

**2001 DRAFTING REQUEST**

**Bill**

Received: **12/30/2000**

Received By: **champra**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget**

By/Representing: **Montgomery**

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

Drafter: **champra**

May Contact:

Alt. Drafters:

Subject: **State Finance - miscellaneous**

Extra Copies:

**Pre Topic:**

DOA:.....Montgomery -

**Topic:**

Generally accepted accounting principles; biennial budget report

**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>
/1	champra 12/30/2000	jdyer 01/02/2001	martykr 01/02/2001	_____	lrb_docadmin 01/02/2001		
/2	champra 01/04/2001 champra 02/01/2001	jdyer 01/04/2001 jdyer 02/01/2001	jfrantze 01/04/2001	_____ _____ _____	lrb_docadmin 01/04/2001		
/3			pgreensl 02/01/2001	_____	lrb_docadmin 02/01/2001		
/4	champra	jdyer	jfrantze	_____	lrb_docadmin		

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/5	champra 02/05/2001	jdye 02/05/2001	jfrantze 02/05/2001	_____	lrb_docadmin 02/05/2001		

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/4	champra	jdyer	jfrantze	_____	lrb_docadmin		
		<i>1/5 2/5 jld</i>	<i>Jb 2/5</i>	<i>Self</i>			
				<i>2/5</i>			

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FE Sent For:

Handwritten signatures and initials: 2/2/3, 2/6/3, cmh

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Subject: **State Finance - miscellaneous**

Extra Copies:

*JTK*

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DOA:.....Montgomery -

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Generally accepted accounting principles

#### Instructions:

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/2	champra 01/04/2001	jdyer 01/04/2001	jfrantze 01/04/2001	<i>ps/kr</i>	lrb_docadmin 01/04/2001		

FE Sent For:

*3 2/1 jld*

*2/1  
ps*

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FE Sent For:

12/4 JLD  
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FE Sent For:

<END>



**Date:** December 21, 2000

**To:** Steve Miller, Chief  
Legislative Reference Bureau

**From:** John Montgomery, <sup>JAM</sup> Assistant Administrator  
Division of Executive Budget and Finance

**Subject:** Budget Bill Draft

The Governor's budget will likely recommend that the Department of Administration begin reporting as part of the Governor's budget recommendations, the condition of the general fund under GAAP (generally accepted accounting principles). We would like this to be drafted as a change to s.16.46 similar to the following:

Amend s.16.46(6) to read:

Any explanatory matter which in the judgement of the governor or the secretary will facilitate the understanding by the members of the legislature of the state financial condition, including the estimated general fund balance under generally accepted accounting principles, and of the budget requests and recommendations.



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-1717/1

RAC: x:...

JLD

JOHN

DOA:.....Montgomery - Generally accepted accounting principles

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget. <sup>Do not Gen</sup>

STATE GOVERNMENT  
STATE FINANCE  
sub

*Analysis by the Legislative Reference Bureau*

Under current law, DOA<sup>✓</sup> is required to submit to the legislature a biennial budget report on the day that the governor delivers the biennial budget message. This bill requires that the biennial state budget report must contain a general fund condition statement prepared according to generally accepted accounting principles for state governments as adopted by the governmental accounting standards board (GASB) or its successor bodies. Organized in 1984, GASB is an independent organization founded to establish standards of financial accounting and reporting for state and local governmental entities. Its standards generally guide the preparation of external financial reports of those entities.

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

2 SECTION 1. 16.46 (9)<sup>x</sup> of the statutes is created to read:



## Champagne, Rick

---

**To:** Montgomery, John  
**Subject:** RE: Budget Bill Draft

-----Original Message-----

**From:** Montgomery, John  
**Sent:** Thursday, January 04, 2001 8:04 AM  
**To:** Champagne, Rick  
**Cc:** Koskinen, John; Miller, Steve  
**Subject:** Budget Bill Draft

I just received LRB #1717/1, which I think you drafted. This draft may have been sent to me because John Koskinen may have sent over somewhat similar instructions for reporting the general fund balance under GAAP accounting. However, the draft I want is different and #1717/1 will not suffice for what I want. Instead, please refer to the instructions I sent to Steve Miller on December 21. My intent was to avoid having to prepare a separate fund condition statement and that is why an amendment to s.16.46 (6) would be preferable to what is contained in #1717/1. Please call me if you wish to discuss this. Thanks. (If my drafting request is more for another drafter, let me know.)

<< File: BDGAPSMT.doc >>



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-1717/1-2

RAC:jld:km

*John*

DOA:.....Montgomery – Generally accepted accounting principles

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

*✓ balance prepared in conformity with*

*DO NOT gen*

1

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

*Balance under*

**Analysis by the Legislative Reference Bureau**

**STATE GOVERNMENT**

**STATE FINANCE**

Under current law, DOA is required to submit to the legislature a biennial budget report on the day that the governor delivers the biennial budget message. This bill requires that the biennial state budget report must contain a general fund condition statement prepared according to generally accepted accounting principles for state governments as adopted by the governmental accounting standards board (GASB) or its successor bodies. Organized in 1984, GASB is an independent organization founded to establish standards of financial accounting and reporting for state and local governmental entities. Its standards generally guide the preparation of external financial reports of those entities.

*an estimate of the*

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

2

**SECTION 1. 16.46 (9) of the statutes is created to read:**

1            *An estimate of the* ~~balance~~ *statement*  
2            16.46 (9) ~~A~~ *general fund condition statement* prepared according to generally  
3            accepted accounting principles ~~for state governments as adopted by the~~  
4            ~~governmental accounting standards board or its successor bodies.~~

(END)

*with balance prepared in conformity*

Miller, Steve

From: Montgomery, John  
Sent: Saturday, January 27, 2001 4:19 PM  
To: Miller, Steve  
Subject: Budget Bill Drafting Request

*Jeff - please call me*

Please redraft an existing budget bill draft, LRB 1717, I think (I don't think I've seen it yet) that deals with reporting the budget balance under GAAP in s 16.46. The instructions below are in the form of an e-mail that should be possible to use as drafting instructions. Sorry this is so late. Please call me if you have any questions. Also, who is doing 1717? Thanks.

The intent is to require the budget documents to include information about the pressures and commitments a proposed budget will create in the next succeeding budget as a way to get the Legislature and others to consider the long-term fiscal consequences of items included in each budget.

In the case of the budget we are working on now, the information would describe the outlook for the 03-05 budget, based on the recommendations contained in the 01-03 budget though the strict requirement would only be able to apply to the 03-05 budget and beyond.

