



## Mueller, Eric

---

**From:** Hepler, Eric  
**Sent:** Wednesday, June 12, 2019 9:02 AM  
**To:** Mueller, Eric  
**Subject:** BCPL executive action  
**Attachments:** 146.pdf; 19-3178\_P2.pdf

Eric,

I don't believe we've met. I'm Eric Hepler, the BCPL analyst at LFB. I have a drafting request for you pursuant to yesterday's JFC executive session.

I've attached a copy of the approved motion (#146) that deletes BCPL's ability to deduct its operations expenditures from the proceeds of the trust funds and creates a GPR operations appropriation. The motion incorporates LRB 3178/P2, which I have also attached. Will you draft this as an amendment to the budget bill?

Thank you,

**Eric R. Hepler**

Fiscal Analyst | Wisconsin Legislative Fiscal Bureau  
(608) 266-3847 | [Eric.Hepler@legis.wisconsin.gov](mailto:Eric.Hepler@legis.wisconsin.gov)

BOARD OF COMMISSIONERS OF PUBLIC LANDS

Creating a General Fund Appropriation for BCPL Operations

Motion:

Move to convert the program revenue (PR) appropriation for Board of Commissioners of Public Lands (BCPL) general operations to instead be supported by general purpose revenues (GPR). Convert bill general operations funding of \$1,722,400 PR in 2019-20 and \$1,724,700 PR in 2020-21 to GPR. Repeal BCPL's ability to deduct operations expenses from the gross receipts of BCPL-managed trust funds.

Further, reestimate school library aids by \$1,500,000 in each year of the biennium from the segregated Common School Fund.

---

Note:

Under current law, BCPL manages the Common School Fund, Normal School Fund, University Fund, and the Agricultural College Fund. BCPL distributes the interest earnings of the trust funds to each fund's beneficiary. For instance, BCPL distributes interest income from the Common School Fund to public school libraries. BCPL may deduct its own expenses related to the administration of the trust funds from the gross receipts of the trust funds. These amounts are budgeted under BCPL as PR. This motion would remove BCPL's ability to fund its operations from the proceeds of the trust funds, replacing it with a GPR appropriation. The motion provides the same level of funding as provided under the bill.

A reestimate of school library aids would also affect the indexing mechanism used to calculate increases in the per pupil payments under the independent charter, open enrollment, choice, and special needs scholarship programs. The provisions in this motion would increase payments by an estimated \$2 per pupil in each year of the biennium.

---

This motion would incorporate provisions of LRB draft 3178/P2.

[Change to Base: \$3,447,100 GPR, -\$3,447,100 PR, \$3,000,000 SEG]

[Change to Bill: \$3,447,100 GPR, -\$3,447,100 PR, \$3,000,000 SEG]



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-3178/P2 b 0352/P1  
EVM:cdc&cjs

RMNR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

6/12/19

1 AN ACT *to repeal* 24.04 (2) and 24.62 (1); *to renumber* 24.04 (1); *to amend*  
2 20.507 (1) (h), 24.04 (title), 24.09 (1) (bm), 24.53, 24.605, 24.62 (2), 24.64, 24.75,  
3 24.77, 24.80, 24.81 and 24.82; and *to create* 20.507 (1) (a) of the statutes;  
4 **relating to:** administrative expenses of the Board of Commissioners of Public  
5 Lands and making an appropriation.

***Analysis by the Legislative Reference Bureau***

Under current law, the Board of Commissioners of Public Lands manages the common school fund, the normal school fund, the university fund, and the agricultural college fund (trust funds). Currently, several statutory provisions allow BCPL to deduct its expenses from the gross receipts of the trust fund to which the expenses are related. This bill eliminates that authority and instead provides a GPR appropriation to BCPL to fund its general program operations.

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:***

6 SECTION 1. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
7 the following amounts for the purposes indicated:

2019-20

2020-21

1 **20.507 Board of Commissioners of Public Lands**

2 (1) TRUST LANDS AND INVESTMENTS

3 (a) General program operations GPR A \$1,722,400 \$1,724,700

after line 407, 2

4 " SECTION 2. 20.507 (1) (a) of the statutes is created to read:

5 20.507 (1) (a) *General program operations*. The amounts in the schedule for  
6 the general program operations of the board.

