2001 SENATE BILL 50

February 13, 2001 – Introduced by Senators DARLING, WELCH, HARSDORF, SCHULTZ, A. LASEE and ROESSLER, cosponsored by Representatives WIECKERT, KRAWCZYK, GUNDRUM, HOVEN, PETTIS, LEIBHAM, WASSERMAN, TOWNSEND, VRKAS, STARZYK, F. LASEE, LIPPERT, GROTHMAN, HUNDERTMARK, SUDER, FRISKE, SKINDRUD, MONTGOMERY, OWENS, JENSEN, KEstell, McCORMICK and LADWIG. Referred to Committee on Universities, Housing, and Government Operations.

AN ACT to amend 16.46 (2); and to create 13.40 of the statutes; relating to:

limitations on state appropriations from general purpose revenue.

Analysis by the Legislative Reference Bureau

This bill limits the aggregate amount of general purpose revenue (GPR) that may be appropriated in any fiscal biennium, beginning in the 2003–05 biennium. Under the bill, the limit is calculated in the following way. First, a base year amount is established that equals the amount of GPR appropriated in the second year of the prior fiscal biennium. For the first year of the new fiscal biennium, the base year amount is increased by the average annual percentage change in state aggregate personal income for the four prior calendar years, minus 1%. For the second year of the new fiscal biennium, the first year amount is increased by the average annual percentage change in state aggregate personal income for the three prior calendar years and the current calendar year, minus 1%. These amounts are added together and are then increased by the amount by which all sum certain GPR appropriations in the prior fiscal biennium exceeded actual expenditures for these appropriations in the prior fiscal biennium. The sum of these amounts is the aggregate amount of GPR that may be appropriated during the entire fiscal biennium.

Under the bill, however, certain GPR appropriations are excluded from the limit. These are appropriations for debt service or operating notes; appropriations to honor a moral obligation pledge that the state has taken with respect to certain revenue bonds; appropriations to refund certain earnings to the federal government relating to state bond issues; and appropriations that are enacted with the approval of at least two-thirds of the members of each house of the legislature.
For further information see the state and local 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:

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

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

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

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

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

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

(e) “Segregated revenue” has the meaning given for “segregated fund revenues” in s. 20.001 (2) (d), “segregated fund revenues — service” in s. 20.001 (2) (da) and “segregated fund revenues — local” in s. 20.001 (2) (dm), but excludes federal revenues as defined in s. 20.001 (2) (e).

(2) Except as provided in subs. (3) to (5), the amount appropriated from general purpose revenue for each fiscal biennium, including any amount expended under an appropriation specified in sub. (3) (a) to (e), as determined under sub. (6), may not exceed the sum of:

(a) The amount appropriated from general purpose revenue, excluding any amount expended under an appropriation specified in sub. (3) (a) to (e), for the 2nd
fiscal year of the prior fiscal biennium as reported under s. 16.46 (2), multiplied by
the sum of 0.99 and the average annual percentage change in this state’s aggregate
personal income, expressed as a decimal, as reported by the federal department of
commerce for the most recent 4 calendar years prior to the fiscal biennium.

(b) The amount determined under par. (a) multiplied by the sum of 0.99 and
the average annual percentage change in this state’s aggregate personal income,
expressed as a decimal, as reported by the federal department of commerce for the
most recent 3 calendar years prior to the fiscal biennium and as estimated by the
department of administration for the calendar year following those years no later
than December 5 of each even-numbered year, except as provided in sub. (8).

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

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

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

(b) An appropriation to honor a moral obligation undertaken pursuant to ss.
18.61 (5), 85.25 (5), 101.143 (9m) (i), 229.50 (7), 229.74 (7), 229.830 (7), 234.15 (4),
234.42 (4), 234.54 (4) (b), 234.626 (7), 234.93 (6), 234.932 (6), 234.933 (6), and 281.59
(13m).
(c) An appropriation to make a payment to the United States that the building commission determines to be payable under s. 13.488 (1) (m).

(e) An appropriation that is enacted with the approval of at least two-thirds of the members of each house of the legislature.

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

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

(5) Whenever in any fiscal biennium the legislature terminates or reduces the state general purpose revenue funding for a program administered by local governmental units that is partially funded by the state from general purpose revenue, the limitation under sub. (2) for the next fiscal biennium shall be reduced by the amount allocated by the state to that program from general purpose revenue or by the amount of the reduced state cost, from general purpose revenue, of administering that program for the most recently completed fiscal biennium. If the requirement that the local unit of government administer the program is terminated, or if the amount that the local unit of government is required to spend to administer the program is reduced by the same amount that state general purpose
funding is reduced, then no adjustment shall be made to the limitation under sub. (2).

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

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

(8) No later than December 5 of each even-numbered year, the department of administration and legislative fiscal bureau shall report to the cochairpersons of the joint committee on finance the estimates and determinations required to be made under subs. (2) and (6) for the succeeding fiscal biennium. If the cochairpersons of the committee do not notify the secretary of administration and the director of the legislative fiscal bureau that the committee has scheduled a meeting for the purpose of reviewing the estimates and determinations by December 15 following their submittal, the estimates and determinations shall be effective. If, by December 15 following the submittal of the estimates and determinations, the cochairpersons of the committee notify the secretary and director that the committee has scheduled a
meeting for the purpose of reviewing the estimates and determinations, the estimates and determinations are not effective unless approved or approved with modifications by the committee.

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

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

**SECTION 3. Initial applicability.**

(1) This act first applies to appropriations made for the 2003–05 biennium.