

# State Budget Process



Informational Paper 74

Wisconsin Legislative Fiscal Bureau  
January, 2015



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## TABLE OF CONTENTS

Introduction .....	1
Submittal of Agency Budget Requests.....	2
Governor's Recommended Biennial Budget .....	4
Joint Finance Review of the Governor's Recommended Budget .....	6
Capital Budget Requests .....	9
Senate/Assembly Consideration of the Budget .....	10
Final Legislative Enactment .....	11
Governor's Veto Authority .....	12
Appendix I      Additional Considerations Regarding the State Budget .....	14
Budget Period.....	14
Budget Type .....	15
Budget Bill or Bills .....	15
Development of the New Budget .....	16
Budget Fiscal Periods .....	18
Procedures in Event of Lack of New Budget by Start of New Fiscal Biennium .....	19
Procedures for Interim Changes in the Authorized Budget.....	19
Non-Budget Fiscal Bills.....	21
Appropriations.....	23
Appropriation Purpose .....	24
Appropriation Type.....	25
Revenues (The Source of Funding for Appropriations) .....	26
Balanced Budget Requirement .....	28
General Fund Condition Statement .....	28
Statutory Balance .....	28
Budget Structural Balance .....	29
Budget Overviews.....	30
Appendix II      Brief Chronology of the 2013-15 Budget.....	32
Appendix III      History of the 2013-15 Biennial Budget .....	33
Appendix IV      History of Passage of Biennial Budget Bills .....	37
Appendix V      Biennial Budget Bill Introduction Dates .....	38
Appendix VI      Charts Showing Condition Statement, Fund Summaries, Sample Appropriations.....	39
Chart 1      General Fund Summary .....	39
Chart 2      Summaries: Appropriations; Compensation Reserves; Lottery Fund .....	40
Chart 3      Sample of Statutory Appropriations Schedule .....	42
Chart 4      Sample of Statutory Appropriations Language .....	43

Appendix VII	Tables Summarizing the 2013-15 State Budget.....	44
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**All Funds Budget and Position Summaries**

Table 1	2013-15 Appropriations and Authorizations .....	45
Table 2	2013-15 Total Appropriations by Agency .....	46
Table 3	2013-15 All Funds Appropriations by Functional Area.....	48
Table 4	2013-15 All Funds Appropriations by Purpose.....	49
Table 5	2014-15 All Funds Full-Time Equivalent Positions by Agency.....	50

**General Fund Budget and Position Summaries**

Table 6	2013-15 General Fund Condition Statement.....	52
Table 7	Estimated 2013-15 General Fund Taxes .....	53
Table 8	2013-15 General Fund Appropriations by Agency .....	54
Table 9	2013-15 General Fund Appropriations by Functional Area .....	56
Table 10	2013-15 General Fund Appropriations by Purpose.....	57
Table 11	2013-15 General Fund Appropriations by Purpose and Major Budget Program.....	58
Table 12	2013-15 General Fund Appropriations -- Top Ten Programs.....	59
Table 13	2014-15 General Fund Full-Time Equivalent Positions by Agency.....	60

# State Budget Process

## Introduction

The purpose of this document is to acquaint the reader with the state biennial budget process in Wisconsin. Because the report is designed to provide a layperson's introduction to the process, a generalized explanation is provided. The use of technical details and language has been limited. Appendix I, however, provides additional information on some technical aspects of the state budget that are not discussed within the body of the paper.

Succeeding appendices provide additional budgetary material. Appendix II provides the timetable of the 2013-15 biennial budget (2013 Wisconsin Act 20). A narrative history of the 2013-15 biennial budget is provided in Appendix III. Appendix IV provides a history of the passage of biennial budget bills, beginning with the 1977-79 biennial budget. Appendix V lists the statutorily-required budget introduction dates and the actual introduction dates for the last 19 biennial budgets. Appendix VI contains four charts which are reproductions of actual sections of the final statutory appropriations schedule and language for the 2013-15 budget. Appendix VII contains a series of tables providing summary information about the 2013-15 budget.

Revenues and expenditures -- the essence of state fiscal policy -- are among the key issues facing the Governor and the Legislature every biennium. In Wisconsin, the resolution of these issues is accomplished primarily through the state budget process. Given the Legislature's primary function of determining state policies and programs and reviewing the performance of existing programs, the budget represents the financial expression of public policy.

A definition of the term "state budget" can vary depending upon the user and the context in which the phrase is used. However, a generally-accepted definition of the state budget is that it is the legislative document that sets the level of authorized state expenditures for a certain period of time (in Wisconsin, a fiscal biennium) and the corresponding level of revenues (particularly taxes) projected to be available to finance those expenditures. Thus, the budget is a financial balance statement for state government, dealing both with income and outgo for a two-year period. The requirement for a state budget is linked directly to the State Constitution. Article VIII, Section 2 of the Wisconsin Constitution provides that "No money shall be paid out of the treasury except in pursuance of an appropriation by law." This establishes the prerequisite for legislative appropriation of available revenues prior to any state agency being able to expend funds. The definition of the budget is supported further by a subsequent constitutional provision where the requirement for a balanced budget is specified. Section 5 of Article VIII states that:

"The legislature shall provide for an annual tax sufficient to defray the estimated expenses of the state for each year; and whenever the expenses of any year shall exceed the income, the legislature shall provide for levying a tax for the ensuing year, sufficient, with other sources of income, to pay the deficiency as well as the estimated expenses of such ensuing year."

While there are a number of facets involved in Wisconsin state budgeting, the most useful introduction to the state budget is a synopsis of the budget process itself. The material which

follows presents a summary of the current biennial budget process. While each budget cycle is somewhat different, the process outlined below is based generally on the procedures followed for the 2013-15 biennial budget and is presented as a characterization of the current process.

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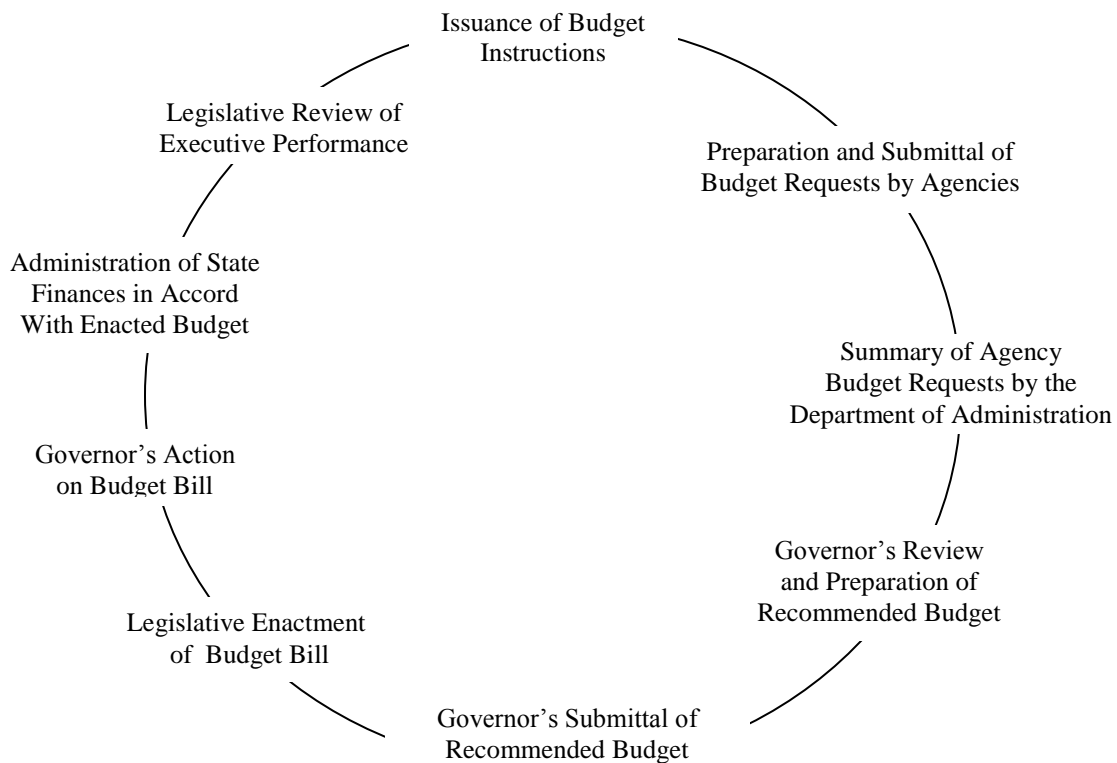
## Submittal of Agency Budget Requests

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The state budget process can be viewed as a continuous cycle, moving from submittal of agency budget requests to legislative authorization of appropriations, to agency expenditure of those appropriations, to review of agency expenditures and then, beginning again, with subsequent agency budget requests. This cyclical process illustrated in Chart 1.

**CHART 1**

**Biennial Budget Cycle**





The budget process begins when the State Budget Office in the Department of Administration (DOA) issues instructions to state agencies for submittal of their budget requests for the next biennium. These instructions specify the form, manner, and detail in which each state agency must submit its budget request. The issuance of these instructions usually occurs in July of each even-numbered year. In addition to detailing the budget forms and narratives that state agencies will be required to submit, the instructions include any broad fiscal policy directives that an incumbent Governor wishes agencies to follow as part of the development of their individual budget requests.

Although issuance of the State Budget Office instructions can be viewed as the beginning of the budget process, most larger agencies begin their internal processes for development of their budget requests several months prior to the issuance of these instructions. While the development of a budget request will vary depending upon the size of the agency and the complexity of its programs, the process for a larger state agency may be portrayed as follows. The department's budget personnel will develop internal budget instructions in January or February of a budget request submittal year. These instructions include internal policy and procedure directives which reflect the preferences of the agency head. Later, when the State Budget Office instructions have been promulgated, additional information amplifying upon, or adding to, those directives may be issued by agency budget personnel.

Normally, subunits of the agency (this might be separate institutions or facilities within the agency or various sections, bureaus and divisions of the department) will then be involved in providing input during the agency's budget request preparation process. The precise manner and process by which such subunits are involved will vary, even within a single agency. Further, the heads of larger departments may place more

responsibility on division administrators for initial budget request development. However, subunit budget request submittals may -- regardless of the development process -- be subject to some overall limitation such as restricting the total subunit request to some percentage increase over the current level.

