



Legislative Fiscal Bureau

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March 2, 2004

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Senate Bill 64: Deadlines for Submittal of Governor's Biennial Budget and State Building Commission Recommendations to the Legislature

Senate Bill 64 was introduced on March 11, 2003, and referred to the Joint Committee on Finance.

BACKGROUND

In the last legislative session, the Legislative Council established a Special Committee on Improving Wisconsin's Fiscal Management. One of the recommendations of that Special Committee was legislation to deal with timeliness of the biennial budget as it relates to submittal of budget requests. As a result of its examination of this issue, the Committee (and subsequently, the Legislative Council) recommended legislation regarding required submittal dates of budget requests by state agencies to the Governor, and by the Governor to the Legislature. Senate Bill 64 (and its identical companion bill, Assembly Bill 177) represents the Legislative Council's recommended statutory changes in this area. On February 25, 2004, the Assembly Committee on Government Operations and Spending limitations voted 3-3 on recommending AB 177 for passage.

SUMMARY OF BILL

Senate Bill 64 would make statutory changes regarding the date by which the Governor must submit his or her recommended biennial budget to the Legislature and also the date by which the State Building Commission must submit its recommended biennial state building program to the Joint Committee on Finance. It would also create a requirement for a biennial report from the

Secretary of the Department of Administration on the timeliness of agencies' submittal of their biennial budget requests to the Governor. Each of these provisions is further described below.

Governor's submittal of biennial budget. Under current law, the Governor or Governor-Elect is required to submit his or her recommended biennial budget on or before the last Tuesday in January of each odd-numbered year. However, the Governor or Governor-Elect may request, and the Legislature may approve, by adoption of a joint resolution, a later submittal date.

Over the course of the last several biennia, Governors have requested, and Legislatures have approved, an extension of the statutory budget submission date. Following is a list that identifies the date of submittal of the last five biennial budgets.

<u>Budget</u>	<u>Submittal Date</u>
2003-05	February 20, 2003
2001-03	February 20, 2003
1999-01	February 16, 2001
1997-99	February 12, 1997
1995-97	February 14, 1995

The last time that a biennial budget was submitted by the last Tuesday in January was in 1985.

This bill would modify the current law provision in the following ways: (1) it would repeal the provision allowing a submittal date later than the statutorily specified date to be approved by joint resolution of the Legislature; (2) it would provide that for an incumbent Governor, the required budget submittal date would be on or before the second Tuesday in January of the odd-numbered year (except that if the January 1st of any odd-numbered year falls on the first Tuesday of that month, then the required submittal date would be the third Tuesday of that month); and (3) it would provide that for a Governor-elect who was not the incumbent Governor, the required budget submittal date would be on or before the fourth Tuesday in January of the odd-numbered year (except that if the January 1st of any odd-numbered year falls on the first Tuesday of that month, then the required submittal date would be the fifth Tuesday of that month). Under the bill, the 2005-07 budget would need to be submitted by January 11, 2005.

Submission of state building program recommendations. Under current law, the State Building Commission must submit its recommended biennial state building program (capital budget) recommendations to the Joint Committee on Finance by the first Tuesday in April of each odd-numbered year for inclusion in the biennial budget. Such submittal must also include a projection of the long-term trends in principal and interest costs on general obligation bonding that is supported by general fund revenues. This bill would change that required submittal date to be by the first Tuesday in March of each odd-numbered year.

DOA report on timeliness of state agency budget submittals. Usually, in May or June of each even-numbered year, the Department of Administration issues instructions to state agencies for

preparation of their agency biennial budget requests for submittal to the Governor. As a part of these instructions, DOA indicates the time deadline or deadlines by agencies are to have their completed budget requests submitted to DOA and the Legislative Fiscal Bureau. However, the statutes [s. 16.42(1)] specify that all agencies, other than the courts and the Legislature, must submit their agency requests no later than September 15th of each even-numbered year. The bill would create a requirement that any agency (except the courts or the Legislature) that fails to submit its biennial budget request by the September 15th date would be required to accompany its budget request, when it is submitted, with a written explanation of the reason for the delay. Further, the bill would require that by October 1 of each even-numbered year, the Secretary of DOA provide to the Legislature a report detailing those agencies that timely submitted their budget requests, those state agencies that did not do so, and the reason for delay that was given by any state agency that did not submit its budget request by the September 15th deadline.

Effective date. The bill contains a provision specifying that it would be effective on July 1, 2004.

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