



## Legislative Fiscal Bureau

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May 19, 2011

Joint Committee on Finance

Paper #335

### Appropriations Lapse and Reestimate Requirement (Governor)

[LFB 2011-13 Budget Summary: Page 207, #2, and Page 207, #3]

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#### CURRENT LAW

Under provisions of 2009 Act 28 and 2011 Act 10, the Governor is required to lapse \$700,300 to the general fund from the general purpose revenue appropriations in the Office of the Governor over the 2009-11 biennium.

#### GOVERNOR

Delete \$167,000 GPR annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage. Further, reduce funding by \$124,100 GPR annually associated with a 10% reduction to supplies and other non-personnel costs.

#### DISCUSSION POINTS

1. Under provisions of 2009 Act 28, the Governor was required to lapse from sum certain appropriation accounts or subtract from sum sufficient expenditure estimates, or both, \$662,800 over the 2009-11 biennium. In 2011 Act 10, the total amount was increased to \$700,300. Lapse requirements were also created for the Legislature and the Courts.

2. Under the bill, specific appropriations in the Office of the Governor are reduced by a total of \$291,100 GPR annually associated with increased employee retirement and health care contributions, and a 10% reduction to supplies and services.

3. Beginning in 2001-03, and in each subsequent biennium, the Office of the Governor, Courts, and Legislature have been required to lapse amounts from their appropriated levels to the general fund. This method of expenditure reductions was implemented in recognition of the

separation of powers of the three branches. Under these provisions, it was the responsibility of the Governor, Chief Justice of the Supreme Court, and Co-chairs of the Joint Committee on Legislative Organization to take actions to ensure that the statutorily-directed lapses were met for their respective branches.

4. The bill creates a lapse requirement of \$9,232,200 for the Legislature which is applicable in both the 2011-13 and 2013-15 biennia. Similar to the expenditure reduction of other agencies and the Office of the Governor, the amount determined for the Legislature was based upon increased employee retirement and health care contributions and a 10% reduction to supplies and other non-personnel costs.

5. To be consistent with the treatment of the reductions for the three branches in previous biennia, the appropriation reduction for the Office of the Governor could be converted to a required lapse. Given that the expenditure reduction under this alternative is the same as that of the bill, there would be no impact on the general fund.

**ALTERNATIVES**

1. Approve the Governor's recommendation to delete: (a) \$167,000 GPR annually to reflect fringe benefit cost reductions associated with increased state employee contributions for Wisconsin Retirement System (WRS) benefits and health insurance coverage; and (b) \$124,100 GPR annually associated with a 10% reduction to supplies and other non-personnel costs.

2. Convert the appropriation reductions under the Office of the Governor to a biennial lapse requirement of \$582,200, applicable to both the 2011-13 and 2013-15 biennia.

ALT 2	Change to Bill		
	Lapse	Funding	Net Change
GPR	\$582,200	\$582,200	\$0

3. Delete the provisions.

ALT 3	Change to Bill
	Funding
GPR	\$582,200

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