7 SECTION 3. 20.507 (1) (h) of the statutes is amended to read:

8 20.507 (1) (h) *Trust lands and investments — general program operations*. The  
9 amounts in the schedule for the general program operations of the board as provided  
10 under ss. 24.04, 24.09 (1) (bm), 24.53 and 24.62 (1). All amounts deducted from the  
11 gross receipts of the appropriate funds as provided under ss. 24.04, 24.09 (1) (bm),  
12 24.53 and 24.62 (1) shall be credited to this appropriation account. Notwithstanding  
13 s. 20.001 (3) (a), the unencumbered balance at the end of each fiscal year shall be  
14 transferred to the trust funds, as defined under s. 24.60 (5). The amount transferred  
15 to each trust fund, as defined under s. 24.60 (5), shall bear the same proportion to  
16 the total amount transferred to the trust funds that the gross receipts of that trust  
17 fund bears to the total gross receipts credited to this appropriation account during  
18 that fiscal year.

after line 130, 3

19 " SECTION 4. 24.04 (title) of the statutes is amended to read:

20 **24.04 (title) Administrative receipts and disbursements.**

21 SECTION 5. 24.04 (1) of the statutes is renumbered 24.04.

22 SECTION 6. 24.04 (2) of the statutes is repealed.

23 SECTION 7. 24.09 (1) (bm) of the statutes is amended to read:

1           24.09 (1) (bm) The board may exchange part or all of any parcel of public lands  
2 for any other land of approximately equal value if the board determines that the  
3 exchange will contribute to the consolidation or completion of a block of land,  
4 enhance conservation of lands or otherwise be in the public interest. Under this  
5 paragraph, an exchange is of "approximately equal value" if the difference in value  
6 between the more highly valued land and the less highly valued land does not exceed  
7 10 percent of the value of the more highly valued land. ~~All expenses necessarily~~  
8 ~~incurred in making an exchange under this paragraph shall be deducted from the~~  
9 ~~gross receipts of the fund to which the proceeds of the sale of the exchanged land will~~  
10 ~~be added.~~

11           SECTION <sup>335</sup>8. 24.53 of the statutes is amended to read:

12           **24.53 Investigate land claims; deduct expenses.** The board of  
13 commissioners of public lands shall investigate the rights of the state to school lands,  
14 normal school lands, university lands, and agricultural college lands. ~~The expenses~~  
15 ~~incurred in making these investigations and taking necessary steps to protect~~  
16 ~~common school lands, normal school lands, university lands and agricultural college~~  
17 ~~lands and timber on those lands, as well as the expense of necessary surveys, records,~~  
18 ~~appraisals and sales, upon the approval of the board, shall be deducted from the gross~~  
19 ~~receipts of the fund to which the proceeds from the sale of the land or timber will be~~  
20 ~~added.~~

21           SECTION <sup>325</sup>9. 24.605 of the statutes is amended to read:

22           **24.605 Accounts in trust funds for deposit of proceeds from sale of**  
23 **certain lands.** The board shall establish in each of the trust funds an account to  
24 which are credited the proceeds from the sale of any public lands, except sales under  
25 s. 24.09 (1) (bg), on or after May 3, 2006, that are required by law to be deposited in

1 the funds. Moneys credited to the accounts in the funds may only be used to invest  
2 in land under s. 24.61 (2) (a) ~~and for the payment of expenses necessarily related to~~  
3 ~~investing in land under s. 24.61 (2) (a).~~

4 **SECTION 10.** <sup>335m</sup> 24.62 (1) of the statutes is repealed.

5 **SECTION 11.** <sup>335n</sup> 24.62 (2) of the statutes is amended to read:

6 24.62 (2) The board may charge its expenses incurred in the sale of a state trust  
7 fund loan or participation therein under s. 24.69 to the purchaser of the loan or  
8 participation, ~~or may deduct the expenses from the gross receipts of the fund to which~~  
9 ~~the interest and income of the loan or participation will be added, or both.~~ If the board  
10 sells any state trust fund loan or participation therein under s. 24.69 in any fiscal  
11 year, the board shall, no later than October 1 following that fiscal year, prepare and  
12 file in its office a report which identifies in detail the board's expenses incurred  
13 during that fiscal year that are directly attributable to the sale of state trust fund  
14 loans and participations under s. 24.69.

