

2009 DRAFTING REQUEST

Assembly Amendment (AA-SB62)

Received: **02/18/2009**

Received By: **rchampag**

Wanted: **Today**

Identical to LRB:

For: **Brett Davis (608) 266-1192**

By/Representing: **Luke Bacher**

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: **Rep.Davis@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Biennial budget process

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>
/?	rchampag 02/18/2009	jdye 02/18/2009		_____			
/1			mduchek 02/18/2009	_____	mbarman 02/18/2009	mbarman 02/18/2009	
/2	rchampag 02/18/2009	jdye 02/18/2009	rschluet 02/18/2009	_____	mbarman 02/18/2009	mbarman 02/18/2009	

FE Sent For:

<END>

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/?	rchampag	1/2/18 jld	MD	MD	MD		

2/18

FE Sent For:

<END>

Champagne, Rick

From: Bacher, Luke
Sent: Tuesday, February 17, 2009 6:47 PM
To: Champagne, Rick
Subject: RE: Email from LRB Website

Thanks!

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

From: Champagne, Rick
Sent: Tuesday, February 17, 2009 6:47 PM
To: Bacher, Luke
Subject: RE: Email from LRB Website

Got it. We'll get it to you in the morning.

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

From: Bacher, Luke
Sent: Tue 2/17/2009 5:32 PM
To: Champagne, Rick
Subject: Email from LRB Website

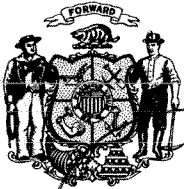
Rick -

Rep Davis would like an amendment to LRB 1999 (budget repair bill that the Assembly will be taking up on Weds) that would do what the language in LRB 1356/2 designates. The only change is to strike the last part that deals with economic stimulus money from the feds.

Please call with any questions.

-Luke

Luke Bacher
Research Assistant
State Representative Brett Davis
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<http://www.brettdavis.us>



State of Wisconsin
2009 - 2010 LEGISLATURE

LRB-1356/2
RAC:jld:rs

THIS
AM

AA
to

2009 BILL 62

LRB00061/1
RAC:jld

SENATE

At the locations indicated, amend the bill as follows

1 **AN ACT to amend** 16.42 (1) (intro.) and 16.47 (1); and **to create** 13.39, 16.42 (3)
2 and 16.467 of the statutes; **relating to:** preparation of zero-based biennial
3 budget requests by executive branch agencies, preparation and passage of
4 biennial budget bill or bills, state budget deficit, and generally accepted
5 accounting principles.

Analysis by the Legislative Reference Bureau

The bill provides that the Department of Administration (DOA), beginning with the 2011-13 fiscal biennium, must require 20 percent of executive branch agencies to submit their biennial budget requests prepared using the principles of zero-based budgeting for each of their activities, units, and programs. In each fiscal biennium thereafter, DOA must require a different 20 percent of executive branch agencies to submit their biennial budget requests prepared using the principles of zero-based budgeting, except that DOA must require each state agency to do this at least once during any five consecutive fiscal biennia. Under the bill, "zero-based budgeting" is defined as the compilation of a budget in which each component is justified on the basis of cost, need, and relation to the statutory responsibilities of the state agency for which the budget is made.

In addition, under current law, 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 (GAAP), as reported in any audited financial report prepared by DOA for the most recent fiscal year, and the

BILL

estimated change in the surplus or deficit based on recommendations in the biennial budget bill or bills. GAAP 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.

This bill provides that the legislature may not pass any biennial budget bill or bills for the 2015-17 and succeeding fiscal biennia that would produce a state budget deficit according to GAAP. The bill further requires that, beginning on January 1, 2011, the executive budget bill or bills must be prepared according to GAAP and that the bill or bills may not contain recommendations for the succeeding biennium that create a state budget deficit, according to GAAP.

Finally, the bill provides that neither house of the legislature may pass the executive budget bill for the 2009-11 fiscal biennium, if that bill appropriates federal economic stimulus funds, unless the governor submits a plan to the legislature to eliminate the state's structural deficit by the end of the 2015-16 fiscal year. Under the bill, "federal economic stimulus funds" is defined to mean federal moneys received by the state, pursuant to federal legislation enacted during the 111th Congress for the purpose of reviving the economy of the United States.

