

2001 Jr2 DRAFTING REQUEST

Assembly Amendment (AA-AB1)

Received: 02/28/2002

Received By: **champra**

Wanted: **Soon**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Rhodes**

This file may be shown to any legislator: **NO**

Drafter: **champra**

May Contact:

Addl. Drafters:

Subject: **State Finance - bud generally**
State Finance - miscellaneous

Extra Copies:

Submit via email: **NO**

Pre Topic:

LFB:.....Rhodes -

Topic:

Eliminate changes to Governor's emergency fiscal authority

Instructions:

See Topic

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>
/1	champra 02/28/2002	csicilia 03/01/2002	jfrantze 03/01/2002	_____	lrb_docadmin 03/01/2002		

FE Sent For:

<END>

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/1	champra	1, hmb 2/28/02	J 3/1	Self 3/1			

FE Sent For:

<END>



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-4337/6
RAC:cmh/jld/cs:rs

DOA:.....Geisler – Governor’s recision authority

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1 **AN ACT** ...; **relating to:** authorizing the secretary of administration to reduce
2 state agency sum certain appropriations and expenditure estimates and to
3 lapse or transfer moneys to the general fund, requiring the governor to submit
4 legislation correcting a budgetary imbalance, and making an appropriation.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

STATE FINANCE

Under current law, if the secretary of administration (secretary) determines that previously authorized expenditures will exceed revenues in the current or forthcoming fiscal year by more than 0.5% of the estimated general purpose revenue appropriations for that fiscal year, the secretary must immediately notify the governor, the presiding officers of each house of the legislature, and the joint committee on finance. After the notification, the governor must submit a bill with his or her recommendations for correcting the imbalance between projected revenues and authorized expenditures. If the legislature is not in a floorperiod at the time of the secretary’s notification, the governor must call a special session of the legislature and must submit the bill for consideration at that session.

This bill revises the process by which the secretary and the governor may correct budgetary imbalances. Under the bill, in each even-numbered year, the

legislative fiscal bureau (LFB) must prepare an estimate of general purpose revenue receipts and expenditures for the current fiscal biennium. In addition, at any time during a fiscal biennium, the departments of administration (DOA) and revenue (DOR) may prepare an estimate of general purpose revenue receipts and expenditures for the current fiscal biennium.

Under the bill, if the LFB estimate or the DOA and DOR estimate concludes that previously authorized general purpose revenue expenditures will exceed general purpose revenue receipts by an amount greater than 2% of the previously authorized general purpose revenue appropriations for that fiscal biennium, the governor must declare a fiscal emergency no later than 15 days after the date on which the LFB or DOA and DOR makes the determination. If the legislature is in a floorperiod on the date on which the governor declares a fiscal emergency, the governor, no later than 15 days after the date on which the governor declared a fiscal emergency, shall submit a bill to the legislature containing his or her recommendations for correcting the imbalance. If the legislature has not passed a bill to correct the imbalance before the close of the last regular floorperiod of the legislative session, the secretary may do either or both of the following to correct the imbalance: reduce any sum certain appropriation or any expenditure estimate that was previously approved by the secretary during the fiscal biennium or lapse or transfer moneys to the general fund, whichever is appropriate, from program revenue or segregated revenue appropriations.

In addition, under the bill, if the legislature is not in a floorperiod on the date on which the governor declares a fiscal emergency, the governor is not required to submit a bill to the legislature and the secretary may do either or both of the following to correct the imbalance: reduce any sum certain appropriation or any expenditure estimate that was previously approved by the secretary during the fiscal biennium or lapse or transfer moneys to the general fund, whichever is appropriate, from program revenue or segregated revenue appropriations.

Under the bill, however, the secretary may not lapse or transfer money to the general fund from any of the following: an appropriation that is funded from federal revenues; an appropriation for principal repayment and interest payments on public debt or operating notes; an appropriation to the department of transportation for the purpose of undertaking construction projects; an appropriation for the operation of any state institution established for the care or custody of individuals; an appropriation funded from gifts, grants, or bequests; an appropriation containing moneys whose lapse or transfer would violate a condition imposed by the federal government on the expenditure of the moneys; or an appropriation containing moneys whose lapse or transfer would violate the federal or state constitution.

Finally, the bill provides that, if the secretary reduces a sum certain appropriation or an expenditure estimate, or lapses or transfers money to the general fund, from any appropriation that is made to provide money to more than one local governmental unit, with the result that less money is provided to the local governmental units, the secretary shall ensure that each local governmental unit receives the same percentage reduction in money paid from that appropriation.

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:

1 ✓ SECTION 1. 13.95 (1) (h) of the statutes is created to read:

2 13.95 (1) (h) In each even-numbered year, no later than January 31, prepare
3 an estimate of general purpose revenue receipts and expenditures for the current
4 fiscal biennium. The legislative fiscal bureau shall submit a copy of the estimate to
5 the governor, the secretary of administration, the co-chairpersons of the joint
6 committee on finance, and the presiding officer of each house of the legislature.