15 **SECTION 12.** <sup>335v</sup> 24.64 of the statutes is amended to read:

16 **24.64 Reimbursements for certain administrative services.** The board  
17 shall reimburse the department of administration, from the appropriation account  
18 under s. 20.507 (1) ~~(h)~~ (a), for the costs of administrative services provided by the  
19 department of administration and other state agencies to the board.

20 **SECTION 13.** <sup>335p</sup> 24.75 of the statutes is amended to read:

21 **24.75 Interest, how accounted for.** All money collected as interest upon any  
22 state trust fund loan shall be paid into the state treasury. All moneys collected as  
23 interest upon any trust fund loan are considered gross receipts and shall be credited  
24 to the income of the fund from which the loan was made ~~except that expenses may~~  
25 ~~be deducted as provided under s. 24.62 (1).~~

1 SECTION 14. 24.77 of the statutes is amended to read:

2       **24.77 Common school fund income.** The common school fund income is  
3 constituted of the interest derived from the common school fund and from unpaid  
4 balances of purchase money on sales of common school lands; and all other revenues  
5 derived from the common school lands; but ~~the common school fund income and~~  
6 ~~interest and revenues derived from the common school fund and from common school~~  
7 ~~lands do not include expenses deducted from gross receipts permitted under ss. 24.04~~  
8 ~~(2), 24.53 and 24.62 (1).~~

9 SECTION 15. 24.80 of the statutes is amended to read:

10       **24.80 Normal school fund.** The lands and moneys described in s. 24.79, not  
11 being granted for any other specified purpose, accrue to the school fund under article  
12 X, section 2, of the constitution; and having been found unnecessary for the support  
13 and maintenance of common schools, are appropriated to the support and  
14 maintenance of state universities and suitable libraries and apparatus therefor, and  
15 to that end are set apart and denominated the "Normal School Fund". All lands,  
16 moneys, loans, investments, and securities set apart to the normal school fund and  
17 all swamp lands and income and interest received on account of the capital of that  
18 fund constitute a separate and perpetual fund. ~~Normal school fund income, interest~~  
19 ~~and revenues do not include expenses deducted from gross receipts permitted under~~  
20 ~~ss. 24.04 (2), 24.53 and 24.62 (1).~~

21 SECTION 16. 24.81 of the statutes is amended to read:

22       **24.81 University fund.** All moneys accruing to the state under article X,  
23 section 6, of the constitution, and all other moneys paid into the state treasury on  
24 account of the capital of the university fund, constitute the university fund, which  
25 is a separate and perpetual fund. ~~University fund income, interest and revenues do~~



1 ~~not include expenses deducted from gross receipts permitted under ss. 24.04 (2),~~  
2 ~~24.53 and 24.62 (1).~~ 3357 ✓

3 SECTION 17. 24.82 of the statutes is amended to read:

4 **24.82 Agricultural college fund.** All moneys derived from the sale of the  
5 lands and land scrip accruing to the state by virtue of the act of congress approved  
6 July 2, 1862, entitled "an act donating public lands to the several states and  
7 territories which may provide colleges for the benefit of agricultural and the  
8 mechanic arts," and income and interest received on account of the capital of the  
9 agricultural college fund, constitute the agricultural college fund, which is a  
10 separate and perpetual fund and shall remain forever undiminished. ~~Agricultural~~  
11 ~~college fund income, interest and revenues do not include expenses deducted from~~  
12 ~~gross receipts permitted under ss. 24.04 (2), 24.53 and 24.62 (1).~~ If this fund is by  
13 any action or contingency impaired, a state tax is hereby levied sufficient to replace  
14 the same, to be collected with the state taxes for the next ensuing year and paid into  
15 this fund. "

16 **SECTION 18. Fiscal changes.**

17 (1) BOARD OF COMMISSIONERS OF PUBLIC LANDS. In the schedule under s. 20.005  
18 (3) for the appropriation to the board of commissioners of public lands under s. 20.507  
19 (1) (h), the dollar amount for fiscal year 2019-20 is decreased by \$1,722,400 to  
20 decrease funding for the purposes for which the appropriation is made. In the  
21 schedule under s. 20.005 (3) for the appropriation to the board of commissioners of  
22 public lands under s. 20.507 (1) (h), the dollar amount for fiscal year 2020-21 is  
23 decreased by \$1,724,700 to decrease funding for the purposes for which the  
24 appropriation is made.