**1. Information provided by DOA regarding the next succeeding budget.**

Create a new subsection in Sec. 16.46 that would follow the current 16.46(5). It would provide as follows:

The budget report shall contain a statement regarding the GPR outlook for the next succeeding biennial budget for the biennium following the biennium covered by the proposed budget based on the revenue and expenditure recommendations contained in the proposed budget. The statement shall provide the following information:

- a. The size of the structural surplus or deficit contained in the second fiscal year of the proposed budget, defined as the difference between the GPR revenues and transfers in the proposed budget exclusive of the opening balance and the total net expenditures in the proposed budget as shown on the general fund condition statement under s.20.005(1), as adjusted by any one-time revenues and expenditures of \$5 million or more.
- b. The amount of any advance commitments statutorily created in the proposed budget, defined as commitments to expand programs in such a way as to automatically require increased GPR spending or decreased revenues in the two fiscal years of the next succeeding budget. (Examples would be the SAGE program, which requires additional spending each year in the 01-03 budget as it is expanded to additional grade levels according to the timetable mandated in the 99-01 budget, and the ethanol subsidy program, under which language in separate legislation requires funding of a \$3 million subsidy beginning in the 01-03 budget.)
- c. The amount of additional GPR spending required in the next succeeding budget to fund the following five major program areas: school aids, the Department of Corrections, Medical Assistance, the compensation reserve, and debt service. These increased amounts shall be estimated to be the same as the increased amounts of spending provided in these areas in the proposed budget.
- d. The amount of additional GPR tax revenues anticipated in the next succeeding budget. These amounts shall be estimated to be the average of the annual increase in GPR tax revenues for the preceding ten fiscal years, as adjusted by any provisions which increase or decrease revenues in the next succeeding budget which are contained in the proposed budget.
- e. A comparison of the total GPR expenditure levels required for funding the combination of base year spending (the second year of a biennium) plus the advance commitments plus the increases in the five major program areas with the total GPR revenues estimated to be available, presented in the format used for the general fund condition statement.
- f. A summary of the amount of additional GPR funds that will be available in the next succeeding biennium to provide funding for additional spending or additional tax reductions besides those listed above.

**2. Information provided by LFB regarding the next succeeding budget.**

A similar new section would be created (in Ch.13?) to require the Legislative Fiscal Bureau to prepare statements providing the same information listed above to the Legislature in summary form to accompany the versions of the

*"general expenditures school aids" per PG (NY) 49.665 - Do you want Budget Cell*

budget passed by the Joint Committee on Finance, the Senate, the Assembly, and any conference committee appointed by the two houses to deal with the budget.

**3. Information regarding the GAAP surplus or deficit.**

Create a new subsection in 16.46 that would provide as follows:

The budget report shall contain a statement regarding the state's surplus or deficit according to generally accepted accounting principles (GAAP), as reported in the most recent Comprehensive Annual Financial Report, and a statement regarding the estimated changes in the GAAP surplus or deficit based on the proposed budget. The estimated changes shall be calculated by adjusting the most recently reported GAAP surplus or deficit up or down by the amounts of the change in the GFR gross ending balance as shown on the general fund condition statement under proposed s. 20.005(1).





D-Note  
State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-1717/2 3

RAC:jld:jf

RMR

Today if possible

DOA:.....Montgomery – Generally accepted accounting principles

FOR 2001-03 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

Insert A

Under current law, DOA is required to submit to the legislature a biennial budget report on the day that the governor delivers the biennial budget message. This bill requires that the biennial state budget report must contain an estimate of the general fund balance prepared in conformity with generally accepted accounting principles.

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

Insert B

2 SECTION 1. 16.46 (9) of the statutes is created to read:  
3 16.46 (9) An estimate of the general fund balance prepared in conformity with  
4 generally accepted accounting principles.

5 (END)

2001-2002 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU

LRB-1717/3ins  
RAC:.....

This bill requires the secretary of administration<sup>✓</sup> to prepare a statement of estimated general purpose revenue receipts and expenditures in the biennium following the succeeding biennium based on recommendations in the executive biennial budget bill or bills. This statement is to accompany the biennial budget report that is submitted by the secretary of administration on the day that the governor delivers the budget message to the legislature.

The bill also requires that the ~~legislative fiscal bureau~~<sup>LFB</sup> prepare the same statement but based on the recommendations in the executive biennial budget bill or bills, as modified by an amendment offered by the ~~joint committee on finance~~<sup>JCF</sup>, as engrossed by the first house, as concurred in and amended by the ~~2nd~~<sup>2nd</sup> house or as nonconcurrent in by the ~~2nd~~<sup>2nd</sup> house, and as reported by any committee on conference.

Finally, the bill requires the secretary<sup>✓</sup> to prepare, as part of the biennial budget report, a comparison of the state's budgetary surplus or deficit according to generally accepted accounting principles, as reported in the most recent annual financial statement prepared by DOA, and the estimated change in the surplus or deficit based on recommendations in the biennial budget bill or bills.

SECTION 1. 13.95 (1m)<sup>✓</sup> of the statutes is created to read:

13.95 (1m) DUTIES OF THE BUREAU; BIENNIAL BUDGET BILL. (a) In this subsection, "version of the biennial budget bill or bills" means the executive biennial budget bill or bills, as modified by an amendment offered by the joint committee on finance, as engrossed by the <sup>✓</sup> first house, as concurred in and amended by the 2nd house or as nonconcurrent in by the 2nd house, and as reported by any committee on conference.

(b) The legislative fiscal bureau shall prepare a statement of estimated general purpose revenue receipts and expenditures in the biennium following the succeeding biennium based on recommendations in each version of the biennial budget bill or bills. The statement shall contain all of the following:

1. For the 2nd year of the succeeding biennium, a comparison of the following:
  - a. The difference between the amount of moneys projected to be deposited in the general fund during the fiscal year that are designated as "Revenues and Transfers" in the summary in s. 20.005 (1),<sup>✓</sup> as published in each version of the

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Second

INS B  
cont

1 biennial budget bill or bills, less the amount designated as the "Opening Balance" in  
2 the summary.

3 b. The amount of moneys designated as "Total Expenditures" in the summary  
4 in s. 20.005 (1), as published in each version of the biennial budget bill or bills,  
5 adjusted by any one-time deposit of revenues in the general fund and any one-time  
6 expenditure of general purpose revenue in excess of \$5,000,000.

7 2. An estimate of the cost of any provision in each version of the biennial budget  
8 bill or bills that would, without the enactment of subsequent legislation, increase  
9 general purpose revenue expenditures or that would decrease the amount of  
10 revenues deposited in the general fund in the biennium following the succeeding  
11 biennium.

12 3. a. An estimate of the increase in general purpose revenue spending that will  
13 be required in the biennium following the succeeding biennium for all of the  
14 following: general equalization school aids; appropriations to the department of  
15 corrections; the medical assistance program under subch. IV of ch. 49; the amount  
16 designated as "Compensation Reserves" in the summary under s. 20.005 (1), as  
17 printed in the revised schedule that is approved under s. 20.004 (2) for that fiscal  
18 biennium; and public debt contracted under subchs. I and IV of ch. 18.

19 b. For the purpose of making the calculation under subd. 3. a., the secretary  
20 shall assume that the increase in general purpose revenue spending between the  
21 succeeding biennium and the biennium following the succeeding biennium for each  
22 of the items identified in subd. 3. a. is the same as that between the current biennium  
23 and the succeeding biennium for these items, as proposed in the biennial budget bill  
24 or bills.

of administration  
secretary  
bureau

INS B  
CONT

Secretary of Administration  
BUREAU

1 4. An estimate of the difference between the amount of tax revenues that will  
2 be deposited in the general fund in the biennium following the succeeding biennium  
3 and the amount of tax revenues that are deposited in the general fund in the  
4 succeeding biennium. For the purpose of making this calculation, the  
5 shall:

6 a. Assume that the amount of tax revenues that are deposited in the general  
7 fund in the succeeding biennium is the amount designated as "Taxes" in the  
8 summary in s. 20.005 (1), as published in each version of the biennial budget bill or  
9 bills.

10 b. Assume that the annual increase in tax revenues that are deposited in the  
11 general fund in each fiscal year of the biennium following the succeeding biennium  
12 is the average of the annual increase for each of the 10 preceding fiscal years.

