



## Legislative Fiscal Bureau

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April 26, 2007

Joint Committee on Finance

Paper #360

### Government Accountability Board Transition (Government Accountability Board)

#### *Base Agency*

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#### **CURRENT LAW**

On February 2, 2007, the Governor signed January 2007 Special Session Senate Bill 1 into law as 2007 Wisconsin Act 1. Act 1 consolidates the Elections Board and the Ethics Board as a new Government Accountability Board (GAB). Apart from transition provisions, Act 1 will generally take effect on the later of either: (a) the first day of the seventh month beginning after publication of the Act (September 1, 2007); or (b) the 31<sup>st</sup> day beginning after the date on which the Government Accountability Board has given final approval to the hiring of individuals to initially fill the positions of: (1) Legal Counsel (administrative head of the agency); (2) Administrator of the Ethics and Accountability Division; and (3) Administrator of the Elections Division.

#### **GOVERNOR**

No provision.

#### **DISCUSSION POINTS**

##### **Technical Changes Effectuating 2007 Wisconsin Act 1**

1. On February 14, 2007, 2007 Senate Bill 40 (the 2007-09 biennial budget bill) was introduced by the Joint Committee on Finance at the request of the Governor. The provisions of the budget bill, however, do not reflect the creation of GAB under Act 1. Given the timing of the passage of Act 1, the GAB provisions were not incorporated into the budget bill. As a result, the budget bill continues to separately budget for the Elections and Ethics Boards, while not providing a

budget for GAB.

2. The Government Accountability Board will consist of six members. While the Government Accountability Board may begin to function as soon as its six members have initially been appointed and qualify to serve, the Elections and Ethics Boards will not terminate until the later of September 1, 2007, or the 31<sup>st</sup> day beginning after the date on which the Government Accountability Board has given final approval to the hiring of its administrative head and two division administrators.

3. The Committee could consider amending the budget bill to reflect: (a) the creation of GAB; (b) the planned termination of the Elections and Ethics Boards in 2007-09; and (c) the likelihood that all three boards may simultaneously operate for a time after adoption of the 2007-09 biennial budget act.

4. The Committee could consider: (a) deleting the Elections Board Chapter 20 schedule and all of its appropriations; (b) deleting the Ethics Board Chapter 20 schedule and all of its appropriations; (c) creating a GAB Chapter 20 schedule and providing expenditure authority to GAB's appropriations created under Act 1 to reflect the funding and position authority provided to the Elections and Ethics Boards through Joint Finance action; (d) creating nonstatutory language providing that the Elections and Ethics Boards would be authorized to deposit revenues to GAB appropriations during 2007-09 (until they terminate), consistent with the purposes for which those revenues are directed by law to be deposited to or credited by GAB; (e) creating nonstatutory language permitting the Elections and Ethics Boards to make expenditures from GAB appropriations during 2007-09 (until they terminate), consistent with the purposes of the appropriations; and (f) providing that neither Board could encumber or expend funds in an amount greater than the amount that would have been authorized to the Board during 2007-09, if the passage of SB 40 had been delayed.

5. Under current law, the Elections Board collects filing fees from non-candidate campaign finance registrants to offset campaign finance administration costs, while the Ethics Board collects license fees from lobbyists and registration fees from lobbying principals to offset lobbying law administration costs. Under Act 1, these fees are deposited to and expended from a single PR-general program operations appropriation. As concerns have been expressed in the past that lobbying fees may only be utilized for the administration of the state's lobbying laws, the Committee could consider: (a) creating a second PR-general programs operations appropriation to permit these fees to be deposited to and expended from separate appropriations; and (b) deleting the authority to utilize lobbying fees to administer the Code of Ethics for state officials.

### **Government Accountability Board Per Diem Funding**

6. At this time it is not known how often the new Board will meet. Under the provisions of January 2007 Special Session Senate Bill 1, as introduced, the Legislature expressed an intention to provide funding for 12 board meetings for GAB annually. While additional per diem funding was provided to GAB under Act 1 as a part of transitional funding for GAB until the

passage of the 2007-09 biennial budget act, upon passage of the 2007-09 budget this expenditure authority will be replaced with whatever funding is provided by the Legislature under the budget.

