



Legislative Fiscal Bureau

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April 16, 2009

Joint Committee on Finance

Paper #174

1% Reduction to Gifts and Grants Appropriations (Budget Management and Compensation Reserves)

[LFB 2009-11 Budget Summary: 1% Reduction Items under Various Agencies]

CURRENT LAW

Gifts and grants appropriations are commonly program revenue appropriations that authorize the expenditure of all moneys received for the purposes for which made.

GOVERNOR

As part of a proposal to reduce many GPR, PR, and SEG appropriations by 1% of the adjusted base in each year of the 2009-11 biennium, reduce 24 PR appropriations relating to gifts and grants in 14 agencies by 1% annually. Delete \$5,321,700 PR annually from these gifts and grants appropriations. A list of these appropriations is shown in the attachment.

DISCUSSION POINTS

1. The proposed 1% reductions to GPR appropriations would directly improve the balance of the general fund. In general, the proposed 1% reductions to PR and SEG appropriations would only benefit the general fund, if under the proposed \$160 million lapse and transfer provision in AB 75, the Secretary of the Department of Administration (DOA) transferred the PR and SEG moneys associated with the 1% reduction to the general fund.

2. Based on information from DOA staff, none of the 1% reductions from gifts and grants appropriations would be transferred to the general fund. The 1% reduction in those appropriations was proposed as part of a 1% reduction that was made to all appropriations, with certain exceptions.

3. Because the proposed 1% reduction to gifts and grants appropriations would not benefit the general fund, the Committee may wish to consider restoring these funding amounts. This would make clear to donors that their moneys will be used as intended if received by the state, and that there is no intention under the bill to transfer these moneys to the general fund. Although these appropriations are all-moneys-received appropriations, so that the amount shown in the appropriation schedule is not controlling, restoring these reductions may give a better indication of the state's intentions with regard to gift moneys.

ALTERNATIVES

1. Approve the Governor's recommendation to reduce 24 gifts and grants appropriations by a total of \$5,321,700 PR annually.

2. Delete the Governor's recommendation and restore a total of \$5,321,700 PR annually to 24 gifts and grants appropriations.

ALT 2	Change to Bill
	Funding
PR	\$10,643,400

Prepared by: Dave Loppnow
Attachment

ATTACHMENT

Gifts and Grants Appropriations Affected by the 1% Reduction

<u>Agency</u>	<u>Appropriation</u>	<u>Annual Base Funding</u>	<u>1% Reduction by Year</u>	
			<u>2009-10</u>	<u>2010-11</u>
Agriculture, Trade and Consumer Protection	(8)(g)	\$764,200	-\$7,600	-\$7,600
Commerce	(1)(g)	491,600	-4,900	-4,900
	(3)(g)	18,000	-200	-200
	(4)(g)	12,000	-100	-100
Corrections	(1)(i)	33,400	-300	-300
	(3)(i)	7,700	-100	-100
District Attorneys	(1)(h)	2,947,800	-29,500	-29,500
Educational Communications Board	(1)(g)	8,798,300	-88,000	-88,000
Financial Institutions	(1)(h)	65,000	-700	-700
Health Services	(1)(i)	3,744,700	-37,400	-37,400
	(2)(i)	388,600	-3,900	-3,900
	(4)(i)	115,800	-1,200	-1,200
	(5)(i)	202,600	-2,000	-2,000
	(7)(i)	15,100	-200	-200
Historical Society	(1)(h)	339,400	-3,400	-3,400
Public Instruction	(1)(jr)	2,050,000	-20,500	-20,500
Supreme Court	(4)(h)	560,600	-5,600	-5,600
Tourism	(1)(g)	6,200	-100	-100
University of Wisconsin System	(1)(j)	494,450,400	-4,944,500	-4,944,500
	(1)(ja)	3,797,700	-38,000	-38,000
	(5)(j)	13,083,400	-130,800	-130,800
Veterans Affairs	(1)(h)	214,700	-2,200	-2,200
Wisconsin Technical College System	(1)(h)	20,600	-200	-200
	(1)(k)	<u>30,200</u>	<u>-300</u>	<u>-300</u>
Total		\$532,158,000	-\$5,321,700	-\$5,321,700