Depending upon the size and complexity of the agency and the approach a particular agency head chooses, a series of sublevel reviews, discussions, meetings, and resultant changes may occur prior to the overall internal agency request being finalized. In very large agencies there may be a series of sublevel reviews culminating with the individual division administrator's review of requests from subunits of the division. Or, there may be more centralized budget development at the divisional level, but with input and consultation from the sublevel entities. In such agencies, these divisional activities may be followed by reviews by the agency head, but more typically will involve another series of reviews including both division level administrators and the agency's top management.

There may be assigned budget staff at both the division level and the agency head level who are involved in an agency's internal budget review process. For those agencies headed by a part-time policy board (such as the University of Wisconsin System), the budget developed by the agency head is first submitted to that board for approval before being submitted to the State Budget Office. By statute (s. 16.42), agency budget requests are to be submitted to the State Budget Office no later than September 15 of each even-numbered year.

Upon submittal to the State Budget Office, the budget requests are initially reviewed by the budget analyst(s) responsible for that agency. Further reviews are then conducted by the Governor's budget officer (the State Budget Director), the Secretary of the DOA, and ultimately, the Governor. Although at this stage of the process

the Legislature has no official role, agencies are required, by statute, to submit copies of their budget requests to the Legislative Fiscal Bureau at the same time that copies are delivered to the State Budget Office. This is done so that the Legislature may be kept apprised of the content of agency budget requests. The Legislative Fiscal Bureau is a nonpartisan legislative service agency, which is charged with the statutory responsibility of assisting the Joint Committee on Finance and the Legislature in their deliberations on fiscal matters. Similar to the State Budget Office, the Bureau's analysts are assigned the responsibility for review of specific state agencies' budgets.

The Secretary of the DOA is required, by statute (s. 16.43), to provide to the Governor or Governor-Elect and to each member of the next Legislature, by November 20 of each even-numbered year, a compilation of the total amount of each state agency's biennial budget request. In addition, the statutes require that the report include information on the actual and estimated revenues for the current and forthcoming biennium. These revenue estimates are prepared by the Department of Revenue and are used by the Governor as the basis on which total general fund biennial budget spending levels are recommended.

Subsequent to the release of the November 20 report, the Legislative Fiscal Bureau publishes a summary of the major items included in state agencies' budget requests and distributes this document to each member of the Legislature. This summary is distributed in December of each even-numbered year. The Fiscal Bureau also prepares an independent estimate of general fund revenues. This is provided annually, in January, to the Legislature. Traditionally, the Bureau's revenue estimates issued in January of the odd-numbered year are incorporated into the Governor's budget submittal and are used throughout legislative budget deliberations.

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## **Governor's Recommended Biennial Budget**

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After state agencies have submitted their budget proposals, the budget analysts in the State Budget Office begin their review of the requests. These reviews include checks of the technical accuracy of the request, analyses of the justifications for the requested changes, and evaluations of the policy implications of such changes.

The State Budget Director (who is an appointee of the Secretary of the Department of Administration and who also serves as the Administrator of the Division of Executive Budget and Finance) is involved in the review of agency requests and the development of the Governor's budget recommendations. Typically, there is also considerable involvement by the Secretary of the DOA (who is an appointee of the Governor). Regardless of the specific procedures followed, the overall responsibility of the State Budget Office is to provide such information, analyses, and recommendations as the Governor desires to allow the Governor to arrive at a recommended appropriation level for each year of the forthcoming biennium for each state agency and program.

In addition, the Governor's budget recommendations include any statutory language changes needed to accomplish policy initiatives and program or appropriation changes that are a part of the Governor's budget recommendations. For example, if it is recommended that a state agency undertake a major new program activity or, conversely, discontinue operation of an existing one, this is reflected not only in the total dollar level recommended for an agency but also in any accompanying required statutory modifications.

The Governor, in arriving at budget recommendations, may elect to hold detailed briefing sessions with the State Budget Office staff and other DOA and Executive Office staff, may

choose to focus attention only on recommended changes to agency requests, or may choose to examine primarily major policy or dollar changes. Further, the Governor may choose to have one or more meetings with the State Budget Office staff and a particular state agency head regarding that agency's budget request and/or the tentative budget recommendations of the Governor.

In addition to a wide variety of possible internal budget briefings and hearings, the Governor may, but is not required to, hold public hearings on agency budget requests for the purpose of gathering additional information from state agencies, interested citizens, and others regarding agency budget requests.

Under state law (s. 16.45), the Governor is required to deliver the biennial budget message to the Legislature on or before the last Tuesday in January of the odd-numbered year. However, upon request of the Governor, a later submittal date may be allowed by the Legislature upon passage of a joint resolution. For the 2013-15 budget, the Governor requested, and the Legislature approved, an extension of the required submittal date from January 29, 2013, to February 20, 2013. The Governor's budget recommendations were introduced as 2013 Assembly Bill 40.

For 16 of the last 19 biennial budgets, a delayed submittal date has been requested by a Governor. Appendix V compares the statutorily-required submittal dates with the actual submittal dates for the last 19 biennial budgets. The statutes (s. 16.46) also require that, in addition to delivering the budget message, the Governor is to transmit to the Legislature the biennial state budget report, the executive budget bill or bills, and recommendations for raising any additional needed revenues.

In addition to the actual budget bill (or bills -- see the discussion of an omnibus budget bill in

Appendix I), there are a number of supporting documents which accompany the bill. The principal one is customarily referred to as the Governor's Budget Book(s), which is actually referenced in the statutes as the Governor's "Biennial State Budget Report." The budget book provides a brief description of each agency, summary fiscal information, and a listing by incremental items of the Governor's recommended changes to an agency's existing (base) budget level.

All of the budget changes requested by an agency must be shown in the Governor's Budget Book, as well as the Governor's recommended changes, although how this is to be done is not specified. In recent years, the budget book has focused on agency request items that have been recommended by the Governor and may include a brief summary of the reasons for the Governor's decision. Further, where a Governor has recommended a new budget item not requested by the agency, this item will also be summarized. Items not recommended are listed in title form only at the end of the agency summary without any accompanying discussion. Thus, the Governor's Budget Book provides an item-by-item listing of all the spending changes from an agency's base budget level that are included in the Governor's recommended budget. In general, however, this listing is summary in nature. More detailed descriptions of the change items are usually contained in agency budget requests.

In addition to this book, there is the Governor's budget message (delivered to the Legislature) which tends to focus on highlights of the recommended budget. The State Budget Office also produces a "Budget-in-Brief" document, which is an overview of the Governor's budget policies and the major changes recommended by the Governor.

Shortly after introduction of the executive budget bill(s), independent explanatory information on the Governor's budget is prepared by

the Legislative Fiscal Bureau. It is at this point in the budget process that the Bureau begins its budget summary document. Initially, the document provides a summary of all changes to each agency's existing budget level that are being recommended by the Governor as well as all proposed statutory changes included in the Governor's budget bill. Included in the descriptive material are references to all sections of the Governor's budget bill. This summary document is then periodically updated throughout the legislative budget process to reflect the status of the budget at various stages of the enactment process. When completed, it provides a historic tracking of budget decisions, reflecting the actions of the Governor, Joint Committee on Finance, Senate, Assembly, and partial vetoes of the Governor.

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## **Joint Finance Review of the Governor's Recommended Budget**

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### **Budget Bill**

As required by statute (s. 16.47), the Governor's budget recommendations must be incorporated into an executive budget bill(s) to be presented to the Legislature. To accommodate this requirement, a bill draft incorporating the Governor's fiscal and statutory recommendations is prepared by the Legislative Reference Bureau. The statutes provide that immediately after delivery of the Governor's budget message, the executive budget bill(s) must be introduced, without change, into one of the two houses of the Legislature by the Joint Committee on Finance. Upon introduction, the bill or bills must be referred to that Committee for review.

The Joint Committee on Finance is a statutory Committee that consists of 16 members -- eight senators and eight representatives. Under s. 13.093(1) of the statutes, "All bills introduced in

either house of the legislature for the appropriation of money, providing for revenue or relating to taxation shall be referred to the joint committee on finance before being passed." [A description of the Finance Committee and its responsibilities is detailed in a separate Legislative Fiscal Bureau informational paper entitled, "Joint Committee on Finance."]

Review of proposed legislation by a committee of the Legislature is usually the first step in the legislative processing of any proposed statutory enactment. However, the Joint Committee on Finance's review of the Governor's recommended budget is -- because of both the complexity of the document and its significance on state government operations -- the most extensive and involved review given any bill in a legislative session.

### **Briefings and Public Hearings**

Upon issuance of the Legislative Fiscal Bureau's budget summary document, the Joint Committee on Finance begins to hold public hearings on the Governor's proposed budget.

Two types of public hearings were held on the 2013-15 biennial budget. The first type, denominated as agency informational briefings, were public hearings at which representatives (agency head and other appropriate agency staff) of designated state agencies appeared before the Joint Committee on Finance to present testimony on the Governor's budget and the effect that the budget would have on the agency and its programs. For those agencies governed by a part-time policy board or a commission, the president of the board or the chair of the commission was also asked to appear before the Committee.

The agency head was asked to provide comments on the budget for the agency as proposed by the Governor. This testimony was then followed by questions from Committee members. In 2013, these agency hearings were held in Madi-

son on March 19, 20, 21, and 26.

The second type of hearing that was held were Committee sessions at which members from the general public were heard regarding any area of the proposed state budget that was of concern to those citizens wishing to testify. Agency representatives were asked not to testify again at these hearings. Four public hearings (between the period of April 4 and April 18) were held in municipalities around the state (Greendale, Green Bay, Wisconsin Dells, and Baldwin).

The time period required to complete public hearings on the budget varies, depending upon the scheduled floor periods for the Legislature. When floor sessions of the Legislature are being held, the Joint Committee on Finance -- like all other committees -- is able to meet only when the respective houses are not in actual floor session. When floor sessions are not scheduled, the Finance Committee can hold budget hearings during the entire day. However, in recent years, the scheduling resolution for the Legislature has provided specified blocks of time when the Legislature will not be in floor sessions to allow the Finance Committee, as well as other committees, to meet in all-day sessions.

At the same time that the Joint Committee on Finance is involved in its review of the budget, other committees of the Legislature may also hold hearings to review portions of the Governor's budget proposal. These sessions, conducted at the discretion of the standing committee chairperson, are intended to inform the standing committee's members of particular aspects of the budget which may impact upon the substantive interests of that particular committee. Some committees also forward recommendations to the Finance Committee regarding possible budget changes to be incorporated in the Joint Finance Committee version of the budget.