13 c. Adjust the estimate of the amount of tax revenues that are deposited in the  
14 general fund in the biennium following the succeeding biennium by any provision in  
15 each version of the biennial budget bill or bills that would affect amount of tax  
16 revenues that are deposited in the general fund in the biennium.

17 5. a. A comparison of the following: the amount of moneys that are designated  
18 as "Revenues and Transfers" in the summary in s. 20.005 (1), as published in each  
19 version of the biennial budget bill or bills, and that are available for appropriation  
20 in the 2nd year of the succeeding biennium; and an amount that equals the sum of  
21 the amount of moneys designated as "Total Expenditures" in the summary in s.  
22 20.005 (1), as published in each version of the biennial budget bill or bills, for the 2nd  
23 year of the succeeding biennium and the amount required to fund the increase in  
24 general purpose revenue spending in the biennium following the succeeding  
25 biennium for each of the items identified in subd. 3. a.

*burden of administration*

1 b. The ~~secretary~~ shall present this comparison in the format used for the  
2 statement of the condition of the general fund in the statement prepared under s.  
3 16.40 (3).

4 6. A summary of the amount of additional general purpose revenues that will  
5 be available in the biennium following the succeeding biennium for increased  
6 expenditures or tax reductions, other than the amount calculated in ~~par. (1)~~ *subd. 4*

7 SECTION 2. 16.46 (5m) <sup>x</sup> of the statutes is created to read:

8 16.46 (5m) A statement of estimated general purpose revenue receipts and  
9 expenditures in the biennium following the succeeding biennium based on  
10 recommendations in the budget bill or bills. The statement shall contain all of the  
11 following:

12 (a) For the 2nd year of the succeeding biennium, a comparison of the following:

13 1. The difference between the amount of moneys projected to be deposited in  
14 the general fund during the fiscal year that are designated as "Revenues and  
15 Transfers" in the summary in s. 20.005 (1), <sup>✓</sup> as published in the biennial budget bill  
16 or bills, less the amount designated as the "Opening Balance" in the summary.

17 2. The amount of moneys designated as "Total Expenditures" in the summary  
18 in s. 20.005 (1), <sup>✓</sup> as published in the biennial budget bill or bills, adjusted by any  
19 one-time deposit of revenues in the general fund and any one-time expenditure of  
20 general purpose revenue in excess of \$5,000,000. <sup>✓</sup>

21 (b) An estimate of the cost of any provision in the biennial budget bill or bills  
22 that would, without the enactment of subsequent legislation, increase general  
23 purpose revenue expenditures or that would decrease the amount of revenues  
24 deposited in the general fund in the biennium following the succeeding biennium.

INSB  
CONT

1 (c) 1. An estimate of the increase in general purpose revenue spending that will  
2 be required in the biennium following the succeeding biennium for all of the  
3 following:

- 4 a. General equalization school aids.
- 5 b. Appropriations to the department of corrections.
- 6 c. The medical assistance program under subch. IV of ch. 49. ✓
- 7 d. The amount designated as "Compensation Reserves" in the summary under  
8 s. 20.005 (1), ✓ as printed in the revised schedule that is approved under s. 20.004 (2)  
9 for that fiscal biennium.

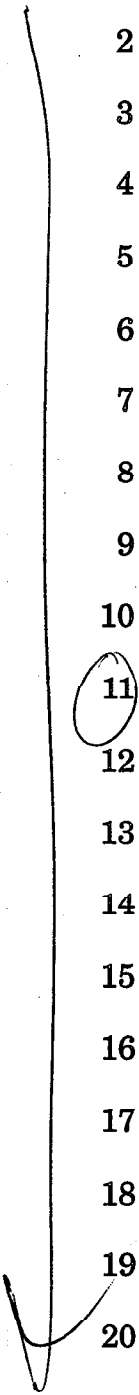
- 10 e. Public debt contracted under subchs. I and IV of ch. 18. ✓
- 11 2. For the purpose of making the calculation under subd. 1., ✓ the secretary shall  
12 assume that the increase in general purpose revenue spending between the  
13 succeeding biennium and the biennium following the succeeding biennium for each  
14 of the items identified in subd. 1. a. to 1. e. ✓ is the same as that between the current  
15 biennium and the succeeding biennium for these items, as proposed in the biennial  
16 budget bill or bills.

17 (d) An estimate of the difference between the amount of tax revenues that will  
18 be deposited in the general fund ✓ in the biennium following the succeeding biennium  
19 and the amount of tax revenues that are deposited in the general fund in the  
20 succeeding biennium. For the purpose of making this calculation, the secretary  
21 shall:

- 22 1. Assume that the amount of tax revenues that are deposited in the general  
23 fund in the succeeding biennium is the amount designated as "Taxes" in the  
24 summary in s. 20.005 (1), ✓ as published in the biennial budget bill or bills.

*of administration*

*of administration*



MS B  
CONT

1           2. Assume that the annual increase in tax revenues that are deposited in the  
2 general fund in each fiscal year of the biennium following the succeeding biennium  
3 is the average of the annual increase for each of the 10<sup>✓</sup> preceding fiscal years.

4           3. Adjust the estimate of the amount of tax revenues that are deposited in the  
5 general fund in the biennium following the succeeding biennium by any provision in  
6 the biennial budget bill or bills that would affect amount of tax revenues that are  
7 deposited in the general fund in the biennium.

8           (e) 1. A comparison of the following:

9           a. The amount of moneys that are designated as "Revenues and Transfers" in  
10 the summary in s. 20.005 (1),<sup>✓</sup> as published in the biennial budget bill or bills, and that  
11 are available for appropriation in the 2<sup>nd</sup> year of the succeeding biennium.

12           b. An amount that equals the sum of the amount of moneys designated as "Total  
13 Expenditures" in the summary in s. 20.005 (1), as published in the biennial budget  
14 bill or bills, for the 2nd year of the succeeding biennium and the amount required to  
15 fund the increase in general purpose revenue spending in the biennium following the  
16 succeeding biennium for each of the items identified in par. (c) 1. a. to 1. e.<sup>✓</sup>

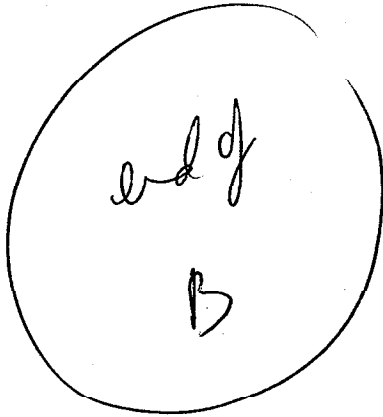
17           2. The secretary<sup>of administration</sup> shall present this comparison in the format used for the  
18 statement of the condition of the general fund in the statement prepared under s.  
19 16.40 (3).<sup>✓</sup>

20           (f) A summary of the amount of additional general purpose revenues that will  
21 be available in the biennium following the succeeding biennium for increased  
22 expenditures or tax reductions, other than the amount calculated in par. (d).<sup>✓</sup>

23           SECTION 3. 16.46 (9)<sup>✓</sup> of the statutes is created to read:

24           16.46 (9) A comparison of the state's budgetary surplus or deficit according to  
25 generally accepted accounting principles, as reported in the most recent annual

1 financial statement under s. 16.40 (3), and the estimated change in the surplus or  
2 deficit based on recommendations in the biennial budget bill or bills. For the purpose  
3 of this calculation, the secretary shall increase or decrease the surplus or deficit by  
4 the amount designated as "Gross Balances" that appears in the 2<sup>nd</sup> year of the  
5 biennium in the summary in s. 20.005 (1), as published in the biennial budget bill  
6 or bills.



end of  
B



**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1717/3dn

RAC:.....

