

2013 DRAFTING REQUEST

Bill

Received: 12/5/2012 Received By: rchampag
Wanted: Soon Same as LRB:
For: Administration-Budget By/Representing: Frederick
May Contact: Drafter: rchampag
Subject: State Finance - miscellaneous Addl. Drafters:
Extra Copies:

Submit via email: YES
Requester's email:
Carbon copy (CC) to:

Pre Topic:

DOA:.....Frederick, BB0288 -

Topic:

Payment of Fees for Banking Services for State Funds

Instructions:

See Attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rchampag 12/7/2012			_____			
/1		csicilia 12/7/2012	jmurphy 12/7/2012	_____	lparisi 12/7/2012		State

FE Sent For:

<END>

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/?	rchampag	1 g 12/7	12/12	Jim	Self		

FE Sent For:

<END>

Champagne, Rick

From: Hanaman, Cathlene
Sent: Wednesday, December 05, 2012 8:50 AM
To: Champagne, Rick
Subject: FW: Statutory Language Drafting Request - BB0288

From: Caitlin.Frederick@Wisconsin.gov [mailto:Caitlin.Frederick@Wisconsin.gov]
Sent: Tuesday, December 04, 2012 5:31 PM
To: Hanaman, Cathlene
Cc: Frederick, Caitlin - DOA; Frederick, Caitlin - DOA; Thornton, Scott - DOA
Subject: Statutory Language Drafting Request - BB0288

Biennial Budget: 2013-15

DOA Tracking Code: BB0288

Topic: Fees for Banking Services

SBO Team: TLGED

SBO Analyst: Frederick, Caitlin - DOA
Phone: (608) 266-1040
E-mail: Caitlin.Frederick@Wisconsin.gov

Agency Acronym: MA

Agency Number: 855

Priority: Medium

Intent:

Create a sum sufficient appropriation to cover any funding gaps resulting from low interest earnings. This would used when interest earning under 20.855 (1)(d) and (1)(c) are insufficient to cover the banking costs.

Attachments: False

Please send completed drafts to statlanguage@wisapps.wi.gov

Champagne, Rick

From: Frederick, Caitlin - DOA <caitlin.frederick@wisconsin.gov>
Sent: Thursday, December 06, 2012 5:07 PM
To: Champagne, Rick
Subject: FW: Misc Appropriations SCO request

I think I got it now.

The new proposed appropriation is not explicitly designed to cover earning shortfalls out of (1)(d). Instead it is straightforward covering banking fees in excess of earnings.

From: Anderson, Jeff - DOA
Sent: Thursday, December 06, 2012 4:50 PM
To: Frederick, Caitlin - DOA
Cc: Censky, Steve - DOA
Subject: RE: Misc Appropriations SCO request

Caitlin,

Appropriations 20.855(1)(c) and 20.855(1)(d) are to be used if the net State Investment Fund Earnings for the General Fund (excluding the designated UW PR appropriations and BEFORE banking fees) was negative for the year. In that case, we would use the authority and reclassify the negative earnings (revenues) as expenditures. I don't know the last time that would have happened – I'm thinking it was many years ago. During FY 2012, the earnings before the banking fees were removed was still slightly positive. However, given the large cash balances maintained in the UW PR appropriations, and the fact that the non-UW PR appropriation balances would be weakened by future economic downturns, it is certainly possible that the authority in these appropriations will be needed down the road.

The new appropriation that we have proposed - 20.855(1)(f) – would be used when the earnings excluding the UW PR appropriations are not sufficient to cover the banking fees. For example, the actual earnings and banking fees for FY 2012 were as follows:

General Fund SIF Earnings (not including UW PR)	141,419
Banking Fees	<u>-1,613,060</u>
Net Earnings less Fees	-1,471,641

In this case, had appropriation 20.855(1)(f) been in place, \$1,471,641 would have been recorded. If the General Fund earnings for the year were -\$300,000, then the calculation would look like this:

General Fund SIF Earnings (not including UW PR)	-300,000
Banking Fees	<u>-1,613,060</u>
Net Earnings less Fees	-1,913,060

In this example, \$300,000 would have been recorded to 20.855(1)(d), and \$1,613,060 to 20.855(1)(f).

Please let me know if you have additional questions.

Thanks.

Jeff

Jeff Anderson, CPA

*Financial Mgmt Supervisor - Treasury Services
WI Dept of Administration - State Controller's Office
608-266-8347*

From: Frederick, Caitlin - DOA
Sent: Thursday, December 06, 2012 10:21 AM
To: Anderson, Jeff - DOA
Subject: FW: Misc Appropriations SCO request

Jeff,

Would this appropriation be used to covered the costs associated with 20.855(1)(c) and (1)(d) when the interest earning are not sufficient? Or is this something separate?

When discussing it with the drafter, one oddity is the fact that those appropriations are sum sufficient. We were thinking putting either a sum sufficient with a cap or make them continuing. The new appropriation would explicitly state it would be used when there were insufficient amounts in c and d.

From: Kraus, Jennifer - DOA
Sent: Thursday, November 08, 2012 9:11 AM
To: Frederick, Caitlin - DOA; Ley, Emily A - DOA
Cc: Bong, Sasha E - DOA; Grinde, Kirsten - DOA
Subject: Misc Appropriations SCO request

As discussed, for inclusion in the Misc Approp. Briefing --

Request: Create a new sum sufficient GPR appropriation that would explicitly allow SCO to record the amount of banking fees that exceed investment fund earnings as a GPR expenditure.

Thanks - Jenny



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0726/1

RAC: / : ...

gjs

JSM

DOA:.....Frederick, BB0288 - Payment of Fees for Banking Services for State Funds

FOR 2013-2015 BUDGET - NOT READY FOR INTRODUCTION

- do not gen

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT ✓

STATE FINANCE ✓

This bill creates a sum sufficient appropriation from the general fund to pay fees to financial institutions relating to the investment of moneys in the general fund in the state investment fund, other than moneys in program revenue appropriation accounts to the Board of Regents of the UW System, that are not otherwise paid from earnings from the investment of the moneys.

()*

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

2 SECTION 1. 20.855 (1) (f) of the statutes is created to read:

3 20.855 (1) (f) *Payment of fees to financial institutions.* A sum sufficient to pay
4 fees to financial institutions relating to the investment of moneys in the general fund

1 in the state investment fund, other than moneys in program revenue appropriation
2 accounts under s. 20.285, that are not otherwise paid from earnings from the ✓
3 investment of the moneys.

4

(END)

note: bvd





State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0726/1
RAC:cjs:jm

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State Funds

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1 in the state investment fund, other than moneys in program revenue appropriation
2 accounts under s. 20.285, that are not otherwise paid from earnings from the
3 investment of the moneys.

****NOTE: This SECTION involves a change in an appropriation that must be
reflected in the revised schedule in s. 20.005, stats.

4 (END)