



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #103

### **National and Community Service Board Appropriation (DOA -- General Agency Provisions)**

[LFB 2009-11 Budget Summary: Page 37, #17]

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#### **CURRENT LAW**

The Department must annually determine the amount of funding for administrative support that is required for the state to qualify for federal assistance to be provided to the National and Community Service Board. These costs are apportioned and assessed among the Departments of Administration (DOA), Health Services (DHS), Public Instruction (DPI), and Workforce Development (DWD). The Department of Administration may only expend the amounts specified in the Chapter 20 appropriations schedule on an annual basis. Base level funding for this appropriation is \$243,500 PR annually.

#### **GOVERNOR**

Modify the current appropriation for the National and Community Service Board; administrative support to specify that DOA may expend all moneys received.

#### **DISCUSSION POINTS**

1. The National and Community Service Board is administratively attached to DOA and the Board's administrative costs are funded from assessments equally divided between DOA, DHS, DPI, and DWD.

2. The Department of Administration is required to set total fees for Board administrative funding so that the state has sufficient revenue to qualify for federal assistance for national service programs. A national service program is defined as a program that addresses unmet

human, educational, environmental, or public safety needs and receives financial assistance from the Corporation for National and Community Services or the National and Community Service Board.

3. Base level funding for the appropriation that supports the state administrative support of the Board is \$243,500 PR annually. The Governor's recommendations for standard budget adjustments and 1% across-the-board cuts would modify the amounts appropriated to \$251,600 PR. Under the bill, this amount would become an estimate of expenditures, since the bill would newly allow for the expenditure of all moneys received.

4. The Department indicates that this modification would provide more flexibility in collecting administrative costs necessary to receive federal funds.

5. In the 2007-09 biennium, the Legislature approved the specific authority of DOA to assess DOA, DHS, DPI, and DWD for the Boards administrative costs. Previously, the appropriation was funded from moneys received from other agencies, but did not explicitly authorize DOA to assess any agency.

6. In the 2007-09 biennial budget act, initial expenditure authority for the appropriation was set at \$48,000 annually. On February 21, 2008, under s. 16.515 (14-day passive review of the Joint Committee on Finance), the Department requested an annual increase of \$194,300 PR annually for increased administrative match. The Department also requested authority to expend amounts in the schedule from 2007-08 in 2008-09. The Department of Administration, DHS, DPI, and DWD were each assessed \$60,600 in 2007-08 and \$55,700 in 2008-09 for the Board's administrative costs.

7. On March 11, 2008, the Joint Committee on Finance approved the request for additional expenditure authority, but in a letter to DOA indicated that the appropriation authority provided in previous years could not be carried forward, because the appropriation is annually funded and s. 16.515 supplement authority does not allow the Committee to modify that authority.

8. The Governor's recommendation would newly provide DOA with the authority to expend all amounts received. This would allow DOA to expend all moneys received, and thus could allow the Department to better align state appropriation authority with federal fiscal year appropriations.

9. Alternatively, it could be argued that the creation of PR-continuing appropriations limits the Legislature's role in setting appropriation levels. Continuing appropriations require no legislative review of expenditure authority, but rather allow the agency to expend as much as revenue in the appropriation will support. The change under the bill would allow DOA to assess the four affected agencies any amount determined necessary for Board support. This could reduce funding available to DOA, DHS, DPI and DWD for other legislatively assigned projects and allow for expenditure growth without Legislative review.

10. It should also be noted that this appropriation may be affected by current, proposed or future lapse requirements and allow costs to be shifted to other agencies. Under the bill, this

appropriation would be subject to 1% across-the-board cuts. Lapses from PR-continuing appropriations in which assessments can be set at any amount may allow DOA to shift lapse requirements to other agencies, who then bear a greater portion of lapse requirements.

11. The Department has previously requested and been approved under the s. 16.515 supplement process. In the future, should there be a need for additional expenditure authority under this appropriation, DOA could again make such a request. This would allow the Legislature to continue to review the total amounts expended and determine whether the potential gain of federal revenue justifies increased assessments to DOA, DHS, DPI, and DWD. Meanwhile, unspent appropriation authority could be used to reduce the following year's assessments.

## **ALTERNATIVES**

1. Approve the Governor's recommendation to modify the current appropriation for the National and Community Service Board; administrative support from a PR-annual to a PR-continuing to specify that the Department of Administration could expend all moneys received.
2. Delete the Governor's recommendation.

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