^  
jld

**John Montgomery:**

This draft is exceeding complex<sup>✓</sup> and will require careful review. I tried to take your general ideas and put them into concrete, legal language. If you have any questions, please call me.

**Rick A. Champagne**  
**Senior Legislative Attorney**  
**Phone: (608) 266-9930**  
**E-mail: rick.champagne@legis.state.wi.us**

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-1717/3dn  
RAC.jld.pg

February 1, 2001

John Montgomery:

This draft is exceeding complex and will require careful review. I tried to take your general ideas and put them into concrete, legal language. If you have any questions, please call me.

Rick A. Champagne  
Senior Legislative Attorney  
Phone: (608) 266-9930  
E-mail: rick.champagne@legis.state.wi.us

## Champagne, Rick

---

**From:** Montgomery, John  
**Sent:** Friday, February 02, 2001 1:13 PM  
**To:** Champagne, Rick  
**Subject:** RE: LRB 1717/3

Yes. Good idea.

-----Original Message-----

**From:** Champagne, Rick  
**Sent:** Friday, February 02, 2001 12:21 PM  
**To:** Montgomery, John  
**Subject:** RE: LRB 1717/3

Drafting convention requires that if there is a reference to a specific document, then there should be a provision in law that requires the production of that document. Rather than require DOA to publish a report entitled the Comprehensive Annual Financial Report, could I possibly use the phrase "as reported in any financial report prepared by the department for the most recent fiscal year,"?

-----Original Message-----

**From:** Montgomery, John  
**Sent:** Friday, February 02, 2001 12:00 PM  
**To:** Champagne, Rick  
**Subject:** FW: LRB 1717/3

On p.7, line 19, we shouldn't reference the annual financial statement under s.16.40(3) because that statement does not include a calculation of the GAAP deficit. The GAAP deficit is calculated and presented in what is titled the Comprehensive Annual Financial Report (usually capitalized like this) which is a publication distinct from the so-called Annual Fiscal Report published under s.16.40(3). There is no statutory reference to the CAFR. However, that is the only publication that reports the deficit under GAAP, and that publication should be referenced in Section 3. Thanks.

-----Original Message-----

**From:** Champagne, Rick  
**Sent:** Friday, February 02, 2001 10:19 AM  
**To:** Montgomery, John  
**Subject:** RE:

You're entirely right. I'll make that change. Also, on page 3, line 9 and page 5, line 23, I refer to the medical assistance program under subch. IV of ch. 49. That reference would not include BadgerCare. Do you want BadgerCare included here?

-----Original Message-----

**From:** Montgomery, John  
**Sent:** Friday, February 02, 2001 10:04 AM  
**To:** Champagne, Rick  
**Subject:** RE:

We've circulated LRB 1717/3 for review here. You're right. It is complex and there will need to be a few changes. One thing I noticed is on p3, line 19 and p5 line 12, you include one-time deposits of revenue in the context of calculating on-going expenditures. I don't think there should be a reference to one-time revenues in either place, since these subsections are really concerned only with ensuring we subtract out the one-time expenditures. Conversely, reference to one-time revenues probably should be put in the subsections preceding these, which relate to calculating on-going revenues. Let me know if you'd like to discuss this further. Thanks.

-----Original Message-----

**From:** Champagne, Rick  
**Sent:** Friday, February 02, 2001 9:31 AM  
**To:** Montgomery, John  
**Subject:**

I've begun the initial review of 01-1717/3 and found a couple of items that need correction:

Page 2, line 6: "and as reported" should be "or as reported".

Page 2, line 12: the phrase "difference between the" should be deleted.

Page 4, line 8: "affect amount" should be "affect the amount".

Page 5, line 6: the phrase "difference between the" should be deleted.

Page 6, line 24: "affect amount" should be "affect the amount".

I'll prepare the new draft when I hear from you.

Rick

Rick Champagne  
Senior Staff Counsel  
Legal Section  
Wisconsin Legislative Reference Bureau  
100 N. Hamilton St.  
P.O. Box 2037  
Madison, WI 53701-2037  
Tel: (608) 266-9930  
Fax: (608) 264-8522  
Email: rick.champagne@legis.state.wi.us



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-1717/3 4  
RAC:jld:pg

Today

Fix request sheet

RMR

DOA:.....Montgomery - Generally accepted accounting principles

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

biennial budget report

Do not gen

1

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

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

STATE FINANCE

This bill requires the secretary of administration to prepare a statement of estimated general purpose revenue receipts and expenditures in the biennium following the succeeding biennium based on recommendations in the executive biennial budget bill or bills. This statement is to accompany the biennial budget report that is submitted by the secretary of administration on the day that the governor delivers the budget message to the legislature.

The bill also requires that the LFB prepare the same statement but based on the recommendations in the executive biennial budget bill or bills, as modified by an amendment offered by JCF, as engrossed by the first house, as concurred in and amended by the second house or as nonconcurrent in by the second house, ~~and~~ as reported by any committee on conference.

or

Finally, the bill requires the secretary of administration to prepare, as part of the biennial budget report, a comparison of the state's budgetary surplus or deficit according to generally accepted accounting principles, as reported in the most recent

~~Annual financial statement~~ <sup>report</sup> prepared by DOA, and the estimated change in the surplus or deficit based on recommendations in the biennial budget bill or bills.

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

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

13.95 (1m) DUTIES OF THE BUREAU; BIENNIAL BUDGET BILL. (a) In this subsection, "version of the biennial budget bill or bills" means the executive biennial budget bill or bills, as modified by an amendment offered by the joint committee on finance, as engrossed by the first house, as concurred in and amended by the 2nd house or as nonconcurrent in by the 2nd house, ~~and~~ <sup>or</sup> as reported by any committee on conference.

(b) The legislative fiscal bureau shall prepare a statement of estimated general purpose revenue receipts and expenditures in the biennium following the succeeding biennium based on recommendations in each version of the biennial budget bill or bills. The statement shall contain all of the following:

1. For the 2nd year of the succeeding biennium, a comparison of the following:

a. ~~The difference between the~~ amount of moneys projected to be deposited in the general fund during the fiscal year that are designated as "Revenues and Transfers" in the summary in s. 20.005 (1), as published in each version of the biennial budget bill or bills, less the amount designated as the "Opening Balance" in the summary <sup>and adjusted by any one-time deposit of revenues in the general fund</sup>

b. The amount of moneys designated as "Total Expenditures" in the summary in s. 20.005 (1), as published in each version of the biennial budget bill or bills, adjusted by any ~~one-time deposit of revenues in the general fund and any~~ one-time expenditure of general purpose revenue in excess of \$5,000,000.

1           2. An estimate of the cost of any provision in <sup>✓</sup>each version of the biennial budget  
2 bill or bills that would, without the enactment of subsequent legislation, increase  
3 general purpose revenue expenditures or that would decrease the amount of  
4 revenues deposited in the general fund in the biennium following the succeeding  
5 biennium.

