

2007 Mr8 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB(LRBx4268/1))

Received: **03/12/2008**

Received By: **rchampag**

Wanted: **Today**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **Loppnow**

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

Drafter: **rchampag**

May Contact:

Addl. Drafters:

Subject: **State Finance - bud generally**

Extra Copies: **Email all attorneyes; hard copy to RAC and PG**

Submit via email: **YES**

Requester's email: **Dave.Loppnow@legis.wisconsin.gov**

Carbon copy (CC:) to: **Bob.Lang@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Budget repair substitute

Instructions:

Compile 4247, 4260, 4261, 4262, 4263

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>
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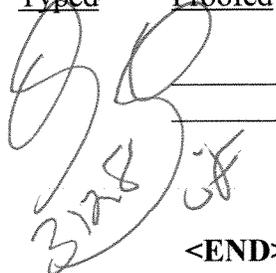
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FE Sent For:

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State of Wisconsin
2007 - 2008 LEGISLATURE

March 2008 Special Session

LRBs0371/P1

.....nwn

RAC & PG: lmk

NOW

~~PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION~~

ASSEMBLY SUBSTITUTE AMENDMENT,

TO ASSEMBLY BILL (LRB-4268/1)

-gen. cat

State finances and appropriations

1 AN ACT ...; relating to: ~~delaying the payment of a portion of state school aid;~~
2 ~~transfer from budget stabilization fund to the general fund, required general~~
3 ~~fund statutory balance; lapses and transfers to the general fund during the~~
4 ~~2007-09 and 2009-11 fiscal biennia; lapses to the general fund during the~~
5 ~~2007-09 and 2009-11 fiscal biennia and making an appropriation.~~

Analysis by the Legislative Reference Bureau

*** ~~ANALYSIS FROM 4247/4~~ ***

Under current law, the payment of \$75,000,000 in general school aid is delayed until the fourth Monday in July of the succeeding school year. This bill delays the payment of an additional \$125,000,000 in general school aid from June to July and requires that both delayed payments be made on the first Monday in July.

Current law provides that if in any fiscal year the amount of moneys deposited into the general fund that are designated as "Taxes" exceeds the amount of such moneys projected to be deposited into the general fund, one-half of the excess must be transferred to the budget stabilization fund. Under this bill, the excess must be used to reduce the amounts of the delayed school aid payments. Any amount in excess of \$200,000,000 is transferred to the budget stabilization fund.

EDUCATION

cap

② CAPS

STATE GOVERNMENT →

~~STATE GOVERNMENT~~ *** ANALYSIS FROM -4260/2 ***

This bill transfers \$55,000,000 from the budget stabilization fund to the general fund during the 2007-08 fiscal year.

*** ANALYSIS FROM -4261/1 ***

Current statutes contain a rule of proceeding governing legislative action on certain bills. Generally, the rule provides that no bill directly or indirectly affecting general purpose revenues may be adopted if the bill would cause the estimated general fund balance on June 30 of any fiscal year to be less than a certain amount of the total general purpose revenue appropriations for that fiscal year. For fiscal years 2007-08 and 2008-09, the amount is \$65,000,000. The bill reduces this amount in each of these fiscal years to \$20,000,000.

*** ANALYSIS FROM -4262/3 ***

2007 Wisconsin Act 20 requires the secretary of administration (~~secretary~~) to lapse or transfer \$200,000,000 to the general fund from certain appropriations to executive branch state agencies in the 2007-09 fiscal biennium and another \$200,000,000 in the 2009-11 fiscal biennium.

This bill decreases the amount of this required lapse or transfer to \$150,000,000 in the 2007-09 fiscal biennium and \$150,000,000 in the 2009-11 fiscal biennium, but prohibits the secretary from lapsing or transferring any of these moneys from appropriations to the Department of Transportation or an appropriation to the Department of Public Instruction for general equalization aids. (DPI)

*** ANALYSIS FROM -4263/4 ***

The bill requires the secretary of administration to lapse to the general fund from the unencumbered balances of general purpose revenues appropriations to executive branch state agencies, other than an appropriation to the Department of Public Instruction for general equalization aids, and most sum sufficient appropriations and appropriations of federal revenues, an amount equal to \$250,000,000 during the 2007-09 fiscal biennium and \$250,000,000 during the 2009-11 fiscal biennium. For the purpose of making the lapses, the bill permits the secretary of administration to reduce amounts in the compensation reserve dedicated to fund unbudgeted, state employee salary and fringe benefits cost increases.

