



## 1995 ENGROSSED ASSEMBLY BILL 7

February 22, 1995 — Prepared by direction of SENATE CHIEF CLERK.

1 AN ACT *to amend* 16.46 (2); and *to create* 13.40 of the statutes; **relating to:** a  
2 limitation upon state appropriations from general purpose revenue.

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### *Analysis by the Legislative Reference Bureau*

#### ***Engrossment information:***

The text of Engrossed 1995 Assembly Bill 7 consists of the following documents adopted in the assembly on February 15, 1995: Assembly Substitute Amendment 1, as affected by the following Assembly Amendments: Assembly Amendment 1, Assembly Amendment 2 and Assembly Amendment 3.

#### ***Content of 1995 Assembly Bill 7:***

This bill creates a statutory provision which states that the sum of the total sum certain appropriations enacted by the legislature from general purpose revenue for any fiscal biennium and the total expenditures that will be made under appropriations, other than sum certain appropriations, from that revenue for that fiscal biennium, as estimated by the legislative fiscal bureau, may not exceed the sum of: a) the amount appropriated for those sum certain appropriations and the amount that will be expended from those sum sufficient appropriations derived from that revenue in the fiscal year preceding that fiscal biennium, as affected by the average rate of change in this state's per capita personal income for the 4 most recent calendar years preceding that fiscal biennium; b) the amount determined under a), above, as affected by the average of the rates of change in this state's per capita personal income for the 3 most recent calendar years preceding that fiscal biennium and the rate of change in this state's per capita personal income for the calendar year following those years, as estimated by the department of administration; and c) any amount by which the amount appropriated from sum certain appropriations from general purpose revenue for the preceding fiscal biennium exceeded actual expenditures from sum certain appropriations made from general purpose revenue for that fiscal biennium, as determined by the legislative fiscal bureau.

The limit does not apply to any appropriation for principal repayment and interest payments on public debt, any appropriation to honor a moral obligation to

guarantee principal repayment and interest on bonds for which the state is not legally liable, any appropriation to make a payment to the United States to ensure that interest paid on state bonds will remain excludable from federal gross income, any appropriation prior to the 1997-98 fiscal year providing for state aids to local governments or any appropriation that is enacted with the approval of at least three-fifths of the members of each house of the legislature. Excluded appropriations, other than those that require approval by a three-fifths majority of each house of the legislature, are not included in computing the limit. The limit is reduced by amounts allocated by the federal government or local governments to fund programs that the state previously funded from general purpose revenue and by any amount of reduced state costs from general purpose revenue of administering a program for which funding is shifted from general purpose revenue to program or segregated revenue. No reduction applies if the state removes a mandate for local governments to administer a program at the same time that state funding from general purpose revenue is reduced.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 13.40 of the statutes is created to read:

2           **13.40 Limitation on state appropriations from general purpose**  
3 **revenue. (1)** In this section:

4           (a) “Fiscal biennium” means a 2-year period beginning on July 1 of an  
5 odd-numbered year.

6           (b) “General purpose revenue” has the meaning given for “general purpose  
7 revenues” in s. 20.001 (2) (a).

8           (c) “Local governmental unit” has the meaning given in s. 16.97 (7).

9           (d) “Program revenue” has the meaning given for “program revenues” in s.  
10 20.001 (2) (b) and “program revenues-service” in s. 20.001 (2) (c), but excludes federal  
11 revenues as defined in s. 20.001 (2) (e).

12           (e) “Segregated revenue” has the meaning given for “segregated fund revenues”  
13 in s. 20.001 (2) (d), “segregated fund revenues — service” in s. 20.001 (2) (da) and

1 “segregated fund revenues — local” in s. 20.001 (2) (dm), but excludes federal  
2 revenues as defined in s. 20.001 (2) (e).

3 **(2)** Except as provided in subs. (3) to (5), the amount appropriated from general  
4 purpose revenue for each fiscal biennium excluding any amount appropriated under  
5 sub. (3) (a) to (d), as determined under sub. (6), may not exceed the sum of:

6 (a) The amount appropriated from general purpose revenue, excluding any  
7 amount appropriated under sub. (3) (a) to (d), for the 2nd fiscal year of the prior fiscal  
8 biennium as reported under s. 16.46 (2), multiplied by the sum of 1.0 and the average  
9 annual percentage change in this state’s per capita personal income, expressed as a  
10 decimal, as reported for the most recent 4 calendar years prior to the fiscal biennium  
11 by the federal department of commerce.

12 (b) The amount determined under par. (a) multiplied by the sum of 1.0 and the  
13 average annual percentage change in this state’s per capita personal income,  
14 expressed as a decimal, as reported for the most recent 3 calendar years prior to the  
15 fiscal biennium by the federal department of commerce and as estimated by the  
16 department of administration for the calendar year following those years no later  
17 than December 5 of each even-numbered year, except as provided in sub. (8).