6           3. a. An estimate of the increase in general purpose revenue spending that will  
7 be required in the biennium following the succeeding biennium for all of the  
8 following: general equalization school aids; appropriations to the department of  
9 corrections; the medical assistance program under subch. IV of ch. 49; the amount  
10 designated as “Compensation Reserves” in the summary under s. 20.005 (1), as  
11 printed in the revised schedule that is approved under s. 20.004 (2) for that fiscal  
12 biennium; and public debt contracted under subchs. I and IV of ch. 18.

13           b. For the purpose of making the calculation under subd. 3. a., the bureau shall  
14 assume that the increase in general purpose revenue spending between the  
15 succeeding biennium and the biennium following the succeeding biennium for each  
16 of the items identified in subd. 3. a. is the same as that between the current biennium  
17 and the succeeding biennium for these items, as proposed in <sup>each version of</sup>the biennial budget bill  
18 or bills.

19           4. An estimate of the difference between the amount of tax revenues that will  
20 be deposited in the general fund in the biennium following the succeeding biennium  
21 and the amount of tax revenues that are deposited in the general fund in the  
22 succeeding biennium. For the purpose of making this calculation, the bureau shall:

23           a. Assume that the amount of tax revenues that are deposited in the general  
24 fund in the succeeding biennium is the amount designated as “Taxes” in the

1 summary in s. 20.005 (1), as published in each version of the biennial budget bill or  
2 bills.

3 b. Assume that the annual increase in tax revenues that are deposited in the  
4 general fund in each fiscal year of the biennium following the succeeding biennium  
5 is the average of the annual increase for each of the 10 preceding fiscal years.

6 c. Adjust the estimate of the amount of tax revenues that are deposited in the  
7 general fund in the biennium following the succeeding biennium by any provision in  
8 each version of the biennial budget bill or bills that would affect amount of tax  
9 revenues that are deposited in the general fund in the biennium.

10 5. a. A comparison of the following: the amount of moneys that are designated  
11 as "Revenues and Transfers" in the summary in s. 20.005 (1), as published in each  
12 version of the biennial budget bill or bills, and that are available for appropriation  
13 in the 2nd year of the succeeding biennium; and an amount that equals the sum of  
14 the amount of moneys designated as "Total Expenditures" in the summary in s.  
15 20.005 (1), as published in each version of the biennial budget bill or bills, for the 2nd  
16 year of the succeeding biennium and the amount required to fund the increase in  
17 general purpose revenue spending in the biennium following the succeeding  
18 biennium for each of the items identified in subd. 3. a.

19 b. The bureau shall present this comparison in the format used for the  
20 statement of the condition of the general fund in the statement<sup>✓</sup> prepared under s.  
21 16.40 (3).

22 6. A summary of the amount of additional general purpose revenues that will  
23 be available in the biennium following the succeeding biennium for increased  
24 expenditures or tax reductions, other than the amount calculated in subd. 4.

25 SECTION 2. 16.46 (5m) of the statutes is created to read:



1           16.46 (5m) A statement of estimated general purpose revenue receipts and  
2 expenditures in the biennium following the succeeding biennium based on  
3 recommendations in the budget bill or bills. The statement shall contain all of the  
4 following:

5           (a) For the 2nd year of the succeeding biennium, a comparison of the following:

6           1. ~~The difference between the~~ amount of moneys projected to be deposited in  
7 the general fund during the fiscal year that are designated as "Revenues and  
8 Transfers" in the summary in s. 20.005 (1), as published in the biennial budget bill  
9 or bills, less the amount designated as the "Opening Balance" in the summary.

10           2. The amount of moneys designated as "Total Expenditures" in the summary  
11 in s. 20.005 (1), as published in the biennial budget bill or bills, adjusted by any  
12 ~~one-time deposit of revenues in the general fund and any~~ one-time expenditure of  
13 general purpose revenue in excess of \$5,000,000.

14           (b) An estimate of the cost of any provision in the biennial budget bill or bills  
15 that would, without the enactment of subsequent legislation, increase general  
16 purpose revenue expenditures or that would decrease the amount of revenues  
17 deposited in the general fund in the biennium following the succeeding biennium.

18           (c) 1. An estimate of the increase in general purpose revenue spending that will  
19 be required in the biennium following the succeeding biennium for all of the  
20 following:

- 21           a. General equalization school aids.
- 22           b. Appropriations to the department of corrections.
- 23           c. The medical assistance program under subch. IV of ch. 49.

*and adjusted by any one-time deposit of revenues in the general fund*

1 d. The amount designated as "Compensation Reserves" in the summary under  
2 s. 20.005 (1), as printed in the revised schedule that is approved under s. 20.004 (2)  
3 for that fiscal biennium.

4 e. Public debt contracted under subchs. I and IV of ch. 18.

5 2. For the purpose of making the calculation under subd. 1., the secretary shall  
6 assume that the increase in general purpose revenue spending between the  
7 succeeding biennium and the biennium following the succeeding biennium for each  
8 of the items identified in subd. 1. a. to 1. e. is the same as that between the current  
9 biennium and the succeeding biennium for these items, as proposed in the biennial  
10 budget bill or bills.

11 (d) An estimate of the difference between the amount of tax revenues that will  
12 be deposited in the general fund in the biennium following the succeeding biennium  
13 and the amount of tax revenues that are deposited in the general fund in the  
14 succeeding biennium. For the purpose of making this calculation, the secretary  
15 shall:

16 1. Assume that the amount of tax revenues that are deposited in the general  
17 fund in the succeeding biennium is the amount designated as "Taxes" in the  
18 summary in s. 20.005 (1), as published in the biennial budget bill or bills.

19 2. Assume that the annual increase in tax revenues that are deposited in the  
20 general fund in each fiscal year of the biennium following the succeeding biennium  
21 is the average of the annual increase for each of the 10 preceding fiscal years.

22 3. Adjust the estimate of the amount of tax revenues that are deposited in the  
23 general fund in the biennium following the succeeding biennium by any provision in  
24 the biennial budget bill or bills that would affect <sup>the</sup> amount of tax revenues that are  
25 deposited in the general fund in the biennium.

1 (e) 1. A comparison of the following:

2 a. The amount of moneys that are designated as “Revenues and Transfers” in  
3 the summary in s. 20.005 (1), as published in the biennial budget bill or bills, and that  
4 are available for appropriation in the 2nd year of the succeeding biennium.

5 b. An amount that equals the sum of the amount of moneys designated as “Total  
6 Expenditures” in the summary in s. 20.005 (1), as published in the biennial budget  
7 bill or bills, for the 2nd year of the succeeding biennium and the amount required to  
8 fund the increase in general purpose revenue spending in the biennium following the  
9 succeeding biennium for each of the items identified in par. (c) 1. a. to 1. e.

10 2. The secretary shall present this comparison in the format used for the  
11 statement of the condition of the general fund in the statement prepared under s.  
12 16.40 (3). ✓

13 (f) A summary of the amount of additional general purpose revenues that will  
14 be available in the biennium following the succeeding biennium for increased  
15 expenditures or tax reductions, other than the amount calculated in par. (d).

16 SECTION 3. 16.46 (9) of the statutes is created to read:

17 16.46 (9) A comparison of the state’s budgetary surplus or deficit according to  
18 generally accepted accounting principles, as reported in <sup>ANY</sup> the most recent annual  
19 financial <sup>report prepared by the department for the most recent fiscal year</sup> statement ~~under s. 16.40 (3)~~ and the estimated change in the surplus or  
20 deficit based on recommendations in the biennial budget bill or bills. For the purpose  
21 of this calculation, the secretary shall increase or decrease the surplus or deficit by  
22 the amount designated as “Gross Balances” that appears in the 2nd year of the  
23 biennium in the summary in s. 20.005 (1), as published in the biennial budget bill  
24 or bills.