7. Under Act 1, members of the Government Accountability Board will be provided a per diem for each meeting equal to the amount of the per diem received by a reserve judge sitting in circuit court (an amount equal to 90% of the daily salary of a circuit court judge). Effective after the first circuit court judge is sworn into office on or after April 1, 2007, the daily salary equivalent of a circuit court judge will be \$469. Utilizing this rate, the per diem for a board member will be \$422. (Current members of the Elections Board and the Ethics Board receive a per diem of \$25 per day.) Netting out per diem base funding available under the current boards (\$5,700 GPR), if funding were provided for 12 Board meetings annually, an additional \$24,700 GPR annually would be needed.

8. Alternatively, the Committee could consider providing per diem funding to GAB, based on the number of meetings held by the Elections Board in 2005-06. It could be argued that the number of Elections Board meetings held in 2005-06, could be an indicator of the number of board meetings that will typically be held by GAB in a given year. In 2005-06, the Elections Board held 21 meetings. Netting out per diem base funding available under the current boards, if funding were provided for 21 Board meetings annually, an additional \$47,400 GPR annually would be needed.

9. Under current law, the Elections Board Chair, or the Chair's designee, is entitled to a per diem for conducting the canvass (or vote count) of each state election event. Under Act 1, the Chair of the Government Accountability Board will also be entitled to claim this per diem. Netting out per diem canvass base funding under the Elections Board (\$200 GPR), if funding were provided for the Chair to canvass each state election event (the Elections Board estimates that there are, on average, 18 canvasses per biennium), an additional \$3,600 GPR annually would be needed.

10. If additional per diem funding is not provided, the Government Accountability Board would have to fund these per diems from base resources. By statute, all board members would be entitled to claim the new higher per diem provided under Act 1.

## **ALTERNATIVES TO BASE**

### **A. Technical Changes Effectuating 2007 Wisconsin Act 1**

1. Effectuate the provisions of 2007 Wisconsin Act 1 consolidating the Elections Board and the Ethics Board as a new Government Accountability Board (GAB) by: (a) deleting the Elections Board Chapter 20 schedule and all of its appropriations; (b) deleting the Ethics Board Chapter 20 schedule and all of its appropriations; (c) creating a GAB Chapter 20 schedule and providing expenditure authority to GAB's appropriations created under Act 1 to reflect the funding and position authority provided to the Elections and Ethics Boards through Joint Finance action; (d) creating nonstatutory language providing that the Elections and Ethics Boards would be authorized to deposit revenues to GAB appropriations during 2007-09 (until they terminate), consistent with the purposes for which those revenues are directed by law to be deposited to or credited by GAB;

(e) creating nonstatutory language permitting the Elections and Ethics Boards to make expenditures from GAB appropriations during 2007-09 (until they terminate), consistent with the purposes of the appropriations; and (f) providing that neither Board could encumber or expend funds in an amount greater than the amount that would have been authorized to the Board during 2007-09, if the passage of SB 40 had been delayed.

2. Create a second PR-general program operations appropriation to permit lobbying fees to be separated from campaign finance registration fees from non-candidate campaign finance registrants. Delete the authority to utilize lobbying fees to administer the Code of Ethics for state officials. [*Alternative A2 may be selected in addition to Alternative A1.*]

**B. Government Accountability Board Per Diem Funding**

1. Provide \$24,700 GPR annually to the Government Accountability Board's GPR-funded general program operations appropriation to fund board member per diem costs for 12 board meetings annually.

ALT B1	Change to Bill Funding	Change to Base Funding
GPR	\$49,400	\$49,400

2. Provide \$47,400 GPR annually to the Government Accountability Board's GPR-funded general program operations appropriation to fund board member per diem costs for 21 board meetings annually.

ALT B2	Change to Bill Funding	Change to Base Funding
GPR	\$94,800	\$94,800

3. Provide \$3,600 GPR annually to the Government Accountability Board's GPR-funded general program operations appropriation to provide per diem funding for the Government Accountability Board Chair, or the Chair's designee, to canvass each state election event. [*Alternative B3 may be selected in addition to either Alternative B1 or Alternative B2.*]

ALT B3	Change to Bill Funding	Change to Base Funding
GPR	\$7,200	\$7,200

4. Maintain current law.

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