

2003 DRAFTING REQUEST

Bill

Received: **03/03/2004**

Received By: **rchampag**

Wanted: **Soon**

Identical to LRB:

For: **Julie Lassa (608) 266-3123**

By/Representing: **Jessica**

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

Drafter: **rchampag**

May Contact:

Addl. Drafters:

Subject: **State Finance - bud generally**

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Lassa@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Preparation of state budget

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>
/?							S&L
/1	rchampag 03/03/2004	jdyer 03/09/2004 jdyer 03/09/2004	jfrantze 03/09/2004		mbarman 03/09/2004	lnorthro 03/10/2004	

FE Sent For:

<END>

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03/09/2004 03:20:30 PM

Page 2

LRB-4414

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PJD

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/?	rchampag	<i>1/3/04 jld</i>	<i>2/3/04</i>	<i>J/Pg 3/9</i>			

FE Sent For:

<END>

Champagne, Rick

From: Kelly, Jessica
Sent: Wednesday, March 03, 2004 10:48 AM
To: Champagne, Rick
Subject: RE: Draft Request

I've discussed all these items with Senator Lassa and Mary Offerdahl at Leg. Council and Senator Lassa wants to go ahead with the bill. ;-)

This is the Leg. Council memo I was referring to, in case you may need to know.
<http://www.legis.state.wi.us/lc/2002studies/FISC/memo14.pdf>

Jessica Ford Kelly
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State Capitol, 3-South
P.O. Box 7882
Madison, WI 53707-7882
608-266-3123 (Madison)
1-800-925-7491 (Toll Free)
608-267-6797 (Facsimile)

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

From: Champagne, Rick
Sent: Tuesday, March 02, 2004 11:56 AM
To: Kelly, Jessica
Subject: RE: Draft Request

Jessica:

The item in your first paragraph is clearly unenforceable without a constitutional amendment. The powers of the legislature are limited by the constitution, not rules of proceedings contained in the statutes. I can draft it, but the legislature can ignore it.

The item in your second paragraph can certainly be drafted, but the question arises what happens if the governor chooses not to follow it. While the legislature can tell the governor to do something, we can't tell him or her how to do it. In other words, the legislature can tell the governor to submit a report, but it can't tell him or her what to put in the report. The same would be true for a bill.

The third item can be drafted as a directive to the secretary of DOA and is enforceable in terms of the secretary's duties in the budget preparation process.

Let me know what you want to do.

Rick

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

From: Kelly, Jessica
Sent: Tuesday, March 02, 2004 11:32 AM
To: Champagne, Rick
Subject: Draft Request

Rick -

Senator Lassa would like to specify by statute a goal for reducing Wisconsin's GAAP-reported budget deficit as of June 30 of each fiscal year by \$100 million until the deficit is eliminated.

She would also like to amend current law to require that the Governor, beginning in 2005, respond to an increase in the GAAP-reported budget deficit as of June 30 of an odd-numbered year by including provisions in the current executive budget bill that reduce the GAAP-reported budget deficit by the amount of the increase to prohibit any

increases in the GAAP Deficit.

We would also like a provision included somewhere in Chapter 16 - DOA (I spoke with Jan Mueller, she seemed to feel this was the best place for it) stating that after the GAAP Deficit is eliminated, the state should adopt GAAP accounting for its biennial budget. Will this be a constitutional amendment? We do NOT want a constitutional amendment if its avoidable.

Jessica Ford Kelly
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1-800-925-7491 (Toll Free)
608-267-6797 (Facsimile)



Don
State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-4414/1

RAC:.....

SOON
2003 BILL

Jan

Gen

1 AN ACT ...; **relating to:** preparing the executive budget bill or bills according to
 2 generally accepted accounting principles; prohibiting the executive budget bill
 3 or bills from increasing the state's budget deficit; and ~~the legislature to pass~~ *requiring*
 4 legislation to reduce the state's budget deficit.

Plain

Analysis by the Legislative Reference Bureau

Under current law, the Department of Administration (DOA) is required to submit, 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 any audited financial report prepared by DOA for the most recent fiscal year, and the estimated change in the surplus or deficit based on recommendations in the biennial budget bill or bills. ~~Generally accepted accounting principles~~ are those principles for state and local governments adopted by the Governmental Accounting Standards Board (GASB). 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.