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:

#. Page 14, line 1: delete "SECTION 13.39" and insert "SECTION 13.39"
 #. Page 14, line 1: before that line insert: "SECTION 13.39"
 ① "SECTION 13.39 of the statutes is created to read: substitute number"
 2 **13.39 State budget deficit.** The legislature may not pass any biennial budget
 3 bill or bills for the 2015-17 and succeeding fiscal biennia that would produce a state
 4 budget deficit according to generally accepted accounting principles, as adopted by
 5 the governmental accounting standards board or its successor bodies.
 6 "SECTION 16.42 (1) (intro.) of the statutes is amended to read:
 7 16.42 (1) (intro.) All agencies, other than the legislature and the courts, no later
 8 than September 15 of each even-numbered year, in the form and content prescribed
 9 by the department, but subject to the requirements of sub. (3), shall prepare and

#. Page 16, line 19: after that line insert:

BILL

1 forward to the department and to the legislative fiscal bureau the following program
2 and financial information:

3 **SECTION** ^{LS} 16.42 (3) of the statutes is created to read:

4 16.42 (3) (a) In this subsection, "zero-based budgeting" means the compilation
5 of a budget in which each component is justified on the basis of cost, need, and
6 relation to the statutory responsibilities of the state agency for which the budget is
7 made.

8 (b) 1. Except as provided in subd. 2., beginning with the 2011-13 fiscal
9 biennium, the department shall require 20 percent of agencies under sub. (1) to
10 submit their biennial budget requests prepared using the principles of zero-based
11 budgeting for each of its activities, units, and programs. In each fiscal biennium
12 thereafter, the department shall require a different 20 percent of the agencies to
13 submit their biennial budget requests in this form.

14 2. The department shall require each agency to submit its biennial budget
15 request prepared using the principles of zero-based budgeting for each of its
16 activities, units, and programs at least once during any 5 consecutive fiscal biennia.

17 **SECTION** ^{LS} 16.467 of the statutes is created to read:

18 **16.467 Preparation of executive budget bill or bills according to**
19 **generally accepted accounting principles.** Beginning on January 1, 2011, the
20 executive budget bill or bills shall be prepared according to generally accepted
21 accounting principles, as adopted by the governmental accounting standards board
22 or its successor bodies.

23 **SECTION** ^{LS} 16.47 (1) of the statutes is amended to read:

24 16.47 (1) Except as provided in s. 16.529 (2), the executive budget bill or bills
25 shall incorporate the governor's recommendations for appropriations for the

BILL

SECTION 5

1 succeeding biennium. The appropriation method shown in the bill or bills shall in
 2 no way affect the amount of detail or manner of presentation which may be requested
 3 by the joint committee on finance. Appropriation requests may be divided into 3
 4 allotments: personal services, other operating expenses and capital outlay or such
 5 other meaningful classifications as may be approved by the joint committee on
 6 finance. Beginning on January 1, 2011, no executive budget bill or bills may contain
 7 recommendations for the succeeding biennium that create a state budget deficit,
 8 according to generally accepted accounting principles, as adopted by the
 9 governmental accounting standards board or its successor bodies.))
 ↑ ↑

~~SECTION 6. Nonstatutory provisions.~~ (C) (S)
 "LIA" ELIMINATION OF STRUCTURAL DEFICIT.

10 (NL) Neither house of the legislature may pass the executive budget bill for the
 11 2009-11 fiscal biennium, if that bill appropriates federal economic stimulus funds,
 12 unless the governor submits a plan to the legislature to eliminate the state's
 13 structural deficit by the end of the 2015-16 fiscal year. In this subsection, "federal
 14 economic stimulus funds" means federal moneys received by the state, pursuant to
 15 federal legislation enacted during the 111th Congress for the purpose of reviving the
 16 economy of the United States. >>
 ↑ ↑

(END)

#. Page 376, line 24: after that line insert:

Champagne, Rick

From: Bacher, Luke
Sent: Wednesday, February 18, 2009 11:36 AM
To: Champagne, Rick
Subject: LRB 09b0061 Topic: Biennial budget process

Rick -

Just got the language for the amendment - thanks!

We do need 1 change though. Can you strike that last part on page 3, section 4, that deals with the economic stimulus funding.

I'm sending the amendment jacket back over.

Thanks,

Luke

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

From: Champagne, Rick
Sent: Tuesday, February 17, 2009 6:47 PM
To: Bacher, Luke
Subject: RE: Email from LRB Website

Got it. We'll get it to you in the morning.

