



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #108

Reestimate of Cancelled Draft Payments (DOA -- General Agency Provisions)

[LFB 2013-15 Budget Summary: Page 309, #4]

CURRENT LAW

Any check, share draft, or other draft that is issued by the state may be cancelled if not cashed in the period stated on the check or draft. The funds are then re-credited to the fund from which the moneys would have been paid. The party to whom the original check or draft was written may request that the Department of Administration reissue the cancelled check or draft within six years of the original issuance. The cancelled draft payments appropriation is a sum sufficient. The appropriated amounts represent an estimate of the GPR-funded checks and drafts that will be reissued each year. Base funding for the appropriation is \$1,175,000 GPR annually.

GOVERNOR

Provide \$325,000 GPR annually associated with reestimated cancelled draft payments.

MODIFICATION

Reduce bill funding associated with reestimated cancelled draft payments by \$325,000 GPR in 2013-14 and \$375,000 GPR in 2014-15.

Explanation: According to the administration, the reestimate of cancelled draft payments under the bill was based on projected expenditures of \$1,500,000 GPR in 2012-13 for the appropriation. The administration indicates that it has since been determined that expenditures in 2012-13 were higher than expected due to an unusually large cancelled draft paid, which may not be representative of future claims. The reestimate, therefore, is modified to provide \$0 GPR in 2013-14 and -\$50,000 GPR in 2014-15. Total funding for the appropriation would be \$1,175,000 GPR in 2013-14 and \$1,125,000 GPR in 2014-15. The modification results in a change to bill funding for the biennium of -\$700,000 GPR.

Change to Bill	
Funding	
GPR	- \$700,000

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