25 (END)



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRBb0352/P1  
EVM:cdc

LFB:.....Hepler - Creating a general fund appropriation for BCPL operations

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**  
**ASSEMBLY AMENDMENT ,**  
**TO ASSEMBLY BILL 56**

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

2 **1.** Page 409, line 2: after that line insert:

3 **"SECTION 282g.** 20.507 (1) (a) of the statutes is created to read:

4 20.507 (1) (a) *General program operations.* The amounts in the schedule for  
5 the general program operations of the board.

6 **SECTION 282j.** 20.507 (1) (h) of the statutes is amended to read:

7 20.507 (1) (h) *Trust lands and investments — general program operations.* The  
8 amounts in the schedule for the general program operations of the board as provided  
9 under ss. 24.04, 24.09 (1) (bm), 24.53 and 24.62 (1). All amounts deducted from the  
10 gross receipts of the appropriate funds as provided under ss. 24.04, 24.09 (1) (bm),  
11 24.53 and 24.62 (1) shall be credited to this appropriation account. Notwithstanding

1 s. 20.001 (3) (a), the unencumbered balance at the end of each fiscal year shall be  
2 transferred to the trust funds, as defined under s. 24.60 (5). The amount transferred  
3 to each trust fund, as defined under s. 24.60 (5), shall bear the same proportion to  
4 the total amount transferred to the trust funds that the gross receipts of that trust  
5 fund bears to the total gross receipts credited to this appropriation account during  
6 that fiscal year.”.

7 **2.** Page 430, line 3: after that line insert:

8 “**SECTION 335g.** 24.04 (title) of the statutes is amended to read:

9 **24.04 (title) Administrative receipts and disbursements.**

10 **SECTION 335h.** 24.04 (1) of the statutes is renumbered 24.04.

11 **SECTION 335i.** 24.04 (2) of the statutes is repealed.

12 **SECTION 335j.** 24.09 (1) (bm) of the statutes is amended to read:

13 24.09 (1) (bm) The board may exchange part or all of any parcel of public lands  
14 for any other land of approximately equal value if the board determines that the  
15 exchange will contribute to the consolidation or completion of a block of land,  
16 enhance conservation of lands or otherwise be in the public interest. Under this  
17 paragraph, an exchange is of “approximately equal value” if the difference in value  
18 between the more highly valued land and the less highly valued land does not exceed  
19 10 percent of the value of the more highly valued land. ~~All expenses necessarily  
20 incurred in making an exchange under this paragraph shall be deducted from the  
21 gross receipts of the fund to which the proceeds of the sale of the exchanged land will  
22 be added.~~

23 **SECTION 335k.** 24.53 of the statutes is amended to read:

1           **24.53 Investigate land claims; deduct expenses.** The board of  
2 commissioners of public lands shall investigate the rights of the state to school lands,  
3 normal school lands, university lands, and agricultural college lands. ~~The expenses~~  
4 ~~incurred in making these investigations and taking necessary steps to protect~~  
5 ~~common school lands, normal school lands, university lands and agricultural college~~  
6 ~~lands and timber on those lands, as well as the expense of necessary surveys, records,~~  
7 ~~appraisals and sales, upon the approval of the board, shall be deducted from the gross~~  
8 ~~receipts of the fund to which the proceeds from the sale of the land or timber will be~~  
9 ~~added.~~

10           **SECTION 335L.** 24.605 of the statutes is amended to read:

11           **24.605 Accounts in trust funds for deposit of proceeds from sale of**  
12 **certain lands.** The board shall establish in each of the trust funds an account to  
13 which are credited the proceeds from the sale of any public lands, except sales under  
14 s. 24.09 (1) (bg), on or after May 3, 2006, that are required by law to be deposited in  
15 the funds. Moneys credited to the accounts in the funds may only be used to invest  
16 in land under s. 24.61 (2) (a) ~~and for the payment of expenses necessarily related to~~  
17 ~~investing in land under s. 24.61 (2) (a).~~

18           **SECTION 335m.** 24.62 (1) of the statutes is repealed.