25

(END)

## Champagne, Rick

---

**From:** Montgomery, John  
**Sent:** Monday, February 05, 2001 10:38 AM  
**To:** Champagne, Rick  
**Cc:** Raftery, Bill; Hoadley, Frank; Chandler, Rick; Koskinen, John; Caucutt, Dan; Ziegler, Paul  
**Subject:** LRB 1717/4

A few more changes:

- ✓ In the analysis, insert the word "audited" between the words "recent" and "financial" in the last line of p.1 and first line of p.2.
- ✓ Line 21 p. 4 replace the reference to s.16.40(3) with s.20.005(1)
- ✓ Line 12 p. 7 ditto
- ✓ Line 18 p. 7 insert the word "audited" between the words "any" and "financial"

The intent of the changes is to ensure that the financial report used is the CAFR, which is audited, unlike the AFR.

The other change is made so that the presentation of all this information is in a format similar to how the general fund condition statement is presented a now under s.20.005(1).

Thanks.



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-1717/4 5  
RAC:jld:jf

Today

RMR

DOA:.....Montgomery – Generally accepted accounting principles; biennial budget report

FOR 2001-03 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 requires the secretary of administration to prepare a statement of estimated general purpose revenue receipts and expenditures in the biennium following the succeeding biennium based on recommendations in the executive biennial budget bill or bills. This statement is to accompany the biennial budget report that is submitted by the secretary of administration on the day that the governor delivers the budget message to the legislature.

The bill also requires that the LFB prepare the same statement but based on the recommendations in the executive biennial budget bill or bills, as modified by an amendment offered by JCF, as engrossed by the first house, as concurred in and amended by the second house or as nonconcurrent in by the second house, or as reported by any committee on conference.

Finally, the bill requires the secretary of administration to prepare, as part of the biennial budget report, a comparison of the state's budgetary surplus or deficit according to generally accepted accounting principles, as reported in the most recent

audited ✓  
financial report prepared by DOA, and the estimated change in the surplus or deficit based on recommendations in the biennial budget bill or bills.

---

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

1           **SECTION 1.** 13.95 (1m) of the statutes is created to read:

2           **13.95 (1m) DUTIES OF THE BUREAU; BIENNIAL BUDGET BILL.** (a) In this subsection,  
3           “version of the biennial budget bill or bills” means the executive biennial budget bill  
4           or bills, as modified by an amendment offered by the joint committee on finance, as  
5           engrossed by the first house, as concurred in and amended by the 2nd house or as  
6           nonconcurrent in by the 2nd house, or as reported by any committee on conference.

7           (b) The legislative fiscal bureau shall prepare a statement of estimated general  
8           purpose revenue receipts and expenditures in the biennium following the succeeding  
9           biennium based on recommendations in each version of the biennial budget bill or  
10          bills. The statement shall contain all of the following:

11           1. For the 2nd year of the succeeding biennium, a comparison of the following:

12           a. The amount of moneys projected to be deposited in the general fund during  
13           the fiscal year that are designated as “Revenues and Transfers” in the summary in  
14           s. 20.005 (1), as published in each version of the biennial budget bill or bills, less the  
15           amount designated as the “Opening Balance” in the summary, and adjusted by any  
16           one-time deposit of revenues in the general fund.

17           b. The amount of moneys designated as “Total Expenditures” in the summary  
18           in s. 20.005 (1), as published in each version of the biennial budget bill or bills,  
19           adjusted by any one-time expenditure of general purpose revenue in excess of  
20           \$5,000,000.

1           2. An estimate of the cost of any provision in each version of the biennial budget  
2 bill or bills that would, without the enactment of subsequent legislation, increase  
3 general purpose revenue expenditures or that would decrease the amount of  
4 revenues deposited in the general fund in the biennium following the succeeding  
5 biennium.

6           3. a. An estimate of the increase in general purpose revenue spending that will  
7 be required in the biennium following the succeeding biennium for all of the  
8 following: general equalization school aids; appropriations to the department of  
9 corrections; the medical assistance program under subch. IV of ch. 49; the amount  
10 designated as “Compensation Reserves” in the summary under s. 20.005 (1), as  
11 printed in the revised schedule that is approved under s. 20.004 (2) for that fiscal  
12 biennium; and public debt contracted under subchs. I and IV of ch. 18.

13           b. For the purpose of making the calculation under subd. 3. a., the bureau shall  
14 assume that the increase in general purpose revenue spending between the  
15 succeeding biennium and the biennium following the succeeding biennium for each  
16 of the items identified in subd. 3. a. is the same as that between the current biennium  
17 and the succeeding biennium for these items, as proposed in each version of the  
18 biennial budget bill or bills.

19           4. An estimate of the difference between the amount of tax revenues that will  
20 be deposited in the general fund in the biennium following the succeeding biennium  
21 and the amount of tax revenues that are deposited in the general fund in the  
22 succeeding biennium. For the purpose of making this calculation, the bureau shall:

23           a. Assume that the amount of tax revenues that are deposited in the general  
24 fund in the succeeding biennium is the amount designated as “Taxes” in the

1 summary in s. 20.005 (1), as published in each version of the biennial budget bill or  
2 bills.

3 b. Assume that the annual increase in tax revenues that are deposited in the  
4 general fund in each fiscal year of the biennium following the succeeding biennium  
5 is the average of the annual increase for each of the 10 preceding fiscal years.

6 c. Adjust the estimate of the amount of tax revenues that are deposited in the  
7 general fund in the biennium following the succeeding biennium by any provision in  
8 each version of the biennial budget bill or bills that would affect the amount of tax  
9 revenues that are deposited in the general fund in the biennium.

10 5. a. A comparison of the following: the amount of moneys that are designated  
11 as "Revenues and Transfers" in the summary in s. 20.005 (1), as published in each  
12 version of the biennial budget bill or bills, and that are available for appropriation  
13 in the 2nd year of the succeeding biennium; and an amount that equals the sum of  
14 the amount of moneys designated as "Total Expenditures" in the summary in s.  
15 20.005 (1), as published in each version of the biennial budget bill or bills, for the 2nd  
16 year of the succeeding biennium and the amount required to fund the increase in  
17 general purpose revenue spending in the biennium following the succeeding  
18 biennium for each of the items identified in subd. 3. a.

19 b. The bureau shall present this comparison in the format used for the  
20 statement of the condition of the general fund in the statement prepared under s.

21 ~~16.40(3)~~ 20.005(1) ✓

22 6. A summary of the amount of additional general purpose revenues that will  
23 be available in the biennium following the succeeding biennium for increased  
24 expenditures or tax reductions, other than the amount calculated in subd. 4.

25 SECTION 2. 16.46 (5m) of the statutes is created to read:



1           16.46 (5m) A statement of estimated general purpose revenue receipts and  
2 expenditures in the biennium following the succeeding biennium based on  
3 recommendations in the budget bill or bills. The statement shall contain all of the  
4 following:

5           (a) For the 2nd year of the succeeding biennium, a comparison of the following:

6           1. The amount of moneys projected to be deposited in the general fund during  
7 the fiscal year that are designated as “Revenues and Transfers” in the summary in  
8 s. 20.005 (1), as published in the biennial budget bill or bills, less the amount  
9 designated as the “Opening Balance” in the summary, and adjusted by any one-time  
10 deposit of revenues in the general fund.

