



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #340

Reestimate of GPR-Earned (Financial Institutions)

CURRENT LAW

The Department of Financial Institutions (DFI) is organized into two programs: the supervision of financial institutions, securities regulation, and other functions (Program 1); and the Office of Credit Unions (Program 2), which is attached to DFI for administrative purposes. Both programs lapse program revenue to the general fund, but the statutes provide different methods of determining the amounts to lapse.

Under Program 1, 88% of most of the program revenue received is credited to the general program operations appropriation. The remaining 12% is credited to the general fund as GPR-Earned. In addition, at the end of each year, any balance in the appropriation lapses to the general fund. Annually, \$200,000 of the amount received under the appropriation is transferred to the Secretary of State.

As under Program 1, 88% of all monies received under Program 2 are credited to the general program operations appropriation and the remaining 12% is credited to the general fund as GPR-Earned. However, at the end of the fiscal year, rather than lapsing the entire balance in the appropriation to the general fund, only the amount of the balance exceeding 10% of the previous fiscal year's expenditures under the appropriation is lapsed. The remainder is retained in the general program operations appropriation for the Office of Credit Unions.

GOVERNOR

Estimate total GPR-Earned from the Department of Financial Institutions to be \$30,582,000 in 2003-04 and \$24,819,000 in 2004-05, for a total of \$55,401,000 for the biennium.

MODIFICATION

Reestimate GPR-Earned from the Department of Financial Institutions as \$30,091,000 in the 2003-04 and \$24,546,200 in the 2004-05, for a biennial total of \$54,637,200. As compared to the bill, the reestimates are \$491,000 lower in the first year and \$272,800 lower in the second year, for a total reduction in the estimated lapse to the general fund of \$763,800.

Explanation: The estimates under the bill do not accurately reflect the lapses that would occur under the projected program revenue and expenditures for DFI. This modification would correct the lapse estimates.

<u>Modification</u>	<u>GPR</u>
2003-05 REVENUE (Change to Bill)	- \$763,800

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