19           **SECTION 335n.** 24.62 (2) of the statutes is amended to read:

20           **24.62 (2)** The board may charge its expenses incurred in the sale of a state trust  
21 fund loan or participation therein under s. 24.69 to the purchaser of the loan or  
22 participation, ~~or may deduct the expenses from the gross receipts of the fund to which~~  
23 ~~the interest and income of the loan or participation will be added, or both.~~ If the board  
24 sells any state trust fund loan or participation therein under s. 24.69 in any fiscal  
25 year, the board shall, no later than October 1 following that fiscal year, prepare and

1 file in its office a report which identifies in detail the board's expenses incurred  
2 during that fiscal year that are directly attributable to the sale of state trust fund  
3 loans and participations under s. 24.69.

4 **SECTION 335o.** 24.64 of the statutes is amended to read:

5 **24.64 Reimbursements for certain administrative services.** The board  
6 shall reimburse the department of administration, from the appropriation account  
7 under s. 20.507 (1) ~~(h)~~ (a), for the costs of administrative services provided by the  
8 department of administration and other state agencies to the board.

9 **SECTION 335p.** 24.75 of the statutes is amended to read:

10 **24.75 Interest, how accounted for.** All money collected as interest upon any  
11 state trust fund loan shall be paid into the state treasury. All moneys collected as  
12 interest upon any trust fund loan are considered gross receipts and shall be credited  
13 to the income of the fund from which the loan was made ~~except that expenses may~~  
14 ~~be deducted as provided under s. 24.62 (1).~~

15 **SECTION 335q.** 24.77 of the statutes is amended to read:

16 **24.77 Common school fund income.** The common school fund income is  
17 constituted of the interest derived from the common school fund and from unpaid  
18 balances of purchase money on sales of common school lands; and all other revenues  
19 derived from the common school lands; ~~but the common school fund income and~~  
20 ~~interest and revenues derived from the common school fund and from common school~~  
21 ~~lands do not include expenses deducted from gross receipts permitted under ss. 24.04~~  
22 ~~(2), 24.53 and 24.62 (1).~~

23 **SECTION 335r.** 24.80 of the statutes is amended to read:

24 **24.80 Normal school fund.** The lands and moneys described in s. 24.79, not  
25 being granted for any other specified purpose, accrue to the school fund under article

1 X, section 2, of the constitution; and having been found unnecessary for the support  
2 and maintenance of common schools, are appropriated to the support and  
3 maintenance of state universities and suitable libraries and apparatus therefor, and  
4 to that end are set apart and denominated the "Normal School Fund". All lands,  
5 moneys, loans, investments, and securities set apart to the normal school fund and  
6 all swamp lands and income and interest received on account of the capital of that  
7 fund constitute a separate and perpetual fund. ~~Normal school fund income, interest~~  
8 ~~and revenues do not include expenses deducted from gross receipts permitted under~~  
9 ~~ss. 24.04 (2), 24.53 and 24.62 (1).~~

10 **SECTION 335s.** 24.81 of the statutes is amended to read:

11 **24.81 University fund.** All moneys accruing to the state under article X,  
12 section 6, of the constitution, and all other moneys paid into the state treasury on  
13 account of the capital of the university fund, constitute the university fund, which  
14 is a separate and perpetual fund. ~~University fund income, interest and revenues do~~  
15 ~~not include expenses deducted from gross receipts permitted under ss. 24.04 (2),~~  
16 ~~24.53 and 24.62 (1).~~

17 **SECTION 335t.** 24.82 of the statutes is amended to read:

18 **24.82 Agricultural college fund.** All moneys derived from the sale of the  
19 lands and land scrip accruing to the state by virtue of the act of congress approved  
20 July 2, 1862, entitled "an act donating public lands to the several states and  
21 territories which may provide colleges for the benefit of agricultural and the  
22 mechanic arts," and income and interest received on account of the capital of the  
23 agricultural college fund, constitute the agricultural college fund, which is a  
24 separate and perpetual fund and shall remain forever undiminished. ~~Agricultural~~  
25 ~~college fund income, interest and revenues do not include expenses deducted from~~

1 ~~gross receipts permitted under ss. 24.04 (2), 24.53 and 24.62 (1).~~ If this fund is by  
2 any action or contingency impaired, a state tax is hereby levied sufficient to replace  
3 the same, to be collected with the state taxes for the next ensuing year and paid into  
4 this fund.”.

5 (END)

---