## **Non-Fiscal Policy Items of the Budget**

Given the omnibus nature of the Wisconsin biennial budget, the recommendations of the Governor often include policy items that are non-fiscal and not related to budgetary matters. In recent biennia, the Co-chairs of the Joint Committee on Finance have identified a number of such items contained in the budgets as submitted by the Governor and removed them from consideration prior to Committee deliberations on the state's budget. Rather than address these items as part of the budget, they have instead been drafted as individual bills for introduction into the Senate and Assembly. The purpose of this action is to provide the opportunity for greater public input and detailed review of these items by the other standing committees of the Legislature. The removal of the non-fiscal policy items from the Governor's proposal is done prior to the Committee's executive sessions on the budget.

Following is an identification of the number of items deemed by the Finance Committee's Co-chairs to be of a non-fiscal policy nature, beginning with the 1993-95 budget recommendations of the Governor.

Budget	Number of Non-Fiscal Policy Items
1993-95	110
1995-97	89
1997-99	114
1999-01	112
2001-03	150
2003-05	21
2005-07	21
2007-09	48
2009-11	45
2011-13	21
2013-15	12

## **Earmark Transparency Report**

Under 2011 Act 220, the Legislative Fiscal Bureau is required to prepare an earmark transparency report on each biennial budget bill and

on each amendment to the budget. The report must contain all of the following: (a) a list of all earmarks; (b) the cost of each earmark; (c) the beneficiary of each earmark; (d) the Assembly and Senate district in which the beneficiary is located; and (e) if the report relates to an amendment, the name of the representative to the Assembly or Senator who proposed the earmark. An earmark is defined as "a provision in a bill or amendment that authorizes or requires the payment of state moneys to a specific beneficiary or beneficiaries or creates or modifies a tax deduction, credit, exclusion, or exemption that applies to a specific beneficiary or beneficiaries."

Act 220 specifies that the Joint Committee on Finance may not vote to recommend passage of a biennial budget bill or an amendment to the biennial budget bill until the earmark transparency report on the budget bill is distributed to each member of the Legislature and the report is made available on the Legislature's website. Further, if a member of the Committee makes a motion during Committee deliberations on a biennial budget bill to remove an earmark from the biennial budget bill, the motion prevails on either a majority or a tie vote.

Besides the limitations on actions of the Joint Committee on Finance, Act 220 also specifies that neither house of the Legislature may pass a biennial budget bill until the Fiscal Bureau has distributed a copy of an earmark transparency report on the biennial budget bill to each member of the Legislature and has made the report available on the Legislature's website.

### **Executive Sessions**

Upon conclusion of the public hearings, the Finance Committee commences executive sessions on the Governor's recommended budget. These executive sessions represent the decision-making phase of the Committee's responsibilities. In Wisconsin, executive session meetings on the budget are open to the public; however, testimo-

ny or commentary from the public or agency officials is not taken and discussion is between Committee members, Legislative Fiscal Bureau staff, and State Budget Office staff. Occasionally, when deemed appropriate, an agency representative may be invited to respond to a question during an executive session.

Executive sessions on the budget generally cover a period of eight weeks. During the Committee's 2013-15 budget deliberations, 10 executive sessions were held between April 25 and June 4, 2013.

In advance of the executive sessions, the Fiscal Bureau prepares issue papers on various budget items and distributes them to the members of the Finance Committee, other legislators, and the public. The issue papers present background information and analyses, and identify options for the Committee's consideration. For the Committee's 2013-15 budget deliberations, the Fiscal Bureau prepared 300 issue papers. These papers are displayed on the Bureau's website (<http://legis.wisconsin.gov/lfb/index.html>).

In addition to the issue papers, any Committee member may request that the Bureau prepare a motion to amend an agency's budget. It is these two written items -- issue papers and motions -- that the Committee works from in its executive session budget deliberations.

The Joint Committee on Finance invariably adopts a budget which contains numerous changes to the Governor's recommendations. Once all proposed changes to the budget have been considered, the Finance Committee directs the Legislative Fiscal Bureau to work with the Legislative Reference Bureau and draft (in bill form) the Committee's recommended budget.

The form of the Committee's budget is usually as a substitute amendment to the Governor's budget bill rather than being a separately identified new bill. In addition to working on the

preparation of the Committee's version of the state budget, the Legislative Fiscal Bureau at this time updates its summary of the biennial budget by itemizing each of the Committee's changes to the Governor's proposed budget on an agency-by-agency basis.

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## **Capital Budget Requests**

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### **Long-Range Building Program**

There is a somewhat different initial process for development of the state biennial capital budget. The statutes (s. 13.48) require the establishment and biennial update of a long-range state building program plan. Under this requirement, each state agency (where applicable) must submit, each biennium, a six-year facilities plan for the agency. The following state agencies are the primary agencies that submit capital budget requests: Administration (primarily for state office buildings); Corrections; Educational Communications Board; Health Services; Historical Society; Military Affairs; Natural Resources; Public Instruction; State Fair Park Board; Transportation; University of Wisconsin System; and Veterans Affairs. The plan defines the facility-related needs of each agency in terms of specific projects requested and establishes a timeline for these projects over the forthcoming six years.

### **Agency Capital Budget Requests**

Each state agency wanting to have a project included in the capital budget (state building program) portion of the 2013-15 biennial budget had to submit its capital budget request to the Secretary of the State Building Commission (who is also the Administrator of the Division of State Facilities in DOA) by September 14, 2012. Staff to the Building Commission (employees in the Division of State Facilities) then analyzed these requests and submitted staff recommendations regarding the individual agency requests to the

Secretary of DOA and the Governor.

### **Building Commission**

The Building Commission consists of the Governor, who serves as Chair, one citizen member, appointed by and serving at the pleasure of the Governor, and three legislators from each house of the Legislature, appointed in the same manner as members of legislative standing committees. The majority and minority parties from each house must be represented.

The Commission is divided into two subcommittees: a Higher Education Subcommittee and an Administrative Affairs Subcommittee. The Higher Education Subcommittee is responsible for reviewing the capital budget requests of the University of Wisconsin System. The Administrative Affairs Subcommittee is responsible for reviewing the capital budget requests of all other state agencies. The Governor appoints the Chair and members of the two subcommittees; each subcommittee consists of three legislative members and the citizen member.

### **Gubernatorial and Building Commission Review of Agency Capital Budget Requests**

The staff recommendations were then first reviewed by the Secretary of DOA and the Governor during January and February of 2013. In March, 2013, these recommendations were reviewed by the subcommittees of the Building Commission. The subcommittees developed recommendations which were then acted upon by the full Commission. Decisions of the full Commission became the formal recommendations for the proposed 2013-15 state building program (capital budget). Following Commission action, Division of State Facilities staff prepared for submittal to the Legislature a summary of the projects recommended by the Commission and had drafted an amendment to the budget bill submitted by the Governor to provide the statutory enumeration of major projects and any other

statutory modifications recommended by the Building Commission.

### **Joint Committee on Finance Review of Capital Budget**

The statutes (s. 13.48) provide that those biennial recommendations of the Building Commission for the forthcoming biennium which require legislative approval shall be transmitted, in the form of draft legislation, to the Joint Committee on Finance no later than first Tuesday in April of each odd-numbered year, unless a later submittal date is requested by the Building Commission and approved by the Committee.

The building program summary, prepared by the Division of State Facilities, and the accompanying recommended statutory changes, drafted in the form of an amendment to the budget, are presented to Joint Committee on Finance. Typically, the Committee reviews these recommendations from the Building Commission in a public hearing, which is held after the recommendations have been presented to the Committee. Then, at a subsequent executive session of the Committee, actions on the capital budget are taken similar to the way the Committee acts to approve the recommended budgets for state agencies. These actions are then incorporated into the Committee's recommended biennial budget bill.

### **Legislative and Gubernatorial Review of the Capital Budget**

Subsequent Assembly and Senate review of the budget, as recommended by the Joint Committee on Finance, covers the entire budget, including the capital budget. Similarly, once the budget is passed by the Legislature, the Governor's action (including any partial vetoes) involves the entire budget, including the capital budget provisions.

[For further information on the capital budget process, see the Legislative Fiscal Bureau infor-

mational paper entitled "State Building Program."]

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### **Senate/Assembly Consideration of the Budget**

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The Governor's budget bill(s) is initially introduced in either the Assembly or Senate (or both houses) and then referred to the Joint Committee on Finance. For the 2013-15 budget, the Governor's budget bill was introduced in the Assembly as 2013 Assembly Bill 40. Upon completion of the Finance Committee's review the Governor's recommended budget, the bill, as recommended by the Finance Committee, returns to that house which initially referred it to the Committee. For the 2013-15 budget, all of the Committee's actions were incorporated as a substitute amendment to Assembly Bill 40, and the bill was reported to the Assembly by the Committee.

Immediately following Finance Committee action on the budget, one or both houses will schedule briefings on the budget either as a briefing for all members of the respective house or as separate briefings for the two partisan caucuses of the respective house. These briefings are conducted by Legislative Fiscal Bureau staff. (If only one house holds a briefing when it receives the budget, the other house will then typically hold such briefings when it receives the budget from the other house.) Then, depending upon the amount of time set aside for the respective house's consideration of the budget, the house usually moves immediately to commence party caucuses on the budget.

In contrast to the way in which recommended changes to the state budget are considered at the Finance Committee stage (where motions specifying intended changes are considered and adopted and then ultimately incorporated into a revised budget bill), any changes proposed for



consideration by the full Assembly or Senate must be offered and adopted in the form of drafted amendments to the bill. Thus, should an individual legislator be interested in -- for example -- adding or deleting positions to an agency's recommended budget, the legislator must have an amendment drafted by the Legislative Reference Bureau increasing or decreasing the recommended budget level for the agency. This would typically be an amendment which is very short in length, perhaps only two or three lines of text.

Another legislator -- wanting to include a new program activity or delete an existing activity from the budget -- might have a lengthy amendment to modify not only the recommended dollar levels for the agency but also to add, delete, or modify the pertinent statutory language governing the program or activity. Individual legislator-initiated changes that are to be considered on the floor are offered as individual amendments to the bill. Occasionally, an entire substitute amendment (a new budget bill) will be offered as an alternative to the budget under consideration.