11           2. The amount of moneys designated as “Total Expenditures” in the summary  
12 in s. 20.005 (1), as published in the biennial budget bill or bills, adjusted by any  
13 one-time expenditure of general purpose revenue in excess of \$5,000,000.

14           (b) An estimate of the cost of any provision in the biennial budget bill or bills  
15 that would, without the enactment of subsequent legislation, increase general  
16 purpose revenue expenditures or that would decrease the amount of revenues  
17 deposited in the general fund in the biennium following the succeeding biennium.

18           (c) 1. An estimate of the increase in general purpose revenue spending that will  
19 be required in the bicnnium following the succeeding biennium for all of the  
20 following:

21           a. General equalization school aids.

22           b. Appropriations to the department of corrections.

23           c. The medical assistance program under subch. IV of ch. 49.

1           d. The amount designated as “Compensation Reserves” in the summary under  
2 s. 20.005 (1), as printed in the revised schedule that is approved under s. 20.004 (2)  
3 for that fiscal biennium.

4           e. Public debt contracted under subchs. I and IV of ch. 18.

5           2. For the purpose of making the calculation under subd. 1., the secretary shall  
6 assume that the increase in general purpose revenue spending between the  
7 succeeding biennium and the biennium following the succeeding biennium for each  
8 of the items identified in subd. 1. a. to 1. e. is the same as that between the current  
9 biennium and the succeeding biennium for these items, as proposed in the biennial  
10 budget bill or bills.

11           (d) An estimate of the difference between the amount of tax revenues that will  
12 be deposited in the general fund in the biennium following the succeeding biennium  
13 and the amount of tax revenues that are deposited in the general fund in the  
14 succeeding biennium. For the purpose of making this calculation, the secretary  
15 shall:

16           1. Assume that the amount of tax revenues that are deposited in the general  
17 fund in the succeeding biennium is the amount designated as “Taxes” in the  
18 summary in s. 20.005 (1), as published in the biennial budget bill or bills.

19           2. Assume that the annual increase in tax revenues that are deposited in the  
20 general fund in each fiscal year of the biennium following the succeeding biennium  
21 is the average of the annual increase for each of the 10 preceding fiscal years.

22           3. Adjust the estimate of the amount of tax revenues that are deposited in the  
23 general fund in the biennium following the succeeding biennium by any provision in  
24 the biennial budget bill or bills that would affect the amount of tax revenues that are  
25 deposited in the general fund in the biennium.

1 (e) 1. A comparison of the following:

2 a. The amount of moneys that are designated as “Revenues and Transfers” in  
3 the summary in s. 20.005 (1), as published in the biennial budget bill or bills, and that  
4 are available for appropriation in the 2nd year of the succeeding biennium.

5 b. An amount that equals the sum of the amount of moneys designated as “Total  
6 Expenditures” in the summary in s. 20.005 (1), as published in the biennial budget  
7 bill or bills, for the 2nd year of the succeeding biennium and the amount required to  
8 fund the increase in general purpose revenue spending in the biennium following the  
9 succeeding biennium for each of the items identified in par. (c) 1. a. to 1. e.

10 2. The secretary shall present this comparison in the format used for the  
11 statement of the condition of the general fund in the statement prepared under s.

12 ~~16.40 (3)~~ 20.005(1)

13 (f) A summary of the amount of additional general purpose revenues that will  
14 be available in the biennium following the succeeding biennium for increased  
15 expenditures or tax reductions, other than the amount calculated in par. (d).

16 SECTION 3. 16.46 (9) of the statutes is created to read:

17 16.46 (9) A comparison of the state’s budgetary surplus or deficit according to  
18 generally accepted accounting principles, as reported in any <sup>audited ✓</sup> financial report  
19 prepared by the department for the most recent fiscal year, and the estimated change  
20 in the surplus or deficit based on recommendations in the biennial budget bill or bills.  
21 For the purpose of this calculation, the secretary shall increase or decrease the  
22 surplus or deficit by the amount designated as “Gross Balances” that appears in the  
23 2nd year of the biennium in the summary in s. 20.005 (1), as published in the biennial  
24 budget bill or bills.

25

(END)



State of Wisconsin  
2001 - 2002 LEGISLATURE

LRB-1717/5

RAC:jld:jf

DOA:.....Montgomery – Generally accepted accounting principles; biennial budget report

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

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

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*Analysis by the Legislative Reference Bureau*

**STATE GOVERNMENT**

**STATE FINANCE**

This bill requires the secretary of administration to prepare a statement of estimated general purpose revenue receipts and expenditures in the biennium following the succeeding biennium based on recommendations in the executive biennial budget bill or bills. This statement is to accompany the biennial budget report that is submitted by the secretary of administration on the day that the governor delivers the budget message to the legislature.

The bill also requires that the LFB prepare the same statement but based on the recommendations in the executive biennial budget bill or bills, as modified by an amendment offered by JCF, as engrossed by the first house, as concurred in and amended by the second house or as nonconcurred in by the second house, or as reported by any committee on conference.

Finally, the bill requires the secretary of administration to prepare, as part of the biennial budget report, a comparison of the state's budgetary surplus or deficit according to generally accepted accounting principles, as reported in the most recent

audited financial report prepared by DOA, and the estimated change in the surplus or deficit based on recommendations in the biennial budget bill or bills.

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

1           **SECTION 1.** 13.95 (1m) of the statutes is created to read:

2           **13.95 (1m) DUTIES OF THE BUREAU; BIENNIAL BUDGET BILL.** (a) In this subsection,  
3 “version of the biennial budget bill or bills” means the executive biennial budget bill  
4 or bills, as modified by an amendment offered by the joint committee on finance, as  
5 engrossed by the first house, as concurred in and amended by the 2nd house or as  
6 nonconcurrent in by the 2nd house, or as reported by any committee on conference.

7           (b) The legislative fiscal bureau shall prepare a statement of estimated general  
8 purpose revenue receipts and expenditures in the biennium following the succeeding  
9 biennium based on recommendations in each version of the biennial budget bill or  
10 bills. The statement shall contain all of the following:

11           1. For the 2nd year of the succeeding biennium, a comparison of the following:

12           a. The amount of moneys projected to be deposited in the general fund during  
13 the fiscal year that are designated as “Revenues and Transfers” in the summary in  
14 s. 20.005 (1), as published in each version of the biennial budget bill or bills, less the  
15 amount designated as the “Opening Balance” in the summary, and adjusted by any  
16 one-time deposit of revenues in the general fund.

17           b. The amount of moneys designated as “Total Expenditures” in the summary  
18 in s. 20.005 (1), as published in each version of the biennial budget bill or bills,  
19 adjusted by any one-time expenditure of general purpose revenue in excess of  
20 \$5,000,000.

1           2. An estimate of the cost of any provision in each version of the biennial budget  
2 bill or bills that would, without the enactment of subsequent legislation, increase  
3 general purpose revenue expenditures or that would decrease the amount of  
4 revenues deposited in the general fund in the biennium following the succeeding  
5 biennium.