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 *-4247/4.1* SECTION 1. 13.101 (6) (a) of the statutes, as affected by 2007
- 2 Wisconsin Act 20, is amended to read:
- 3 13.101 (6) (a) As an emergency measure necessitated by decreased state
- 4 revenues and to prevent the necessity for a state tax on general property, the

STET ↓

of administration

DPI

1 committee may reduce any appropriation made to any board, commission,
2 department, or the University of Wisconsin System, or to any other state agency or
3 activity, by such amount as it deems feasible, not exceeding 25% of the
4 appropriations, except appropriations made by ss. 20.255 (2) (ac), (at), (bc), (bh), (cg),
5 and (cr), 20.395 (1), (2) (cq), (eq) to (ex) and (gq) to (gx), (3), (4) (aq) to (ax), and (6)
6 (af), (aq), (ar), and (au), 20.435 (6) (a) and (7) (da), and 20.437 (2) (a) and (dz) or for
7 forestry purposes under s. 20.370 (1), or any other moneys distributed to any county,
8 city, village, town, or school district. Appropriations of receipts and of a sum
9 sufficient shall for the purposes of this section be regarded as equivalent to the
10 amounts expended under such appropriations in the prior fiscal year which ended
11 June 30. All functions of said state agencies shall be continued in an efficient
12 manner, but because of the uncertainties of the existing situation no public funds
13 should be expended or obligations incurred unless there shall be adequate revenues
14 to meet the expenditures therefor. For such reason the committee may make
15 reductions of such appropriations as in its judgment will secure sound financial
16 operations of the administration for said state agencies and at the same time
17 interfere least with their services and activities.

18 ***-4247/4.2*** SECTION 2. 16.50 (1) (b) of the statutes is amended to read:

19 16.50 (1) (b) This subsection does not apply to appropriations under ss. 20.255
20 (2) (ac), and (at), 20.835, and 20.865 (4).

21 ***-4247/4.3*** SECTION 3. 16.518 (title) of the statutes is amended to read:

22 **16.518 (title) Transfers Reductions in school aid; delayed payment and**
23 **transfers to the budget stabilization fund and the cash building projects**
24 **fund.**

25 ***-4247/4.4*** SECTION 4. 16.518 (2m) of the statutes is created to read:

1 16.518 (2m) (a) If the amount of moneys projected to be deposited in the general
2 fund during the fiscal year that are designated as "Taxes" in the summary are less
3 than the amount of such moneys actually deposited in the general fund during the
4 fiscal year, the secretary shall reduce the amount of the delayed general school aid
5 payment required under s. 121.15 (1m) (a) 4. by the difference.

6 (b) If there is a balance remaining after the amount of the delayed general
7 school aid payment required under s. 121.15 (1m) (a) 4. is reduced to zero under par.
8 (a), the secretary shall use it to reduce the amount of the delayed general school aid
9 payment required under s. 121.15 (1m) (a) 3.

10 *-4247/4.5* **SECTION 5.** 16.518 (3) (b) 3. of the statutes is created to read:

11 16.518 (3) (b) 3. If the amounts of the delayed general school aid payments
12 required under s. 121.15 (1m) (a) 3. and 4. are not reduced to zero under sub. (2m),
13 the secretary may not make the transfer under par. (a).

14 *-4247/4.6* **SECTION 6.** 16.52 (10) of the statutes is amended to read:

15 16.52 (10) DEPARTMENT OF PUBLIC INSTRUCTION. The provisions of sub. (2) with
16 respect to refunds and sub. (5) (a) with respect to reimbursements for the prior fiscal
17 year shall not apply to the ~~appropriation~~ appropriations under s. 20.255 (2) (ac) and
18 (at).

19 *-4261/1.1* **SECTION 7.** 20.003 (4) (ft) of the statutes is amended to read:

20 20.003 (4) (ft) For fiscal year 2007-08, ~~\$65,000,000~~ \$20,000,000.

21 *-4261/1.2* **SECTION 8.** 20.003 (4) (fv) of the statutes is amended to read:

22 20.003 (4) (fv) For fiscal year 2008-09, ~~\$65,000,000~~ \$20,000,000.