Some of these individual amendments are ultimately offered and debated in each house. However, in some budgets, most of the considered changes are formulated and put forth by the majority caucus as a single package as a result of extensive caucus deliberations. This process involves consideration of numerous proposed changes to the budget. In some cases, the changes are advanced by individual members of the caucus and the ones for which there was sufficient caucus support are incorporated into a single caucus amendment. In other cases, proposed changes from individual members are first submitted to caucus leadership for development of a caucus package to be reviewed by the caucus membership.

The Assembly commenced action on the state budget on June 18, 2013. A total of four amendments to the Finance Committee's budget were offered. Two amendments were adopted. The

Assembly adopted the amended budget on June 19, 2013, by a vote of 55 to 42.

The Senate commenced, and completed, action on the state budget on June 21, 2013. A total of 55 amendments to Assembly bill 40, as amended, were offered. No amendments were adopted. The Senate concurred with the Assembly by a vote of 17 to 16.

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### **Final Legislative Enactment**

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The two houses of the Legislature often do not pass identical versions of the budget in their first consideration. Consequently, like any other bill over which the two houses are in disagreement, if the bill is to become law it must be agreed upon in the identical form by each house.

There are several methods available for achieving resolution of differences between the two houses on bills. The traditional approach -- where there are substantial differences -- is for one house to seek a committee of conference on the bill wherein a specified number of members from each house are delegated by their respective houses to represent that house and meet as a bargaining committee with the goal of producing a report reconciling the differences. Under this procedure, a conference report is then submitted to each house as an unamendable document to be voted up or down.

However, because of the vast scope of the budget bill (encompassing all of state government) and the difficulty of limiting the items which may be addressed by a conference committee, another method that has been used from time to time has been to successively pass, between the houses, narrowing amendments dealing with only the points of difference between the respective budgets as initially recommended by the two houses. This narrowing

process is then continued until all items of difference are resolved by either inclusion, exclusion, or modification.

In the 2013-15 budget, because the Senate passed the bill without adopting additional amendments, there was not a committee of conference. The bill was enrolled on June 24 and presented to the Governor.

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### **Governor's Veto Authority**

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Regardless of the approach used to resolve any differences, once the differences between the houses are resolved, a final budget bill, as passed by the Legislature, is prepared for the Governor's consideration. The bill at this stage -- termed an "enrolled bill" -- is not sent to the Governor until it is called for by the Governor. This allows the Governor and the Governor's staff time to review the items in the final legislative budget bill and to consider -- in consultation with the State Budget Office, agency heads, legislators, and others -- possible partial vetoes of the bill.

Article V, Section 10, of the Wisconsin Constitution provides the Governor with the power of partial veto for any appropriation bill, including the biennial budget bill. In contrast to a "nonappropriation bill," this means that rather than having to approve accept or reject a bill in its entirety, the Governor may selectively "delete" portions of the budget bill. Thus, both language and dollar amounts in a budget bill may be vetoed by the Governor. However, the Gover-

nor may not create a new word by rejecting individual letters in words, and may not create a new sentence by combining parts of two or more sentences.

Typically, a Governor will partially veto a number of provisions in the legislatively-enacted budget bill, although the vast majority of the bill will become law in the form as passed by the Legislature. The budget bill (less any items deleted by the Governor's partial veto) then becomes the state fiscal policy document for the next two years.

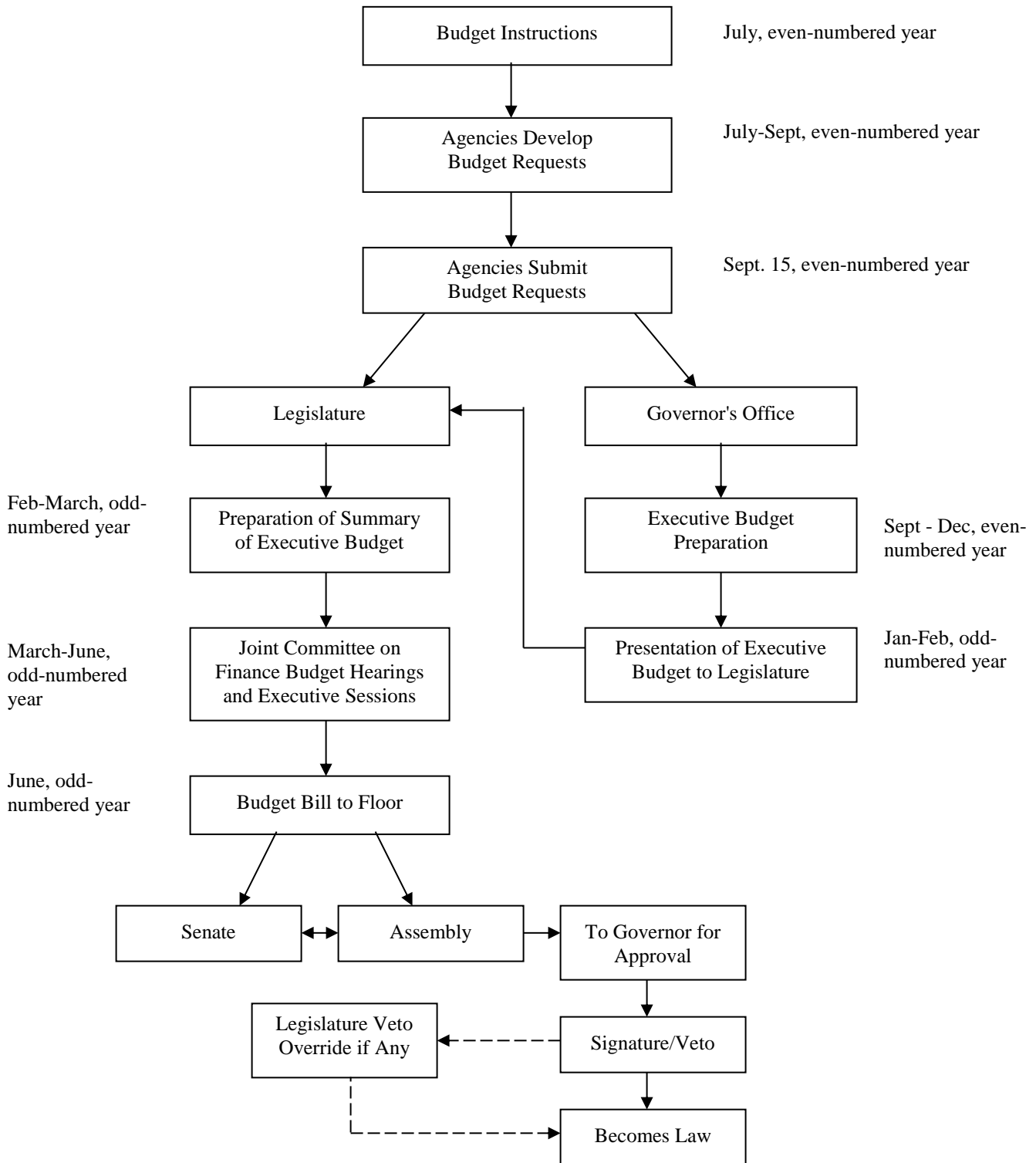
Just as with a Governor's veto of a bill in its entirety, the Legislature has a chance to review a Governor's partial vetoes and may, with a two-thirds vote by each house, enact any vetoed portion into law, notwithstanding the objections of the Governor.

On June 27, 2013, Enrolled AB 40 was presented to the Governor. He approved the bill, in part, on June 30 and had it deposited in the Office of the Secretary of State as 2013 Wisconsin Act 20. The Governor indicated in his message that he had exercised his authority to make 57 partial vetoes to the bill, as passed by the Legislature. Act 20 was published on July 1, 2013, and, except as otherwise specifically provided, became effective the following day. None of the Governor's partial vetoes were considered by the Legislature.

Chart 2 shows a flow chart of Wisconsin's biennial budget timetable, beginning with the issuance of budget instructions until the budget bill becomes law.

**CHART 2**

**Wisconsin's Biennial Budget Flow Chart**



## APPENDIX I

### Additional Considerations Regarding the State Budget

There are a number of technical items regarding the state budget in Wisconsin that are important factors in the overall budget process but which are not discussed in the main body of this paper. The purpose of this appendix is to briefly present the more important of these points under various topical areas.

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#### Budget Period

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Budgets can vary by the period of time they cover. In government, budgets generally cover either one or two years.

**Biennial Budget.** Wisconsin uses a biennial budget process wherein the budget act provides the funding for the ensuing two-year period. Most of the appropriations contained in the budget bill are one-year appropriations (annual appropriations) with any unused funding lapsing (reverting) to the fund or account from which the revenues were appropriated at the end of the fiscal year. However, some appropriations, although listed in annual increments, are valid for the entire two-year period (biennial appropriations) with any unused funding not lapsing until the end of the fiscal biennium. Further, other appropriations (continuing appropriations) are made available for expenditure over any number of years until funds are exhausted or the appropriation is repealed by the Legislature. A typical use of such an appropriation would be for a multi-year study or demonstration project. In other, limited cases, appropriations are made on an open-ended basis (these are termed "sum sufficient appropriations") wherein the agency may expend whatever funds are necessary to

accomplish a particular statutorily-specified program purpose. Traditional uses of sum sufficient appropriations include those for entitlement programs such as homestead property tax credits, for principal and interest payments on debt service obligations, and for the operation of the courts, Governor's office, Senate, and Assembly.

**Annual Budget.** Wisconsin has always adopted a biennial budget. This has continued to be the case even after the Legislature acted in 1971 (Chapter 15, Laws of 1971) to provide for regular annual sessions of the Legislature. The odd-numbered year legislative session has traditionally focused primarily on budget matters and the even-numbered year session more on consideration and disposition of other legislation.

There have, however, from time to time been proposals to change to an annual budget. Under an annual budget, the entire budget is considered anew each year. Thus, the complete budget process (from agency budget requests to legislative budget enactment) takes place each year. Congress and local governments use the annual budget process.

Upon taking office in 1987, Governor Thompson requested legislative consideration of a proposal to make a variety of statutory changes to the budget process, including providing permissive statutory authority for submission of separate annual budgets for fiscal years 1987-88 and 1988-89 as an alternative to submitting a biennial budget.

In response, the Legislature retained the statutory requirement for the submittal by the Governor of a biennial budget. However, the Legislature established a one-time requirement

that the Governor submit to the Joint Committee on Finance, no later than the last Tuesday in January, 1988, a recommended annual budget bill draft or drafts incorporating any needed changes in appropriations or revenues for the then current biennium (1987-89). This created the necessity for submittal by the Governor of, and action by the Legislature on, a 1988-89 annual budget.