6           3. a. An estimate of the increase in general purpose revenue spending that will  
7 be required in the biennium following the succeeding biennium for all of the  
8 following: general equalization school aids; appropriations to the department of  
9 corrections; the medical assistance program under subch. IV of ch. 49; the amount  
10 designated as "Compensation Reserves" in the summary under s. 20.005 (1), as  
11 printed in the revised schedule that is approved under s. 20.004 (2) for that fiscal  
12 biennium; and public debt contracted under subchs. I and IV of ch. 18.

13           b. For the purpose of making the calculation under subd. 3. a., the bureau shall  
14 assume that the increase in general purpose revenue spending between the  
15 succeeding biennium and the biennium following the succeeding biennium for each  
16 of the items identified in subd. 3. a. is the same as that between the current biennium  
17 and the succeeding biennium for these items, as proposed in each version of the  
18 biennial budget bill or bills.

19           4. An estimate of the difference between the amount of tax revenues that will  
20 be deposited in the general fund in the biennium following the succeeding biennium  
21 and the amount of tax revenues that are deposited in the general fund in the  
22 succeeding biennium. For the purpose of making this calculation, the bureau shall:

23           a. Assume that the amount of tax revenues that are deposited in the general  
24 fund in the succeeding biennium is the amount designated as "Taxes" in the

1 summary in s. 20.005 (1), as published in each version of the biennial budget bill or  
2 bills.

3 b. Assume that the annual increase in tax revenues that are deposited in the  
4 general fund in each fiscal year of the biennium following the succeeding biennium  
5 is the average of the annual increase for each of the 10 preceding fiscal years.

6 c. Adjust the estimate of the amount of tax revenues that are deposited in the  
7 general fund in the biennium following the succeeding biennium by any provision in  
8 each version of the biennial budget bill or bills that would affect the amount of tax  
9 revenues that are deposited in the general fund in the biennium.

10 5. a. A comparison of the following: the amount of moneys that are designated  
11 as "Revenues and Transfers" in the summary in s. 20.005 (1), as published in each  
12 version of the biennial budget bill or bills, and that are available for appropriation  
13 in the 2nd year of the succeeding biennium; and an amount that equals the sum of  
14 the amount of moneys designated as "Total Expenditures" in the summary in s.  
15 20.005 (1), as published in each version of the biennial budget bill or bills, for the 2nd  
16 year of the succeeding biennium and the amount required to fund the increase in  
17 general purpose revenue spending in the biennium following the succeeding  
18 biennium for each of the items identified in subd. 3. a.

19 b. The bureau shall present this comparison in the format used for the  
20 statement of the condition of the general fund in the statement prepared under s.  
21 20.005 (1).

22 6. A summary of the amount of additional general purpose revenues that will  
23 be available in the biennium following the succeeding biennium for increased  
24 expenditures or tax reductions, other than the amount calculated in subd. 4.

25 **SECTION 2.** 16.46 (5m) of the statutes is created to read:

1           16.46 (5m) A statement of estimated general purpose revenue receipts and  
2 expenditures in the biennium following the succeeding biennium based on  
3 recommendations in the budget bill or bills. The statement shall contain all of the  
4 following:

5           (a) For the 2nd year of the succeeding biennium, a comparison of the following:

6           1. The amount of moneys projected to be deposited in the general fund during  
7 the fiscal year that are designated as “Revenues and Transfers” in the summary in  
8 s. 20.005 (1), as published in the biennial budget bill or bills, less the amount  
9 designated as the “Opening Balance” in the summary, and adjusted by any one-time  
10 deposit of revenues in the general fund.

11           2. The amount of moneys designated as “Total Expenditures” in the summary  
12 in s. 20.005 (1), as published in the biennial budget bill or bills, adjusted by any  
13 one-time expenditure of general purpose revenue in excess of \$5,000,000.

14           (b) An estimate of the cost of any provision in the biennial budget bill or bills  
15 that would, without the enactment of subsequent legislation, increase general  
16 purpose revenue expenditures or that would decrease the amount of revenues  
17 deposited in the general fund in the biennium following the succeeding biennium.

18           (c) 1. An estimate of the increase in general purpose revenue spending that will  
19 be required in the biennium following the succeeding biennium for all of the  
20 following:

21           a. General equalization school aids.

22           b. Appropriations to the department of corrections.

23           c. The medical assistance program under subch. IV of ch. 49.



1 d. The amount designated as “Compensation Reserves” in the summary under  
2 s. 20.005 (1), as printed in the revised schedule that is approved under s. 20.004 (2)  
3 for that fiscal biennium.

4 e. Public debt contracted under subchs. I and IV of ch. 18.

5 2. For the purpose of making the calculation under subd. 1., the secretary shall  
6 assume that the increase in general purpose revenue spending between the  
7 succeeding biennium and the biennium following the succeeding biennium for each  
8 of the items identified in subd. 1. a. to 1. e. is the same as that between the current  
9 biennium and the succeeding biennium for these items, as proposed in the biennial  
10 budget bill or bills.

11 (d) An estimate of the difference between the amount of tax revenues that will  
12 be deposited in the general fund in the biennium following the succeeding biennium  
13 and the amount of tax revenues that are deposited in the general fund in the  
14 succeeding biennium. For the purpose of making this calculation, the secretary  
15 shall:

16 1. Assume that the amount of tax revenues that are deposited in the general  
17 fund in the succeeding biennium is the amount designated as “Taxes” in the  
18 summary in s. 20.005 (1), as published in the biennial budget bill or bills.

19 2. Assume that the annual increase in tax revenues that are deposited in the  
20 general fund in each fiscal year of the biennium following the succeeding biennium  
21 is the average of the annual increase for each of the 10 preceding fiscal years.

22 3. Adjust the estimate of the amount of tax revenues that are deposited in the  
23 general fund in the biennium following the succeeding biennium by any provision in  
24 the biennial budget bill or bills that would affect the amount of tax revenues that are  
25 deposited in the general fund in the biennium.

1 (e) 1. A comparison of the following:

2 a. The amount of moneys that are designated as “Revenues and Transfers” in  
3 the summary in s. 20.005 (1), as published in the biennial budget bill or bills, and that  
4 are available for appropriation in the 2nd year of the succeeding biennium.

5 b. An amount that equals the sum of the amount of moneys designated as “Total  
6 Expenditures” in the summary in s. 20.005 (1), as published in the biennial budget  
7 bill or bills, for the 2nd year of the succeeding biennium and the amount required to  
8 fund the increase in general purpose revenue spending in the biennium following the  
9 succeeding biennium for each of the items identified in par. (c) 1. a. to 1. e.

10 2. The secretary shall present this comparison in the format used for the  
11 statement of the condition of the general fund in the statement prepared under s.  
12 20.005 (1).

13 (f) A summary of the amount of additional general purpose revenues that will  
14 be available in the biennium following the succeeding biennium for increased  
15 expenditures or tax reductions, other than the amount calculated in par. (d).

16 **SECTION 3.** 16.46 (9) of the statutes is created to read:

17 16.46 (9) A comparison of the state’s budgetary surplus or deficit according to  
18 generally accepted accounting principles, as reported in any audited financial report  
19 prepared by the department for the most recent fiscal year, and the estimated change  
20 in the surplus or deficit based on recommendations in the biennial budget bill or bills.  
21 For the purpose of this calculation, the secretary shall increase or decrease the  
22 surplus or deficit by the amount designated as “Gross Balances” that appears in the  
23 2nd year of the biennium in the summary in s. 20.005 (1), as published in the biennial  
24 budget bill or bills.

25

(END)