

## Wisconsin

From 2002 to 2008, Wisconsin's spending increased the most in the hospitals (68%), natural resources (54%) and debt service (44%) categories. The spending categories that saw the least growth were corrections (+12%), highways (+11%), health (+10%), administration (+6%), and parks and recreation (-42%). The 24% increase in education spending and 18% increase in welfare spending each ranked the fourth-smallest in the country. Wisconsin's per capita parks and recreation spending fell from 37<sup>th</sup> in the nation in 2002 to 48<sup>th</sup> in 2008, and its per capita police spending remained 48<sup>th</sup> in 2008. By contrast, per capita natural resources spending jumped from 22<sup>nd</sup> in 2003 to 11<sup>th</sup> in 2008. The state's overall general spending increase of 21% was among the lowest in the country, ranking 48<sup>th</sup>-highest, although the 32% increase in direct spending, over which the legislature has the most control, was significantly higher, ranking 35<sup>th</sup>.

Wisconsin's total overall revenue growth of 23% ranked 45<sup>th</sup> for the period, and its total tax revenue growth of 28% ranked 46<sup>th</sup>. Corporate income taxes were the fastest growing tax revenue category, increasing 94%, although that was less than the growth of most states (ranking 32<sup>nd</sup>-highest).

<b>Spending</b> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Corrections	965,801	5	1,084,127	11	-6	12%	45
Education	8,299,045	14	10,329,906	26	-12	24%	47
Government Administration	633,302	34	673,364	40	-6	6%	42
Health	637,922	30	703,266	38	-8	10%	38
Highways	1,716,735	27	1,901,463	32	-5	11%	31
Hospitals	657,460	22	1,106,220	21	+1	68%	13
Interest on Debt	736,856	18	1,060,901	17	+1	44%	22
Natural Resources	420,295	22	646,438	11	+11	54%	9
Parks and Recreation	61,972	37	35,926	48	-11	-42%	46
Police Protection	102,421	48	132,283	48	0	29%	25
Public Welfare	5,514,657	18	6,524,417	36	-18	18%	47
Salaries and Wages	3,066,228	38	4,203,579	33	+5	37%	18
Direct Expenditures	13,595,800	32	17,926,796	36	-4	32%	35
General Expenditures	23,118,991	16	28,019,994	26	-10	21%	48
Total Expenditures	26,749,270	16	32,649,254	25	-9	22%	47

  

<b>Taxes</b> (Spending and revenue numbers are in thousands of dollars)	2002	2002 Per Capita Rank	2008	2008 Per Capita Rank	Difference in Rank	2002–2008 Increase/Decrease	2002–2008 Increase/Decrease Rank
Personal Income Tax <sup>1</sup>	4,973,615	8	6,640,528	12	-4	34%	37
General Sales Tax <sup>2</sup>	3,695,796	18	4,268,068	26	-8	15%	39
Corporate Income Tax <sup>3</sup>	445,016	15	863,088	19	-4	94%	32
Total Taxes	11,813,831	11	15,088,662	18	-7	28%	46
Total Revenue	20,874,265	25	25,643,589	39	-14	23%	45

<sup>1</sup> Personal income tax per capita rankings are out of 43 since seven states do not collect personal income taxes.

<sup>2</sup> General sales tax per capita rankings are out of 45 since five states do not collect general sales taxes.

<sup>3</sup> Corporate income tax per capita rankings are out of 46 since four states do not collect corporate income taxes.

**Comparison to Baseline Growth**

One sound rule of thumb is that government expenditures should not increase more than the combined increase in population and inflation growth. This allows the government to maintain service levels and accommodate increased costs due to an expanding population and rises in the cost of living. For the 2002–2008 period, the Consumer Price Index, used to measure inflation, increased approximately 20% and Wisconsin’s population increased by 3%. This yields a “baseline” growth of 23% for the period. The figure below compares the difference in Wisconsin’s expenditures and revenue for the period to this baseline for 15 spending and five revenue categories.