23 *-4247/4.7* **SECTION 9.** 20.255 (2) (at) of the statutes is created to read:

24 20.255 (2) (at) *General equalization aids; reduction in delayed payment.* A sum
25 sufficient equal to the amount of the reductions made under s. 16.518 (2m) in the

1 current fiscal year to the amounts of the delayed school aid payments under s. 121.15
2 (1m) (a) 3. and 4., for the payment of educational aids under s. 121.08.

3 ***-4247/4.8* SECTION 10.** 118.153 (4) (b) of the statutes is amended to read:

4 118.153 (4) (b) Upon receipt of a school board's annual report under par. (a) the
5 state superintendent shall pay to the school district from the appropriation under s.
6 20.255 (2) (bc), for each pupil enrolled in a program for children at risk who achieved
7 at least 3 of the objectives under par. (c) in the previous school year, additional state
8 aid in an amount equal to 10% of the school district's average per pupil aids provided
9 under s. 20.835 (7) (a), 1991 stats., and s. 20.255 (2) (ac) and (at) in the previous
10 school year.

11 ***-4247/4.9* SECTION 11.** 121.007 of the statutes is amended to read:

12 **121.007 Use of state aid; exemption from execution.** All moneys paid to
13 a school district under s. 20.255 (2) (ac), (at), (bc), (cg), and (cr), shall be used by the
14 school district solely for the purposes for which paid. Such moneys are exempt from
15 execution, attachment, garnishment, or other process in favor of creditors, except as
16 to claims for salaries or wages of teachers and other school employees and as to
17 claims for school materials, supplies, fuel, and current repairs.

18 ***-4247/4.10* SECTION 12.** 121.15 (1m) (a) 3. of the statutes is amended to read:

19 121.15 (1m) (a) 3. Beginning in the ~~1999-2000~~ 2007-2008 school year,
20 annually the state shall pay to school districts, from the appropriation under s.
21 20.255 (2) (ac), an amount equal to \$75,000,000, less the sum of the reductions made
22 to the amount in the previous and current fiscal years under s. 16.518 (2m) (b), on
23 the 4th first Monday in July of the following school year.

24 ***-4247/4.11* SECTION 13.** 121.15 (1m) (a) 4. of the statutes is created to read:

1 121.15 (1m) (a) 4. Beginning in the 2007-08 school year, in addition to the
2 payment delay under subd. 3., annually the state shall pay to school districts, from
3 the appropriation under s. 20.255 (2) (ac), an amount equal to \$125,000,000, less the
4 sum of the reductions made to the amount in the previous and current fiscal years
5 under s. 16.518 (2m) (a), on the first Monday in July of the following school year.

6 *-4247/4.12* SECTION 14. 121.15 (1m) (b) of the statutes is amended to read:

7 121.15 (1m) (b) The percentages under subs. (1) (a) and (1g) (a) shall be reduced
8 proportionally to reflect the payments made under par. (a). 3. The percentage paid
9 in June under subs. (1) (a) and (1g) (a) shall be reduced to reflect the payment made
10 under par. (a) 4. School districts shall treat the payments made in July under par.
11 (a) as if they had been received in the previous school year.

12 *-4262/3.1* SECTION 15. 2007 Wisconsin Act 20, section 9201 (1c) (a) is
13 amended to read:

14 [2007 Wisconsin Act 20] Section 9201 (1c) (a) Notwithstanding sections 20.001
15 (3) (a) to (c) and 25.40 (3) of the statutes, but subject to paragraph (d), the secretary
16 of administration shall lapse to the general fund or transfer to the general fund from
17 the unencumbered balances of appropriations to executive branch state agencies,
18 other than sum sufficient appropriations and appropriations of federal revenues, an
19 amount equal to ~~\$200,000,000~~ \$150,000,000 during the 2007-09 fiscal biennium and
20 ~~\$200,000,000~~ \$150,000,000 during the 2009-11 fiscal biennium. This paragraph
21 shall not apply to appropriations to the department of public instruction under
22 section 20.255 (2) (ac) of the statutes and to appropriations to the Board of Regents
23 of the University of Wisconsin System, the department of transportation, and to the
24 technical college system board.

1 ***-4247/4.13* SECTION 9137. Nonstatutory provisions; Public**
2 **Instruction.**

3 (1) For the following purposes, the department of public instruction shall
4 consider the amount appropriated under section 20.255 (2) (ac) of the statutes as if
5 the decrease in that amount under SECTION NO TAG (1) of this act had not occurred:

6 (a) For the purpose of calculating the payment under section 119.23 (4) (b) 2.
7 of the statutes in the 2007-08 and 2008-09 fiscal years.