It is important to note, however, that the 1988-89 annual budget, submitted by the Governor, was not a completely new budget because appropriations for 1988-89 for most agencies had already been reviewed and approved as a result of the biennial budget (1987 Wisconsin Act 27). Therefore, the 1988-89 annual budget actually contained only selected adjustments to previously established appropriation levels and selected new policy initiatives. No action has been taken in the subsequent sessions of the Legislature to continue the annual budget provisions.

**Practices in the States.** Nineteen states use a biennial budget approach. Two of those states (North Dakota and Wyoming) actually appropriate money for a two-year period of operation and the remaining 17, including Wisconsin, appropriate for a two-year (biennial) period but allot the funds in annual (fiscal year) increments (which some view as two annual budgets). The remaining 31 states have an annual budget process.

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### Budget Type

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Budgets can also vary by the type of budget method that is primarily used (typically distinguished by the terms either line-item budget or program budget).

**Line-Item Budget.** When the term "line-item budget" is used, it typically refers to either the budget bill or the back-up building blocks which are used to compile the budget document. Term-

ing a budget a "line-item budget" is intended to characterize the way the budget is developed regarding objects of expenditure (for example, salaries, fringe benefits, rent, supplies, contractual services and permanent property). A traditional line-item budget will both develop and appropriate funds on the basis of such categories.

**Program Budget.** Wisconsin's budget is termed a "program budget." This means that the structure of both the appropriations schedule and the individual appropriations is generally of a "program" nature. In Wisconsin, individual agencies are first assigned to one of several broad functional areas (such as commerce, education, or human relations and resources). Then, within a given functional area, agencies are listed in alphabetical order and all the appropriations for an agency are listed under the agency heading. Depending upon its size, an agency may be shown as having one or several programs. For each program there will generally be a lump sum appropriation listed, plus such other additional special appropriations as are considered necessary. (For a sample of the program budget appropriation structure, see Chart 3 in Appendix VI. Chart 4 in Appendix VI shows the statutory appropriation language for each of the appropriations shown in Chart 3.)

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### Budget Bill or Bills

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Many states use a number of bills to cover the range of state agencies and programs for which appropriations are made. In these cases, each bill will relate only to certain agencies or programs or to different functional areas, or will use some other breakdown that is traditional for that state. Other states use only a small number of bills. Eighteen states, including Wisconsin, have a single budget bill encompassing all of state government. These different types of budget bills are discussed below.

**Multiple Budget Bills.** Thirty-two of the fifty states use multiple budgets, ranging from as few as two to four bills (12 states) to as many as 60 to over 100 bills. [One state (Arkansas) has 500 budget bills.] In states with an extremely high number of bills, there tends to be a bill for each agency or sometimes multiple bills for large agencies. For those with only a few budget bills, there may be an omnibus operating bill, a capital budget bill, and a transportation bill.

**Budget Bill or Bills in Wisconsin.** The statutes (s. 16.45) call for the Governor to deliver his or her budget message to the Legislature by the last Tuesday in January and, along with that budget message, to transmit to the Legislature the biennial state budget report (Governor's budget book) and the executive budget bill(s). Following the development of program budgeting in Wisconsin in the late 1960's, governors have generally submitted, and legislatures have adopted, a comprehensive biennial budget contained in a single omnibus bill. There have been occasions when a governor has chosen to submit multiple budget bills. For example, for the 1989-91 biennial budget, Governor Thompson initially submitted a total of three separate bills constituting his executive budget recommendations: a general bill; a transportation bill; and a natural resources bill. Later, a fourth proposal constituting the 1989-91 executive capital budget recommendation was submitted in draft form. Further, in the 1995-97 budget, the Governor and the Legislature agreed to deal with the transportation budget as a separate bill.

**Omnibus Budget Bill.** In contrast to many states and the federal government, Wisconsin (and 17 other states) uses an omnibus budget bill which, upon enactment, provides the appropriation authorization and statutory language necessary for the operation of all state agencies in the next fiscal period. There are arguments that can be advanced both for and against a single omnibus budget bill versus the use of several or many appropriation bills. However, the omnibus bill

approach has been favored in Wisconsin on the basis that it encourages and enhances consideration of various competing program demands for a fixed level of resources. At each stage of the budget process, fund balance statements are determined to ensure that the total level of spending proposed to be authorized does not exceed estimated available revenues.

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### Development of the New Budget

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Another way in which budgets differ is in how successor budgets are developed. Three of the more frequently mentioned methods are discussed below.

**Incremental Budgeting.** The budget process in Wisconsin can best be termed "incremental budgeting." This means that agency budget requests for an upcoming biennium use, as a starting point, the existing budget level (the base budget). There are several technical adjustments to this base that may be required in any biennium, but the budget request instructions for the next biennial budget direct an agency to build its budget by identifying requested budget changes from its current base budget level, technically termed the agency's "adjusted base budget level." All of the budget decision items identified in agency requests and the Governor's budget book represent increments of change over the existing level of spending (the adjusted base budget).

**Zero-based Budgeting.** Zero-based budgeting (ZBB) enjoyed a brief popularity in the 1970s. According to the National Conference of State Legislatures, none of the 50 states are currently using a pure ZBB style of budgeting, although a few states indicate that they still may be used on occasion for selected agencies. Georgia, for example, enacted legislation in 2012 which outlines a ZBB process over the next eight years. Each agency will participate in the pro-

cess at least once over the eight-year period. While the application in the individual states that experimented extensively with ZBB varied, the concept in its classic form was that the next budget was to be rebuilt from zero. In other words, no existing base budget or cost to continue level was to be assumed. Rather, agencies were to restate their entire budget [both existing budget and budget changes (increments)] starting from zero. Budget request elements were to be prioritized based usually on some numerical percentage of the base budget.

Reports on the success of zero-based budgeting varied. In general, however, two of the more frequently cited conclusions were that: (1) it was a burdensome, paper heavy process; and (2) any benefits from using this process seemed to flow more to agency management than to the ultimate budget decision-makers due to the level of detailed review required.

While Wisconsin has never used a true zero-based budgeting procedure, elements of the practice have been included as a part of the biennial budget process in past years, usually by the Governor. In recent budgets, a typical part of budget instructions required state agencies to provide an identification of where each agency would propose to reduce its base budget if a fixed percentage of each agency's budget was required to be reduced. A number of exclusions have been made, such as excluding any reductions in debt service payments or payments to local units of government. In other words, the "cut" requirement has tended to be focused on expenditures for state operations (that is, state administrative costs).

For example, the 2007-09 budget instructions required agencies with state operations administrative appropriations to submit a plan to absorb a 10% permanent base cut. According to the instruction, "this reduction should equal 10% of all non-federal, sum certain state operations administrative appropriations in an agency,

excluding debt service and fuel and utilities appropriations."

**Performance-based Budgeting.** In recent years, most budget improvement discussions have focused on agency performance measures and the use of performance-based budgeting. As with zero-based budgeting, there is no single accepted definition of what constitutes performance-based budgeting. However, in general, performance-based budgeting is a budget decision-making process that is aimed at allocating resources to an agency based on a review of the agency's goals and objectives and its corresponding planned and actual performance results. Further, the performance achievements are to be evaluated relative to the level of measured (quantifiable) achievement by the agency in reaching program outcome goals (results). The intent is that budget decisions in the next budget cycle (and subsequent budget cycles) can then be made based on the actual agency performance in the current budget period related to stated program outcome measures. As indicated above, Wisconsin, to date, has used primarily incremental budgeting. However, 1997 Wisconsin Act 27 created a requirement that two state agencies (the Department of Transportation and the Technology for Educational Achievement Board) submit their agency budget requests for the 1999-2001 biennium on a performance-based budget basis. Further, the budget instructions for 2001-03 required that each state agency include with its budget request a minimum of two to four (based on agency size) performance measures.

For the 2003-05 budget, the budget instructions directed state agencies to update the performance measures included in their 2001-03 biennial budget submittal. This updating was to include, to the extent possible, five years of actual results under each performance measure and five years of planned future years results for those same program performance measures. At a minimum, however, the agency's budget submittal was to include past actual outcomes for the

performance measures selected and planned outcomes for those measures for the forthcoming three years.

For the 2005-07 biennial budget, the budget instructions directed state agencies to update the performance measures submitted for the 2003-05 budget and to continue to report on the performance measures they identified for previous biennial budgets.

Budget instructions for the 2007-09 biennium directed agencies to report actual outcome measures for the 2004-05 and 2005-06 fiscal years and planned outcome measures for 2006-07, 2007-08, 2008-09, and 2010-11.

Similar to 2007-09, budget instructions for 2009-11, 2011-13, 2013-15, and 2015-17 required agencies to report actual outcome measures for two years and indicate planned outcome measures for three years.

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### Budget Fiscal Periods

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Budgets may also be distinguished with regard to beginning and ending dates of the individual budget year. In general, a budget covers a 12-month period (annual fiscal period) or a 24-month period (biennial fiscal period). Even though Wisconsin's budget is for a biennial period, appropriation amounts are typically set in annual increments. Each increment represents the budget allotment for the fiscal year used for financial reporting. However, the starting month

for a fiscal year period can be any month of the calendar year. The concepts of a biennial budget period and fiscal years versus calendar years are discussed below.

**Biennial Budget Period.** The official fiscal biennium for the state runs from July 1 of one odd-numbered calendar year to June 30 of the next odd-numbered calendar year, a 24-month period. The Legislature normally has from February of the odd-numbered calendar year until June 30 of that same year before the current fiscal biennium ends and a new fiscal biennium begins.

**Fiscal Years vs. Calendar Years.** The biennial budget period includes two annual periods or fiscal years. Most appropriations are annual appropriations and are effective for that fiscal year only. The state's fiscal year runs from July 1 of one calendar year to June 30 of the succeeding calendar year. Thus, the 2015-17 biennial budget will involve appropriations for both fiscal year 2015-16 (July 1, 2015, thru June 30, 2016) and fiscal year 2016-17 (July 1, 2016, through June 30, 2017). These fiscal years will be referred to as "FY 16" and "FY 17" respectively, using the ending calendar year of the overlapping years as the identifier.

The correspondence or overlap between calendar years, fiscal years, and biennial budget periods in Wisconsin is portrayed in the chart below.