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

From: Bacher, Luke
Sent: Tue 2/17/2009 5:32 PM
To: Champagne, Rick
Subject: Email from LRB Website

Rick -

Rep Davis would like an amendment to LRB 1999 (budget repair bill that the Assembly will be taking up on Weds) that would do what the language in LRB 1356/2 designates. The only change is to strike the last part that deals with economic stimulus money from the feds.

Please call with any questions.

-Luke

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State of Wisconsin
2009 - 2010 LEGISLATURE

LRBb0061/12
RAC:jld:md

RMR

ASSEMBLY AMENDMENT,
TO 2009 SENATE BILL 62

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

2 **1.** Page 14, line 1: delete “SECTION 1” and substitute “SECTION 1m”.

3 **2.** Page 14, line 1: before that line insert:

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

5 **13.39 State budget deficit.** The legislature may not pass any biennial budget
6 bill or bills for the 2015-17 and succeeding fiscal biennia that would produce a state
7 budget deficit according to generally accepted accounting principles, as adopted by
8 the governmental accounting standards board or its successor bodies.”.

9 **3.** Page 16, line 19: after that line insert:

10 “SECTION 5c. 16.42 (1) (intro.) of the statutes is amended to read:

11 16.42 (1) (intro.) All agencies, other than the legislature and the courts, no later
12 than September 15 of each even-numbered year, in the form and content prescribed
13 by the department, but subject to the requirements of sub. (3), shall prepare and

1 forward to the department and to the legislative fiscal bureau the following program
2 and financial information:

3 **SECTION 5d.** 16.42 (3) of the statutes is created to read:

4 16.42 (3) (a) In this subsection, "zero-based budgeting" means the compilation
5 of a budget in which each component is justified on the basis of cost, need, and
6 relation to the statutory responsibilities of the state agency for which the budget is
7 made.

8 (b) 1. Except as provided in subd. 2., beginning with the 2011-13 fiscal
9 biennium, the department shall require 20 percent of agencies under sub. (1) to
10 submit their biennial budget requests prepared using the principles of zero-based
11 budgeting for each of its activities, units, and programs. In each fiscal biennium
12 thereafter, the department shall require a different 20 percent of the agencies to
13 submit their biennial budget requests in this form.

14 2. The department shall require each agency to submit its biennial budget
15 request prepared using the principles of zero-based budgeting for each of its
16 activities, units, and programs at least once during any 5 consecutive fiscal biennia.

17 **SECTION 5h.** 16.467 of the statutes is created to read:

18 **16.467 Preparation of executive budget bill or bills according to**
19 **generally accepted accounting principles.** Beginning on January 1, 2011, the
20 executive budget bill or bills shall be prepared according to generally accepted
21 accounting principles, as adopted by the governmental accounting standards board
22 or its successor bodies.

23 **SECTION 5p.** 16.47 (1) of the statutes is amended to read:

24 16.47 (1) Except as provided in s. 16.529 (2), the executive budget bill or bills
25 shall incorporate the governor's recommendations for appropriations for the

1 succeeding biennium. The appropriation method shown in the bill or bills shall in
2 no way affect the amount of detail or manner of presentation which may be requested
3 by the joint committee on finance. Appropriation requests may be divided into 3
4 allotments: personal services, other operating expenses and capital outlay or such
5 other meaningful classifications as may be approved by the joint committee on
6 finance. Beginning on January 1, 2011, no executive budget bill or bills may contain
7 recommendations for the succeeding biennium that create a state budget deficit,
8 according to generally accepted accounting principles, as adopted by the
9 governmental accounting standards board or its successor bodies. ✓

10 **4.** Page 376, line 24: after that line insert:

11 ~~“(1d) ELIMINATION OF STRUCTURAL DEFICIT. Neither house of the legislature may~~
12 ~~pass the executive budget bill for the 2009-11 fiscal biennium, if that bill~~
13 ~~appropriates federal economic stimulus funds, unless the governor submits a plan~~
14 ~~to the legislature to eliminate the state’s structural deficit by the end of the 2015-16~~
15 ~~fiscal year. In this subsection, “federal economic stimulus funds” means federal~~
16 ~~moneys received by the state, pursuant to federal legislation enacted during the~~
17 ~~111th Congress for the purpose of reviving the economy of the United States.”.~~

18 (END)