7 ✓ SECTION 2. 16.50 (5) of the statutes is amended to read:

8 16.50 (5) DISBURSEMENTS. The secretary may not draw a warrant for payment
9 of any expenditures incurred by any department nor may any department make any
10 expenditure for which the approval of the secretary or the governor is necessary
11 under this section, including any expenditure under s. 20.867, unless the
12 expenditure was made in accordance with an estimate submitted to and approved
13 by the secretary or by the governor. In the event that the secretary determines that
14 previously authorized expenditures will exceed revenues in the current or
15 forthcoming fiscal year by more than 0.5% 2.0% of the estimated general purpose
16 revenue appropriations for that fiscal year, he or she may not decline to approve an
17 estimate or to draw a warrant under this subsection, but shall instead proceed under
18 sub. (7).

19 ✓ SECTION 3. 16.50 (6m) of the statutes is created to read:

20 16.50 (6m) ESTIMATES OF EXPENDITURES AND REVENUES. At any time during a
21 fiscal biennium, the departments of administration and revenue may jointly prepare

1 an estimate of general purpose revenue receipts and expenditures for that fiscal
2 biennium. The departments of administration and revenue shall submit a copy of
3 any estimate to the governor, the co-chairpersons of the joint committee on finance,
4 and the presiding officer of each house of the legislature.

5 ✓ SECTION 4. 16.50 (7) of the statutes, as affected by 2001 Wisconsin Act 16, is
6 repealed and recreated to read:

7 16.50 (7) REVENUE SHORTFALL. (a) If the legislative fiscal bureau, under s. 13.95
8 (1) (h), or the departments of administration and revenue, under sub. (6m),
9 determine that previously authorized general purpose revenue expenditures will
10 exceed general purpose revenue receipts by an amount that is greater than 2% of the
11 previously authorized general purpose revenue appropriations for that fiscal
12 biennium, the governor shall declare a fiscal emergency no later than 15 days after
13 the date on which the legislative fiscal bureau or the departments of administration
14 and revenue makes the determination.

15 (b) If the legislature is in a floorperiod on the date on which the governor
16 declares a fiscal emergency under par. (a), the governor, no later than 15 days after
17 the date on which the governor declared a fiscal emergency, shall submit a bill to the
18 legislature containing his or her recommendations for correcting the imbalance. If
19 the legislature has not passed a bill to correct the imbalance before the close of the
20 last regular floorperiod of the legislature, the secretary, subject to pars. (d) to (f), may
21 do any of the following to correct the imbalance for that fiscal biennium:

22 1. Reduce any sum certain appropriation, any expenditure estimate previously
23 approved under sub. (2), and any expenditure estimate for an appropriation under
24 ss. 20.255 (2) (ac), (fm), and (fu) and 20.835 (1) (b), (c), (d), (e), and (f).

1 2. Lapse or transfer moneys to the general fund, whichever is appropriate, from
2 program revenue or segregated revenue appropriations.

3 (c) If the legislature is not in a floorperiod on the date on which the governor
4 declares a fiscal emergency under par. (a), the secretary, subject to pars. (d) to (f), may
5 do any of the following to correct the imbalance for that fiscal biennium:

6 1. Reduce any sum certain appropriation, any expenditure estimate previously
7 approved under sub. (2), and any expenditure estimate for an appropriation under
8 ss. 20.255 (2) (ac), (fm), and (fu) and 20.835 (1) (b), (c), (d), (e), and (f).

9 2. Lapse or transfer moneys to the general fund, whichever is appropriate, from
10 program revenue or segregated revenue appropriations.

11 (d) The secretary may not reduce any sum certain appropriation or any
12 expenditure estimate under par. (b) 1. or (c) 1. if the reduction would violate the
13 federal or state constitution.

14 (e) The secretary may not lapse or transfer money to the general fund under
15 par. (b) 2. or (c) 2. from any of the following:

16 1. An appropriation that is funded from federal revenues.

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

19 3. An appropriation to the department of transportation for the purpose of
20 undertaking construction projects.

21 4. An appropriation for the operation of any state institution established for the
22 care or custody of individuals.

23 5. An appropriation funded from gifts, grants, or bequests.

24 6. An appropriation containing moneys whose lapse or transfer would violate
25 a condition imposed by the federal government on the expenditure of the moneys.



State of Wisconsin
2001 - 2002 LEGISLATURE
January 2002 Special Session

LRBb2246/1

RAC: *hwh*

LFB:.....Rhodes - Eliminate changes to Governor's emergency fiscal authority

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

ASSEMBLY AMENDMENT ,

TO ASSEMBLY BILL 1

1 At the locations indicated, amend the bill as follows:

2 1. Page 32, line 21: delete the material beginning with that line and ending
3 with page 33, line 2.

4 2. Page 35, line 21: delete the material beginning with that line and ending
5 with page 38, line 23.

6 3. Page 47, line 18: delete lines 18 to 22.

7

(END)



State of Wisconsin
2001 - 2002 LEGISLATURE

January 2002 Special Session

LRBb2246/1
RAC:hmh:jf

LFB:.....Rhodes - Eliminate changes to Governor's emergency fiscal authority

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TO ASSEMBLY BILL 1

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 32, line 21: delete the material beginning with that line and ending
3 with page 33, line 2.

4 **2.** Page 35, line 21: delete the material beginning with that line and ending
5 with page 38, line 23.

6 **3.** Page 47, line 18: delete lines 18 to 22.

7 (END)