



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #242

Gifts and Grants (Commerce and DSPS)

[LFB 2011-13 Budget Summary: Page 127, #10 (part) and Page 383, #5 (part)]

CURRENT LAW

The Department of Commerce has three gifts and grants appropriations: one under economic and community development; one under the regulation of industry, safety, and buildings; and one located under executive and administrative services.

GOVERNOR

Transfer the gifts and grants appropriation for the regulation of industry, safety and building to the Department of Safety and Professional Services (DSPS) and delete the remaining two gifts and grants appropriations.

DISCUSSION POINTS

1. Under the bill, the Governor would have created a gifts and grants appropriation under DSPS that could have been used to receive and expend funds for gifts and grants and also for: (a) photocopies, the costs of processing photocopy requests; (b) conferences; (c) sales of other materials; and (d) other services provided that are incidental to licensing, rule making, and regulatory functions of the Department.

2. The Committee deleted this appropriation under DSPS deliberations on May 3, 2011. However, the Committee did not address the funding that would have been transferred from the Department of Commerce's gifts and grants appropriation for executive and administrative services (\$12,000 PR annually).

3. Amounts provided under gifts and grants appropriations are usually continuing program revenue appropriations, which allow for the expenditure of all funds received. The amounts provided in the Chapter 20 schedule of appropriations are only provided as an estimate. As

a PR-continuing appropriation, however, the agency may expend all funds received for the purposes allowed under the appropriation language.

4. The Department of Commerce gifts and grants appropriation for executive and administrative services received revenues of \$112,800 in 2008-09 and \$334,300 in 2009-10.

5. As part of the deliberations for 2009 Act 28, and under Committee actions of May 3, 2011, related to the 2011-13 biennial budget, the Committee has twice rejected the creation of a gift and grants appropriation for the Department of Regulation and Licensing (DPS under the current bill). Part of the rationale for deleting such appropriations is that the expanded definition of the "gifts and grants" appropriations offered under the last two biennial budget bills would potentially allow for the collection and expenditure of revenues that would not be specifically approved by the Legislature. A second rationale regards the question of whether a regulatory agency should be able to receive gifts and grants without oversight; noting such an agency's need to be impartial.

6. On the other hand, the Department of Commerce has traditionally had several gifts and grants appropriations for its various agency functions. The Committee could choose to modify the remaining gifts and grants appropriation under the bill to allow for only gifts and grants, but allow for those gifts and grants to be received and expended on an agency-wide basis.

7. Alternatively, the Committee could retain its previous decision to delete the gifts and grants appropriation provided under regulation and administrative services. The remaining gifts and grants appropriation could be used only for gifts and grants provided for the regulation of industry, safety, and building. Under this alternative, gifts and grants funding for DPS could be reduced by \$12,000 PR annually.

8. The Committee should note that, under s. 20.907 of the statutes, agencies may receive gifts, grants, bequests or other devices whether or not there is a specific appropriation designated for the purpose for which the funding is provided. Under this provision, the Joint Committee on Finance must approve the receipt of the funds. It could be argued that such a mechanism would allow for the receipt of such funds by DPS.

ALTERNATIVES

1. Modify the Governor's recommendation by specifying that the DPS gifts and grants appropriation for the regulation of industry, safety, and buildings could be used for the receipt of gifts and grants on an agency-wide basis.

2. Reestimate the total amount received by the Department of Safety and Professional Services by -\$12,000 PR annually.

ALT 2	Change to Bill
	DSPS
PR	- \$24,000

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