(GAAP)

GAAP

** GAAP*

This bill provides that, for the fiscal biennium occurring after the fiscal year in which DOA determines that the state does not have a budget deficit according to ~~generally accepted accounting principles~~, and each fiscal biennium thereafter, the biennial budget or bills must be prepared according to ~~generally accepted accounting principles~~. In addition, the bill provides that no executive budget bill or bills may contain appropriations ~~increasing~~ the state's budget deficit, if any, according to

INCREASE

BILL

GAAP

~~generally accepted accounting principles~~, as reported in any audited financial report prepared by DOA.

Finally, under the bill, beginning on July 1, 2005, if there is in any fiscal year a state budget deficit according to ~~generally accepted accounting principles~~, as reported in any audited financial report prepared by DOA, each house of the legislature must pass legislation in that fiscal year to reduce the budget deficit by the lesser of \$100,000,000 or the entire amount of the deficit.

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:

1 SECTION 1. 13.39 of the statutes is created to read:

2 **13.39 Legislation to reduce state budget deficit.** Beginning on July 1,
3 2005, if there is in any fiscal year a state budget deficit according to generally
4 accepted accounting principles, as reported in any audited financial report prepared
5 by the department of administration, the legislature shall pass legislation in that
6 fiscal year to reduce the budget deficit by the lesser of \$100,000,000 or the entire
7 amount of the deficit.

8 SECTION 2. 16.467 of the statutes is created to read:

9 **16.467 Preparation of biennial budget bill or bills according to**
10 **generally accepted accounting principles.** For the fiscal biennium that occurs
11 after the fiscal year in which the department determines, in any audited financial
12 report prepared by the department, that the state does not have a budget deficit
13 according to generally accepted accounting principles, as adopted by the
14 governmental accounting standards board or its successor bodies, and each fiscal
15 biennium thereafter, the biennial budget bill or bills shall be prepared according to
16 generally accepted accounting principles.

17

SECTION 3. 16.47 (1) of the statutes is amended to read:

as affected by 2003 Wisconsin Act 33,

BILL

1 16.47 (1) Except as provided in s. 16.529 (2), the executive budget bill or bills
2 shall incorporate the governor's recommendations for appropriations for the
3 succeeding biennium. The appropriation method shown in the bill or bills shall in
4 no way affect the amount of detail or manner of presentation which may be requested
5 by the joint committee on finance. Appropriation requests may be divided into 3
6 allotments: personal services, other operating expenses and capital outlay or such
7 other meaningful classifications as may be approved by the joint committee on
8 finance. No executive budget bill or bills may ^{INCREASE} contain appropriations increasing the
9 state's budget deficit, if any, according to generally accepted accounting principles,
10 as reported in any audited financial report prepared by the department. ✓

11 **History:** 1971 c. 125; 1979 c. 34, 221; 1981 c. 20; 1983 a. 27; 1987 a. 4; 2003 a. 33.

(END)

d-note
↓

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4414/1dn

RAC: :....

JG

Senator Lassa:

Please note that s. 13.39 ^{proposed} ~~stat.~~ is not legally enforceable, but rather constitutes a rule of proceedings under article IV, section 8, of the Wisconsin constitution. The Wisconsin supreme court has held that the remedy for failing to comply with rules of its own proceedings lies exclusively within the legislative branch. See *State ex rel. La Follette v. Stitt*, 114 Wis. 2d 358, 363-369 (1983). In other words, while rules of proceedings may govern internal legislative procedure, courts will not enforce procedural rules, and the rules do not affect the validity of any enactment resulting from a procedure that may be viewed as contravening them. *

Also, please note that in the event the governor chooses not to prepare the executive budget bill or bills as required under s. 16.47 (1) the only remedy available to the legislature is not to introduce the bill or bills.

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-4414/1dn
RAC:jld:jf

March 9, 2004

Senator Lassa:

Please note that proposed s. 13.39 is not legally enforceable, but rather constitutes a rule of proceedings under article IV, section 8, of the Wisconsin Constitution. The Wisconsin Supreme Court has held that the remedy for failing to comply with rules of its own proceedings lies exclusively within the legislative branch. See *State ex rel. La Follette v. Stitt*, 114 Wis. 2d 358, 363-369 (1983). In other words, while rules of proceedings may govern internal legislative procedure, courts will not enforce procedural rules, and the rules do not affect the validity of any enactment resulting from a procedure that may be viewed as contravening them.

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

Northrop, Lori

From: Kelly, Jessica
Sent: Wednesday, March 10, 2004 9:16 AM
To: LRB.Legal
Subject: Draft review: LRB 03-4414/1 Topic: Preparation of state budget

It has been requested by <Kelly, Jessica> that the following draft be jacketed for the SENATE:

Draft review: LRB 03-4414/1 Topic: Preparation of state budget