Most local governments within the state are on a fiscal year period that coincides with the calendar year except for school districts, which

Calendar Year(s)	Calendar Dates	Fiscal Year	Biennial Budget Period
2013 and 2014	July 1, 2013 to June 30, 2014	2013-14	2013-15 Biennial Budget
2014 and 2015	July 1, 2014 to June 30, 2015	2014-15	2013-15 Biennial Budget
2015 and 2016	July 1, 2015 to June 30, 2016	2015-16	2015-17 Biennial Budget
2016 and 2017	July 1, 2016 to June 30, 2017	2016-17	2015-17 Biennial Budget



are on the same fiscal year as the state. The federal government is on a cycle that runs from October 1 of one calendar year to September 30 of the following calendar year. [For example, the federal fiscal year (FFY) 2016 budget will be for the period beginning on October 1, 2015, and ending on September 30, 2016.]

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### **Procedures in Event of Lack of New Budget by Start of New Fiscal Biennium**

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For the federal government, and many state governments, if the current fiscal period ends without a new budget having been authorized for the succeeding fiscal period, the government is generally prohibited from making any further expenditures until a new budget is enacted. In general, the only exception permitted is if some type of temporary budget continuation resolution is approved by the legislative body to allow the government to continue to expend money. Wisconsin differs in this regard by having a permanent statutory provision that automatically allows for continuation of the existing budget level when this circumstance occurs.

**Continuation of Authorized Appropriations.** The Wisconsin Legislature considers the appropriation levels for the forthcoming fiscal biennium during the last six months of the current fiscal biennium. In the event that a new biennial budget is not enacted by June 30 of the odd-numbered year, however, the operations of state government do not come to a halt. This is because of the continuation procedure contained in the Wisconsin Statutes (s. 20.002(1)). This provision specifies that, in the event that no new budget has been enacted by that time, the appropriation levels that were in effect for the fiscal year just ended are automatically continued for the new fiscal year (and all subsequent years) until amended or repealed by subsequent legislative enactment. Thus, in those sessions when the

Legislature has not enacted a new budget by June 30, state agencies have been able to continue operations at their existing appropriation levels until a new budget is finally enacted. However, such expenditures are ultimately financed from the new appropriations once they are authorized.

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### **Procedures for Interim Changes in the Authorized Budget**

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Wisconsin's biennial budget, once adopted, provides spending authority (by fiscal year) for a two-year period. The budget may be modified by: (1) separate legislation authorizing an additional appropriation or eliminating or modifying an existing appropriation; (2) a budget adjustment bill (generally in the second annual session of the Legislature) to make changes to the adopted biennial budget; and (3) the authorization of limited emergency changes to existing appropriations at the request of state agencies with the approval of the Joint Committee on Finance. These items are discussed in more detail below.

**Interim Changes in Appropriation Levels.** Except for sum sufficient appropriations, the levels of funding appropriated to agency programs may not be changed during the biennium except by subsequent action of the Legislature or as supplemented by the Joint Committee on Finance.

The Legislature can pass legislation which modifies previously approved appropriation levels. Aside from this type of change, appropriation levels can be modified in only two other ways.

First, as a part of each biennial budget there are certain supplemental appropriations or accounts which represent amounts set aside to augment program appropriations. The most

significant of these supplements are those for the costs of salary and fringe benefit increases. These compensation reserve amounts are to pay for the costs in the forthcoming biennium of compensation amounts not yet adopted. A lump sum of money for such anticipated costs on a statewide basis is normally reserved in the biennial budget, rather than including financing for such costs in the individual agency program appropriations. This is because the compensation amounts are usually not finalized until after the end of the budget process and because the specific agency-by-agency costs of such compensation changes are not known. Another example of such a supplement is for increased space rental costs in state-owned office buildings or in leased, private office space.

The other way in which an agency's appropriations can be modified is by action of the Joint Committee on Finance pursuant to ss. 13.101 or 16.515 of the statutes. Under these statutes, the Finance Committee may supplement any agency's appropriation which is insufficient because of unforeseen emergencies or is inadequate to accomplish the purpose for which it was made if the Committee determines that: (1) an emergency exists; (2) no funds are available for such purposes; and (3) the purposes for which a supplemental appropriation is requested have been authorized or directed by the Legislature.

The Committee may also transfer funds between appropriations and programs. In this case, the Committee may make such transfers if it finds that: (1) unnecessary duplication of functions can be eliminated, more efficient and effective methods for performing the program will result, or legislative intent will be more effectively carried out; (2) legislative intent will not be changed as the result of such transfer; and (3) the purposes for which the transfer is requested have been authorized or directed by the Legislature.

### **Interim Changes in Authorized Positions.**

Although the dollars appropriated to an agency are specified by program and fund source in the budget bill, the number of authorized staff positions is not. There is, however, backup budget detail that is considered an integral part of the budget process which specifies that number. Generally, positions may only be authorized for agencies in one of three ways: (1) by the Legislature as a part of budget enactments or by other separate legislation; (2) by the Joint Committee on Finance; and (3) by the Governor for federal-funded positions. The Department of Administration reports quarterly to the Joint Committee on Finance on the total number of authorized positions for each state agency.

There are, in addition, two special exceptions provided. One exception allows the University of Wisconsin (UW) Board of Regents or the Chancellor of UW-Madison to unilaterally change the number of positions authorized for the UW System -- but only for positions funded from program revenue, segregated revenue, or federal revenue accounts. The UW Board of Regents is required to report quarterly to the Department of Administration and Joint Committee on Finance on any position changes made under this provision. The second exception also relates to the University of Wisconsin System. This provision allows the UW Board of Regents or the Chancellor of UW-Madison to create or abolish academic staff or faculty positions funded from the University's GPR appropriation for general program operations of the University. The Board and Chancellor are required to report, by September 30 of each year, to the Department of Administration and the Joint Committee on Finance on the number of such positions created or abolished under this authority in the prior fiscal year.

**Budget Adjustment Bills.** As noted earlier, the Wisconsin statutes provide for a biennial budget rather than an annual budget. There is no current statutory provision for any regularly-scheduled annual budget adjustment bill to be

considered by the Legislature. There was a statutory provision for the submittal by the Governor of an annual budget review bill that was in existence from 1972 until its repeal in the 1981-83 biennial budget.

Other than the fiscal emergency provision described below, there is no statutory requirement for submittal by the Governor of a budget adjustment bill. However, it is frequently the case that changes in economic conditions or unexpected developments in state or federal governmental programs will result in the need for legislation to be submitted and considered in the second annual session of the biennial Legislature.

**Fiscal Emergencies Declaration.** There is a statutory provision (s. 16.50) that addresses actions to be taken in the event of a shortfall in budgeted revenue collections. This provision specifies that if, subsequent to the adoption of the biennial budget, the Secretary of DOA determines that previously authorized expenditures will exceed revenues in the current or forthcoming fiscal year by less than one-half of one percent of estimated GPR appropriations, the Secretary may take administrative action to adjust agencies' budget allotments to withhold funds sufficient to offset the revenue shortfall.

However, if the Secretary of DOA concludes that the level of GPR appropriations will exceed the level of revenues expected to be available in the current or forthcoming fiscal year by more than 0.5% of the amount of total GPR appropriations for the respective fiscal year, the Secretary may not take any action to reduce agency spending authority. Rather, the Secretary must notify the Governor, the presiding officer of each house of the Legislature, and the Joint Committee on Finance of this fiscal emergency situation.

Following this notification, the Governor is required to submit recommendations for correcting the imbalance to the Legislature. If the Legis-

lature is not in an actual floorperiod at the time of the Secretary's notification, the Governor is required to call a special session of the Legislature to address the situation and the Governor's recommendations for dealing with the imbalance.

The latter part of this statutory provision first came into play in the 2001-02 fiscal year when a decline in state revenues required the Governor to call a special session of the Legislature to address that fiscal emergency. A bill was submitted by the Governor to address the situation and following legislative deliberation on that bill, this budget adjustment legislation was enacted as 2001 Wisconsin Act 109. This also occurred in 2002-03 (2003 Act 1), 2007-08 (2007 Act 226) and 2008-09 (2009 Act 2).

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### Non-Budget Fiscal Bills

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Special statutory provisions apply to the legislative handling of the biennial budget bill. However, there are also bills in each legislative session that propose to authorize the expenditure of money for specific limited purposes. Bills providing for the appropriation of money or affecting revenues are termed "fiscal bills" and have added requirements related to legislative consideration of such bills. These requirements are described below.

**Emergency Clause Requirement.** A facet used in Wisconsin to enhance the comprehensive budget approach to spending authorization is a statutory provision (s. 16.47(2)) specifying that no bill affecting state appropriations or revenues or increasing the cost of state government by an amount in excess of \$10,000 annually may be passed by either house of the Legislature until the budget bill has been passed by both houses. However, two exceptions -- referred to as emergency clause provisions -- are provided.

First, the Governor and the Joint Committee on Finance are each individually empowered to recommend for passage bills that would otherwise be in violation of this prohibition (against passage in advance of the budget bill) for consideration as "emergency bills" by the attachment of an "emergency clause." The emergency clause is a statement designating the bill for such emergency consideration. The Governor may send a letter to the house of origin indicating this intent or the Finance Committee may vote to attach such a statement to a fiscal bill. Second, the organization committee of either house is also authorized to attach a similar emergency clause -- but effective only for consideration of the bill in that respective house -- to bills that would otherwise violate the prohibition so long as such bills would not affect state finances by more than \$100,000 biennially.

**Required Reference of Fiscal Bills to the Joint Committee on Finance.** A separate, statutory provision (s. 16.47(1m)) requires the budget bill to be referred to the Joint Committee on Finance immediately upon introduction. The statutes also provide that certain other bills must, in addition to being referred to a substantive legislative standing committee, be referred to the Joint Committee on Finance. The statute which governs this referral of bills, s. 13.093(1), provides as follows: "All bills introduced in either house of the legislature for the appropriation of money, providing for revenue or relating to taxation shall be referred to the joint committee on finance before being passed." In application of this provision, the following interpretations of the language of the statute have been developed.

