

Fiscal Estimate Narratives

DOA 12/20/2011

LRB Number	11-2127/1	Introduction Number	AB-0400	Estimate Type	Corrected
Description State agency fiscal and operations reports and quarterly hearings of the Joint Legislative Audit Committee					

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill (AB) 400 requires all executive and judicial branch state agencies to submit reports on their fiscal condition and operations to the Joint Legislative Audit Committee (JLAC) in each year. The report must include the agency's fiscal condition and operational health, agency balance sheets, an accounting of all agency expenditures exceeding \$100, the number of persons employed by the agency, aggregate payroll data, a list of all programs administered by the agency with an explanation of each program and an identification of the statutory provision requiring the program, and data relating to employee salary growth and benefit costs. The bill requires the JLAC cochaIRS to provide each state agency with at least 15 business days' notice of the scheduled appearance.

State government operations are based on statutory funds, with numerous agencies having operations within a particular fund, but the revenues are accounted for by only one agency. Similar to other state agencies, the Department of Administration (DOA) budgets and prepares statements for funds based on a program and appropriation structure set forth in state statutes. The budgetary basis of accounting required by state statutes differs materially from the basis used to report revenues and expenditures in accordance with Generally Accepted Accounting Principles (GAAP).

Much of the information required by the bill may be available from a variety of sources, including the State's Comprehensive Annual Financial Report and the Annual Fiscal Report, as well as the State's accounting system and personnel management system. In addition, the Department is required, under Chapter 16 of the Wisconsin Statutes, to ensure that all state agency operations expenditures over \$100 are available for inspection on a searchable website. Provided that the sources of information currently in existence will suffice to fulfill the intent of this bill, the reporting requirements could be absorbed with existing staff resources.

However, at this time the Department does not create a balance sheet at the agency level under either the statutory budget requirements or GAAP requirements. If the intent of the bill is to impose a new requirement and possibly a new method of accounting for agency expenditures, this bill would present an administrative burden on the Department that could not be absorbed with existing staff resources.

DOA prepares financial information for the following agencies, and would assist them with preparing the financial information to fulfill the reporting requirements in the bill: Board on Aging and Long Term Care, Board for People with Developmental Disabilities, District Attorneys, Governor's Office, Lieutenant Governor's Office, Judicial Council, Office of State Employment Relations, Office of the Secretary of State, and Office of the State Treasurer.

Long-Range Fiscal Implications

Indeterminate.