



## Legislative Fiscal Bureau

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April 30, 2009

Joint Committee on Finance

Paper #672

### **Gifts and Grants Appropriation (Regulation and Licensing)**

[LFB 2009-11 Budget Summary: Page 549, #5]

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#### **CURRENT LAW**

No provision.

#### **GOVERNOR**

Create a PR-continuing gifts and grants appropriation for the receipt and expenditure of all funds received as gifts and grants to carry out the purpose for which the funds were given. Estimate the expenditures at \$200,000 annually.

#### **DISCUSSION POINTS**

1. Gifts and grants appropriations are provided to agencies in order to allow those agencies to accept gifts, grants, honorariums, donations, and bequests.
2. Often, gifts or grants are provided to agencies by donors for specific purpose. The receipt of the gift may be based on the ability of the agency to fulfill the wishes of the donor.
3. Although the statutes do not specifically define "gift" or "grant," Black's Law Dictionary defines a gift as "a voluntary transfer of property to another made gratuitously and without consideration." Grant is defined as "to bestow; to confer upon some one other than the person or entity which makes the grant."
4. In Department of Regulation and Licensing's (DRL) agency request for this appropriation, the Department stated that a gifts and grants appropriation was needed for the following: (a) the ability to receive money from gifts, grants, honorariums, donations, and bequests;

(b) the receipt of costs calculated by the Division of Enforcement for enforcement or agency costs or potentially contracting with a vendor to assist with delinquent accounts; (c) for costs and receipts relating to list orders; and (d) the receipt and repayment of federally mandated boxing promoter fees which are refunded after an event.

5. The Department indicates that these funds are currently deposited under the general program operations appropriation, but that there is insufficient appropriation authority to allow these amounts to be expended.

6. According to the State Budget Office, the gifts and grant appropriation was created for the traditional uses of gifts and grants and not to allow for the collection and expenditure of enforcement costs or fines, list orders, or the refund of boxing revenues.

7. If the Committee wishes to provide additional expenditure authority for enforcement costs, list orders, or the refund of boxing revenues, it could consider providing this authority under the current general program operations rather than under gifts and grants.

8. Most state agencies and authorities have a gifts and grants appropriation and it may be appropriate to provide such an appropriation for DRL so that the agency may receive and expend donations from individuals.

9. Alternatively, it could be noted that among the state bodies that lack gifts and grant appropriations are the Circuit Courts, Court of Appeals, the Judicial Council, and the Judicial Commission. It could be argued that DRL's role in enforcing credential holders requires impartiality similar to judicial bodies. If the Committee believes that it would be improper for the Department to receive gifts and grants, it could delete the Governor's recommendation.

## ALTERNATIVES

1. Approve the Governor's recommendation to provide a PR-continuing gifts and grants appropriation with an estimated expenditure authority of \$200,000 annually.

2. Delete funding estimate under the PR-continuing gifts and grants appropriation. Provide \$200,000 PR annually under the Department's current general program operations appropriation for additional authority to expend on enforcement, list printing services, and boxing regulation costs.

3. Delete Governor's recommendation.

<b>ALT 3</b>	<b>Change to Bill</b>
	Funding
PR	- \$400,000

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