First, "all bills introduced" means that the referral requirement applies only to bills in their original form. The referral requirement does not extend to amendments (either simple amendments or substitute amendments). Second, the phrases "for the appropriation of money" and "providing for revenue" means that the language of the bill must directly affect appropriations or

revenues. The fact that a bill has a fiscal estimate (see definition below) attached is not, by itself, determinative of the requirement for referral unless the language of the bill actually affects appropriations or revenues. Third, all appropriation and revenue sources fall within the referral requirement. Fourth, the phrase "relating to taxation" is broadly construed to mean any type of tax, including local taxes (such as property taxes) as well state taxes. Fifth, the requirement is only for referral of the bill to the Joint Committee on Finance. Thus, while a vote on the bill can be taken by the Committee, the only requirement is that the bill be referred to the Committee. Once a bill has been referred, the statutory requirement is fulfilled and the bill can be acted upon by the Committee or returned to the house which referred it to the Joint Committee on Finance. And sixth, the phrase "before being passed" means before having been adopted by both houses of the Legislature. Consequently, one house may pass a fiscal bill which meets the requirements for referral to the Committee without making the actual referral. However, it is then incumbent upon the second house to make the required statutory referral before acting upon the bill.

**Fiscal Estimates.** Many of the bills introduced in the Legislature each session, if enacted, will impact on state and /or local government finances. While in some cases the fiscal implications of a bill will be fairly evident, for other bills that will not be the case. For example, a bill may require an agency to perform new functions but not provide any staff or funding to perform those activities. Or, a bill may impose a new tax or fee, but the bill will not typically identify the amount of revenues that will result from the proposed tax or fee. The Wisconsin Legislature was the first in the nation in recognizing the need of legislators for fiscal information in considering legislation. Thus, the requirement for a fiscal note to the bill (now termed a "fiscal estimate" in Wisconsin) was created.

The requirement for fiscal estimates on bills is established both in the statutes and in the joint rules of the Legislature. The statutory requirement [s. 13.093(2)(a)] provides as follows:

"Any bill making an appropriation, any bill increasing or decreasing existing appropriations or state or general local government fiscal liability or revenues, and any bill that modifies an existing surcharge or creates a new surcharge..., shall, before any vote is taken thereon by either house of the legislature if the bill is not referred to a standing committee, or before any public hearing is held before any standing committee or, if no public hearing is held, before any vote is taken by the committee, incorporate a reliable estimate of the anticipated change in appropriation authority or state or general local government fiscal liability or revenues under the bill, including to the extent possible a projection of such changes in future biennia."

The scope of bills which may require a fiscal estimate is considerably broader than just those bills which would meet the requirements for referral to the Joint Committee on Finance. This is because not only is a fiscal estimate required if the bill would make changes in appropriations or revenues, but also if the bill would affect state or local government general fiscal liability.

In general, fiscal estimates on bills are prepared by the state agency or agencies that would be most affected by, or involved in, the subject matter of the legislative proposal. That agency may also be the one designated to provide an estimate of local governmental fiscal liability if it is anticipated that the bill would have a potential fiscal impact in that area. The requirement for a fiscal estimate is determined by the drafting attorney in the Legislative Reference Bureau (LRB) who prepared the bill draft. However, under the joint rules, any legislator may raise a point of order that a bill lacking a fiscal estimate should have one. If the presiding officer concurs, a request for the preparation of a fiscal estimate to the bill is made.

The request for a fiscal estimate to be prepared for a bill is sent by the LRB to the State Budget Office in the Department of Administration which then determines which agency (or agencies) is to prepare the estimate. Fiscal estimates are to be prepared within five working days of receipt of the request and, returned to the LRB. After a five-day period for review of the fiscal estimate by the bill's author, the fiscal estimate is printed as an appendix to the bill and distributed in the same manner as amendments to original bills. During the five-day review period, however, the bill's author may request that the agency rewrite the estimate. In addition to the original fiscal estimate, the Joint Rules of the Legislature provide for the preparation of supplemental fiscal estimates by the Department of Administration and Legislative Fiscal Bureau.

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## Appropriations

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The state constitution provides that no money may be paid out of the treasury except pursuant to an appropriation by the Legislature (Article VIII, Section 2). In Wisconsin, since the 1960s, all appropriations are codified into a schedule of appropriations. This schedule is referred to as the "Chapter 20 schedule" because the listing of total appropriations is biennially published as a part of Chapter 20 of the statutes.

**Appropriations Schedule.** A copy of a section of the 2013-15 Chapter 20 schedule is in Chart 3 of Appendix VI. In addition to listing the appropriations and the amounts appropriated in a schedule, Chapter 20 contains specific language defining each appropriation and identifying the purpose for which the appropriated funds may be used. An example of this language is shown in Chart 4 of Appendix VI.

The schedule of appropriations is organized in the following manner. First, state agencies and

programs are organized into one of the following broad functional areas: Commerce, Education, Environmental Resources, Human Relations and Resources, General Executive Functions, Judicial, Legislative, or General Appropriations. Then, within a functional area, agencies are generally listed alphabetically. Further, for the larger agencies, appropriations will be organized into the various program areas encompassing the agency's programmatic responsibilities. Next, appropriations are organized by fund source, starting with general purpose revenue funding, then program revenue funding and then segregated revenue funding (see the revenues section below for definitions of revenue types).

**Appropriation Scope.** Wisconsin has, in general, a program budget appropriations structure. In its purest application, this would mean that every appropriation would be very broad in nature and could be used in a variety of ways to accomplish the legislatively-directed program purpose. The current state appropriations schedule reflects a mixture of appropriation types. The broadest type would be those for the general program operations of a department or division. The next type might be represented by appropriations for such general programmatic efforts as state foster care and adoption services or domestic abuse grants. The narrowest type might be represented by appropriations for such specific activities as searches for birth parents and adoption record information or the conduct of compulsive gambling awareness campaigns.

Appropriations in Wisconsin, even if narrow in scope, generally do not become so narrow as to be line-item in nature, such as, for example, providing separate appropriation lines for: (1) salaries; (2) fringe benefits; (3) supplies and services; and (4) the acquisition of permanent property items. The broadest appropriations are typically referred to as lump sum appropriations. Lump sum appropriations are described further below.

**Lump Sum Appropriations.** The budget act provides many appropriations on a lump sum basis. A lump sum appropriation is usually denoted in the appropriations schedule as being for "general program operations." Departmental costs that are funded from this single appropriation include such things as: (1) salaries and fringe benefits for full-time equivalent and limited-term employees; (2) support costs for such staff including travel, space rental, and telephones; and (3) the costs of other supplies and services.

While considerable supporting documentation and appropriation detail is prepared and available regarding the approved spending level for any program, the amount printed in the statutes is a lump sum amount. Further, an agency is allowed considerable flexibility, within the requirements of other general expenditure control policies, in the expenditure of that lump sum amount.

The schedule of appropriations identifies each appropriation in terms of two different characterizations: by purpose category and by type of appropriation. These are described in the following two sections.

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### **Appropriation Purpose**

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A broad characterization of the purpose of any appropriation has been developed to indicate whether the appropriation is for local assistance, aids to individuals and organizations, or state operations. These "purpose" categories are defined as follows:

**Local Assistance.** These are appropriations for payments to be made to directly to, or on behalf of, local governmental units in Wisconsin to help pay costs which would otherwise be borne entirely by the local governments. For example, the appropriation for general equaliza-

tion aids (to school districts) is classified in this category.

**Aids to Individuals and Organizations.** These are appropriations to allow payments to be made directly to, or on behalf of, an individual or private organization. For example, an appropriation for educational grants given directly to students would be classified in this category.

**State Operations.** These are appropriations to allow expenditures by state agencies for the costs of the general operations of the agency, including program administration and operation of any associated institutions or facilities. Expenditures in these cases would typically be for such items as state employee salaries and fringe benefits, supplies and contractual services, space rental, and permanent property acquisitions. For example, the appropriation for general program operations of the University of Wisconsin system provides funds for campus administrative activities as well as the instructional faculty and facilities operations.

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### Appropriation Type

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There are four types of appropriations listed in the Chapter 20 schedule: annual, biennial, continuing, and sum sufficient. Under the category of "type" in the schedule, these are indicated respectively as A, B, C, and S. Definitions of these four types of appropriations are provided below.

**Annual Appropriation (A).** Under an annual appropriation, an agency may expend only up to the amount indicated in the Chapter 20 schedule for the purposes indicated. Further, such expenditures may be made only within the indicated fiscal year. Any unused funds remaining in the appropriation at the end of the fiscal year lapse

(revert) back to the fund or account balance from which they were appropriated.

**Biennial Appropriation (B).** Under a biennial appropriation, an agency may expend up to the total amount indicated in the Chapter 20 schedule at any point during the two-year fiscal period. Although the Chapter 20 schedule contains an identification of an estimated expenditure level for each year of the biennial fiscal period, these figures are not controlling by year and expenditures are limited only by the total amount appropriated for the biennium. Any unused funds remaining in the appropriation at the end of the biennium lapse back to the fund or account balance from which they were appropriated.

**Continuing Appropriation (C).** Under a continuing appropriation, an agency may expend the amounts that have been made available by the Legislature at any time until the funds are exhausted or the appropriation is repealed. The actual operation of a continuing appropriation varies, however, depending upon the revenue source for the appropriation.

For a continuing appropriation funded from general purpose or segregated fund revenues, the Legislature determines the amount that is available for expenditure by the agency. That amount is continuously available to the agency for expenditure and does not lapse unless the appropriation is repealed. In contrast, for a continuing appropriation funded from program revenues, the Legislature will include in the appropriations schedule an estimate of the amount of funds to be expended in a given fiscal year from the continuing appropriation. However, those amounts are not controlling and an agency may, subject to any other specific limitations (such as personnel authorizations), expend such amounts as are necessary for the particular program or activity as long as there are sufficient revenues in the account to cover the expenditures.

**Sum Sufficient Appropriation (S).** Under a sum sufficient appropriation, an agency may expend any amount necessary for the program subject only to any other specific program restrictions. For example, a program may be established to make payments to all individuals who meet certain eligibility requirements, but the Legislature may provide that only a specified sum of money may be paid to each eligible person. In this case, the agency would be obligated to make a payment to as many eligible persons as applied, but would be limited in the amount that could be paid to each individual. While an estimate of the amount that will be expended by the agency in each fiscal year is included in the appropriations schedule, these amounts are not controlling. An agency may spend more or less than the amount indicated. It is expected that the fund from which the sum sufficient appropriation is financed will have sufficient revenues to cover the amounts expended.

In addition, non-tax revenues which are required by statute to be collected by certain agencies but which are paid into the general fund (termed "departmental revenues" or "general purpose revenue-earned") are also a source of general purpose revenue. Once collected, all of these various sources of revenue are deposited into the state's general account (the general fund) and lose their identity as to original source.