18 (c) Any amount by which the amount appropriated from sum certain  
19 appropriations made from general purpose revenue, excluding any amount  
20 appropriated under sub. (3) (a) to (d), for the preceding fiscal biennium, exceeded  
21 actual expenditures from sum certain appropriations made from general purpose  
22 revenue for the preceding fiscal biennium, excluding any amount expended under an  
23 appropriation specified in sub. (3) (a) to (d), as determined by the legislative fiscal  
24 bureau.

25 **(3)** The limitation under sub. (2) does not apply to any of the following:

1 (a) An appropriation for principal repayment and interest payments on public  
2 debt, as defined in s. 18.01 (4), or operating notes, as defined in s. 18.71 (4).

3 (b) An appropriation to honor a moral obligation undertaken pursuant to ss.  
4 18.61 (5), 85.25 (5), 144.2415 (13m), 229.50 (7), 234.15 (4), 234.42 (4), 234.54 (4) (b),  
5 234.626 (7) and 234.93 (6).

6 (c) An appropriation to make a payment to the United States that the building  
7 commission determines to be payable under s. 13.488 (1) (m).

8 (d) An appropriation for a period prior to the 1997-98 fiscal year providing for  
9 state aids to any local governmental unit.

10 (e) An appropriation that is enacted with the approval of at least three-fifths  
11 of the members of each house of the legislature.

12 **(4)** Whenever in any fiscal biennium the federal government assumes fiscal  
13 responsibility for a state program that was previously funded from general purpose  
14 revenue, the limitation under sub. (2) for the next fiscal biennium shall be reduced  
15 by the amount allocated to that program for the most recently completed fiscal  
16 biennium in which the state assumed fiscal responsibility for the program.

17 **(4m)** Whenever in any fiscal biennium the legislature reduces the cost of  
18 administering a program administered in whole or in part from general purpose  
19 revenue by substituting funding from program revenue or segregated revenue, the  
20 limitation under sub. (2) for the next fiscal biennium shall be reduced by the amount  
21 of the reduced state cost, from general purpose revenue, of administering that  
22 program for the most recently completed fiscal biennium.

23 **(5)** Whenever in any fiscal biennium the legislature terminates or reduces the  
24 state general purpose revenue funding for a program administered by local  
25 governmental units that is partially funded by the state from general purpose

1 revenue, the limitation under sub. (2) for the next fiscal biennium shall be reduced  
2 by the amount allocated by the state to that program from general purpose revenue  
3 or by the amount of the reduced state cost, from general purpose revenue, of  
4 administering that program for the most recently completed fiscal biennium. If the  
5 requirement that the local unit of government administer the program is terminated  
6 or reduced by the same amount that state general purpose funding is reduced, then  
7 no adjustment shall be made to the limitation under sub. (2).

8 (6) For purposes of sub. (2), the computation of the amount appropriated from  
9 general purpose revenue for any fiscal biennium to which sub. (2) applies shall be  
10 made by adding the applicable sum certain appropriations enacted by the legislature  
11 from general purpose revenue and an estimate of amounts that will be expended  
12 under applicable appropriations, other than sum certain appropriations, that are  
13 made from general purpose revenue for that fiscal biennium, including any amounts  
14 estimated to be expended for payment of compensation increases for state employees  
15 and for litigation expenses incurred in actions against the state or state officers,  
16 employees or agents, as determined by the legislative fiscal bureau no later than  
17 December 5 of each even-numbered year, except as provided in sub. (8).

18 (7) For purposes of calculating the amount appropriated from a biennial  
19 appropriation under sub. (2) (a), the amount shown in the schedule under s. 20.005  
20 (3) for the 2nd year of any fiscal biennium is determinative.

21 (8) No later than December 5 of each even-numbered year, the department of  
22 administration and legislative fiscal bureau shall report to the cochairpersons of the  
23 joint committee on finance the estimates and determinations required to be made  
24 under subs. (2) and (6) for the succeeding fiscal biennium. If the cochairpersons of  
25 the committee do not notify the secretary of administration and the director of the

1 legislative fiscal bureau that the committee has scheduled a meeting for the purpose  
2 of reviewing the estimates and determinations by December 15 following their  
3 submittal, the estimates and determinations shall be effective. If, by December 15  
4 following the submittal of the estimates and determinations, the cochairpersons of  
5 the committee notify the secretary and director that the committee has scheduled a  
6 meeting for the purpose of reviewing the estimates and determinations, the  
7 estimates and determinations are not effective unless approved or approved with  
8 modifications by the committee.

9 **SECTION 2.** 16.46 (2) of the statutes is amended to read:

10 16.46 (2) A summary of the actual and estimated amounts appropriated and  
11 the actual and estimated disbursements of the state government from all operating  
12 funds during for each fiscal year of the current fiscal biennium and of the requests  
13 of agencies and the recommendations of the governor for the succeeding fiscal  
14 biennium;

15 (END)