8 (b) For the purpose of calculating the secondary guaranteed valuation per
9 member under section 121.07 (7) (b) of the statutes and the school aid reduction
10 under section 121.08 (4) of the statutes in the 2007-08 fiscal year.

11 ***-4260/2.9155* SECTION 9155. Nonstatutory provisions; other.**

12 (1) BUDGET STABILIZATION FUND. Notwithstanding section 20.875 (2) (q) of the
13 statutes, any transfer from the budget stabilization fund to the general fund during
14 the 2007-08 fiscal year under section 20.875 (2) (q) of the statutes, as affected by this
15 act, shall occur before July 1, 2008.

16 **SECTION 9201. Fiscal changes; Administration.**

17 ***-4262/3.9201*** (1) TRANSFERS FROM GENERAL FUND TO APPROPRIATIONS TO THE
18 DEPARTMENT OF TRANSPORTATION. If moneys were transferred to the general fund from
19 appropriations to the department of transportation during the 2007-08 fiscal year,
20 pursuant to 2007 Wisconsin Act 20, section 9201 (1c) (a), the secretary of
21 administration shall transfer from the general fund to these appropriations the
22 amount that was transferred from these appropriations before the effective date of
23 this subsection.

24 ***-4263/4.9201*** (2) LAPSE OF ANY UNENCUMBERED MONEYS IN APPROPRIATION
25 ACCOUNTS AND FUNDS.

1 (a) 1. Notwithstanding sections 20.001 (3) (a) to (c) of the statutes, but subject
2 to paragraph (b), the secretary of administration shall lapse to the general fund from
3 the unencumbered balances of general purpose revenue appropriations to executive
4 branch state agencies, other than sum sufficient appropriations not specified in
5 subdivision 2. and appropriations of federal revenues, an amount equal to
6 \$250,000,000 during the 2007-09 fiscal biennium and \$250,000,000 during the
7 2009-11 fiscal biennium. The amounts lapsed under this subdivision shall be in
8 addition to the amounts lapsed or transferred under 2007 Wisconsin Act 20, section
9 9201 (1c) (a) to (c). This subdivision shall not apply to an appropriation to the
10 department of public instruction under section 20.255 (2) (ac) of the statutes.

11 2. For the purpose of making the lapses required under subdivision 1. for
12 executive branch state agencies, the secretary of administration may reduce the
13 general purpose revenue amounts allocated for "Compensation Reserves" for each
14 fiscal biennia in the summary under section 20.005 (1) of the statutes, as affected by
15 the acts of 2007. If the secretary of administration reduces any of these amounts, the
16 secretary shall specify from which appropriation under section 20.865 (1) (c), (ci), or
17 (d) of the statutes the reductions are to be allocated.

18 (b) The secretary of administration may not lapse moneys under paragraph (a)
19 if the lapse would violate a condition imposed by the federal government on the
20 expenditure of the moneys or if the lapse would violate the federal or state
21 constitution.

22 ***-4247/4.14* SECTION 9237. Fiscal changes; Public Instruction.**

23 (1) EQUALIZATION AID SHIFT. In the schedule under section 20.005 (3) of the
24 statutes for the appropriation to the department of public instruction under section

1 20.255 (2) (ac) of the statutes, as affected by the acts of 2007, the dollar amount is
2 decreased by \$125,000,000 for fiscal year 2007-08.

3 ***-4260/2.9255* SECTION 9255. Fiscal changes; other.**

4 (1) BUDGET STABILIZATION FUND. In the schedule under section 20.005 (3) of the
5 statutes for the appropriation under section 20.875 (2) (q) of the statutes, as affected
6 by the acts of 2007, the dollar amount is increased by \$55,000,000 for fiscal year
7 2007-08 for the purpose for which the appropriation is made.

8 ***-4247/4.15* SECTION 9400. Effective dates.** Except as otherwise provided
9 in SECTIONS 9401 to 9455 of this act, this act takes effect on the day after publication.

10 **SECTION 9437. Effective dates; Public Instruction.**

11 (1) The treatment of section 13.101 (6) (a) of the statutes takes effect on July
12 1, 2008.

13 (END)