads, buildings, and land, should not be sold to pay bills. The use of \$11.5 billion of the assets is restricted by law or contract.

That leaves \$9.4 billion of state's assets available to pay \$18.5 billion of bills as they come due.

The -\$9.1 billion shortfall represents compensation and other costs incurred in prior years that should have been paid in those years. Instead these costs have been shifted to future taxpayers.



Truth in Accounting is committed to educating and empowering citizens with understandable, reliable and transparent government financial information.

We call on governments to truthfully balance their budgets by including all real and certain expenses when incurred not when paid.

To be knowledgeable participants in their government and its budget process, citizens need to be provided with truthful and transparent financial information.

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Key findings

- Wisconsin has \$9.4 billion available to pay \$18.5 billion worth of bills. Therefore, the state has a -\$9.1 billion financial hole.
- Wisconsin has a taxpayer burden of -\$4,600, which is each taxpayer's share of the state's unfunded debt.
- The state hides most of its retiree health care debt. Its total hidden debt is \$538.8 million.

The bills Wisconsin has accumulated

Bonds	\$13,556,755,000
Other liabilities	\$11,126,364,000
Minus: Debt related to capital assets	-\$6,409,751,000
Unfunded pension benefits *	-\$765,872,000
Unfunded retiree health care benefits	\$1,039,679,000
Bills	\$18,547,175,000

The state has accumulated bonds of \$13.6 billion and other liabilities of \$11.1 billion. The calculation of assets available to pay bills does not include capital assets, so \$6.4 billion of related debt is removed from the calculation of state bills.

* The state's pension plan is extremely well funded, resulting in a negative unfunded amount. Wisconsin endeavors to have enough assets to pay benefits, so the amount of assets on hand attempts to take into account downturns in the market.

While the state's pension plan is well funded, its retiree health care plan has less than 40 cents for every dollar needed to pay promised benefits. State employees have been promised \$1.6 billion worth of health care benefits, but only \$543 million has been set aside to pay these benefits.

Unless these retiree health care benefits are renegotiated, future taxpayers will be burdened with paying for these benefits without receiving any corresponding government services or benefits.

Data is derived from the State of Wisconsin's June 30, 2015 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

Number of taxpayers is based on an estimation of the state's population with a federal tax liability.

www.StateDataLab.org