**Program Revenue (PR).** This revenue source represents monies which are credited to a specific appropriation account to finance an agency or a particular program or activity within an individual agency. Generally, these are revenues collected for such things as user charges imposed as license or inspection fees, tuition, receipts from product sales, or for reimbursement for the costs of services provided by the collecting agency to another state agency, a non-state organization, or individuals.

**Program Revenue - Service (PR-S).** This revenue source is similar to program revenue in that it is credited to a specific appropriation to finance an agency or program within an agency. However, in this case, the revenues come not from fees charged to entities or individuals outside of state government, but rather are transferred amounts from one state agency (from any of its revenue sources) to a program revenue-service appropriation in another agency. These moneys are shown as expenditures in the appropriation of the state agency from which the moneys are transferred and as program revenue-service funds in the appropriation of the agency to which the moneys are transferred.

Program revenue-service appropriations may also exist in an agency where a central service division or unit within the agency charges the other divisions of that agency for the services it provides to those entities. An example would be where a central mailing unit in an agency assesses other units in the agency for their respective share of the mailing unit's overall operating costs.

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## Revenues

### (The Source of Funding for Appropriations)

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Appropriations, by definition, are established to allow for the expenditure of monies that have been collected by the state. In the Chapter 20 appropriations schedule, under a column indicator denominated "source," the source of the type of revenues which support that appropriation is identified. These revenue source types are described below.

**General Purpose Revenue (GPR).** This revenue source represents general revenues collected by the state and available for appropriation by the Legislature for any purpose. General purpose revenues represent monies collected from state taxpayers, primarily through state sales taxes and individual and corporate income taxes. Other sources include excise taxes (liquor and tobacco), utility taxes, and insurance taxes.



The revenues to the mailing unit from these assessments would be paid from other appropriation sources within the agency and deposited as revenues in the PR-S appropriation used to finance the operations of the mailing unit.

**Segregated Revenue (SEG).** This revenue source represents monies which, by law, are credited to a specific fund other than the general fund. Revenues from the distinct (segregated) fund may be used only for the statutorily-defined purposes of the fund. For example, motor fuel taxes are revenues which are placed in the segregated, transportation fund and are designated for transportation-related purposes.

**Segregated Revenue - Service (SEG-S).** This revenue source is similar to segregated revenue in that it is credited to a specific fund to finance an agency or programs within an agency. Although the revenues are deposited in the designated segregated fund, there is a separate account within that fund to which those service revenues are credited and from which the segregated revenue-service appropriation makes the authorized expenditures. Within the overall segregated fund then, the revenues received and expenditures made with respect to this segregated revenue-service appropriation are tracked as a distinct account within the over-all fund balance. There are relatively few SEG-S appropriations currently and the majority of those that do exist are in the Department of Transportation.

**Segregated Revenue - Local (SEG-L).** This is a revenue source which is received from a local unit of government or other source for transportation purposes and is deposited in the transportation fund. Appropriations under this designation are financed from these revenues.

**Federal Revenue (FED).** This revenue source represents monies received by a state agency from the federal government for a specified purpose. Federal revenues do not have a

distinct separate type but rather are listed as a subset of either a program revenue account or a segregated fund, depending on where the federal revenues are deposited. For Chapter 20 purposes, these appropriations are, therefore, actually shown either as program revenue-federal or segregated revenue-federal appropriations.

*Program Revenue-Federal (PR-F).* This revenue source represents monies which are received by a state agency from a federal agency for specific program activities and which are deposited in a separate program revenue account of that agency created for the receipt and expenditure of such federal funds. In some cases, funds from several different federal grants may be credited to a single, general program revenue-federal account. In other cases, there may be a distinct appropriation set up exclusively for the receipt and expenditure of federal funds from a single grant source (such as funds received under a federal block grant).

*Segregated Revenue-Federal (SEG-F).* This revenue source represents monies which are received by a state agency from a federal agency for specific program activities and which are deposited into a segregated fund operated by that agency. In some cases, funds from several different federal grants may be credited to a single, segregated revenue-federal account while in other cases there may be a distinct appropriation set up exclusively for the receipt and expenditure of federal funds from a single grant source.

**Bond Revenue (BR).** This revenue source represents monies which are received by the state from the issuance of bonds (contracting of public debt) and deposited in the capital improvement fund for expenditure by various state agencies for specified purposes. The majority of state bond revenues are used for state building, highway, and land acquisition projects. However, bond revenues are also used to finance some other state activities such as certain Department of Natural

Resources environmental protection programs.

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### **Balanced Budget Requirement**

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The Wisconsin Constitution (Article VIII, Section 5) requires that:

"The legislature shall provide for an annual tax sufficient to defray the estimated expenses of the state for each year; and whenever the expenses of any year shall exceed the income, the legislature shall provide for levying a tax for the ensuing year, sufficient, with other sources of income, to pay the deficiency as well as the estimated expenses of such ensuing year."

The first part of this constitutional provision represents the requirement that the state have a balanced budget, where estimated revenues equal or exceed estimated expenditures. This means that the Legislature must pass a budget document that meets the balanced budget requirement. Although the constitutional provision actually only applies to the Legislature, in practice, Governors have always submitted a balanced budget.

While all funds must be in balance between revenues and expenditures, one focus of decision makers in each biennium is on the general fund, the fund which is financed from general tax dollars (primarily sales and income taxes). Three components of each biennial budget act which relate to this are: (1) the estimated general fund condition statement; (2) the requirement that each budget contain a statutory reserve balance, not otherwise available for expenditure, as a contingency fund within each fiscal year; and (3) the requirement that the budget be structurally balanced. These three concepts are discussed further below.

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### **General Fund Condition Statement**

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The listing of specific appropriations in the budget identifies the approved spending levels for each agency and program. However, this list does not provide an overall state spending picture nor does it indicate the amount of revenues which have been estimated to be available to finance such spending. Consequently, a separate part of the appropriations schedule is a composite balance statement for the general fund. This balance statement is termed the "general fund condition statement."

This statement, which is included as a part of the bill and is also incorporated in each biennial edition of the statutes, indicates, by fiscal year, the amount of general fund revenues anticipated to be available from tax collections and other sources. It also shows the gross level of general fund spending approved in the budget as well as the level of expected reversions (lapses of funds due to such things as salary savings as a result of employee turnover or new projects not being undertaken as quickly as originally anticipated). The difference between the projected level of revenues for the year and net spending level represents the projected general fund balance at fiscal year-end (June 30) for each year of the biennium. Usually, in discussions during the budget process about the projected budget balance, the reference is to the projected balance level at the end of the biennium, since that represents the uncommitted amount that is available for contingencies and to meet the costs of other legislation. This projected balance will, if realized at year-end, carry forward as the opening balance for the next biennium.

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### **Statutory Balance**

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In Chapter 1, Laws of 1981, a statutory

provision was created (20.003(4)) establishing a requirement for a general fund reserve (or set-aside) to be included in each biennial budget. As first created, that provision specified that no bill affecting general purpose revenues (GPR) could be enacted by the Legislature if, by adoption of the bill, the estimated general fund balance would be less than 1% of the total GPR appropriations for that fiscal biennium. As enacted, the provision was to be first effective for the 1983-85 fiscal biennium. However, due to extreme fiscal pressures existing during the 1981-83 biennium, the 1981-83 biennial budget amended the provision to lower the percentage requirement to 0.5% for the 1983-85 biennium. That lower level was adhered to in the 1983-85 biennial budget. However, the budget adjustment bill for 1983-85 (1983 Wisconsin Act 212) increased the percentage amount back to the original 1% and set aside the additional reserve amount for that biennium.

The 1% reserve requirement remained unchanged until the 1987-89 biennium, when the biennial budget act (1987 Wisconsin Act 27) provided that the reserve requirement was to be an annual reserve for each year of the biennium rather than a total reserve for the entire biennium. The result was, on a biennial basis, to reduce the reserve requirement by half because at year-end the first year reserve carries forward to be part of the second year reserve amount. The 1987 provision remained unchanged until 1995, when 1995 Wisconsin Act 27 added the requirement that the 1% be calculated based on the total of both gross GPR appropriations plus the GPR amount of funds set aside as compensation reserves.

Since 1995 Act 27, each budget has identified the statutory balance amount as either a percentage of GPR appropriations plus compensation reserves or as a fixed dollar amount. The balance requirement for the 2013-15 and 2015-17 biennia and the balance requirement beginning with the 2017-18 fiscal year are shown below.

Fiscal Year	Statutory Balance Requirement
2013-14	\$65.0 million
2014-15	65.0 million
2015-16	65.0 million
2016-17	65.0 million
2017-18 (and thereafter)	2.0%*

\*2% of the sum of gross appropriations and compensation reserves.

For a complete description and history of the statutory balance requirement, see the Legislative Fiscal Bureau's informational paper entitled "Budget Stabilization Fund and General Fund Reserve Requirement."

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### Budget Structural Balance

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Section 20.003(4m) of the statutes is entitled "Required General Fund Structural Balance" and stipulates that:

"No bill may be adopted by the legislature if the bill would cause in the 2nd year of any fiscal biennium the amount of moneys designated as "Total Expenditures" in the summary under s. 20.005 (1) for that fiscal year, less any amounts transferred to the budget stabilization fund in that fiscal year, to exceed the sum of the amount of moneys designated as "Taxes" and "Departmental Revenues" in the summary under s. 20.005 (1) for that fiscal year."

The structural balance examination compares on-going revenues with on-going expenditures. The statutory requirement under s. 20.003(4m) is designed to ensure that the second year of a biennial budget is structurally balanced by subtracting any carry-over balances from the prior year from on-going revenues.

The requirement for a structural balance is applicable to the budget bill and to any fiscal bills that may be considered by the Legislature

after enactment of the biennial budget.

Under 2013 Act 20, the structural balance requirement did not apply to the 2013-15 budget bill.

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## Budget Overviews

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At the beginning of each legislative session, work on establishment of the biennial budget for the next fiscal biennium is a primary focus of the Governor and Legislature. As these deliberations ensue, it is often helpful to start with some overview of the budget.

One way of providing a budget overview is to look at the budget in terms of the purpose of the expenditures [comparing dollars allocated for state administrative activities (state operations) versus dollars allocated for local governmental costs (local assistance) or providing direct assistance to private citizens or groups (aids to individuals and organizations)]. Another way is to examine the budget in terms of major functional activities. A third way of gaining a budget overview is to examine the budget in terms of major budget programs. A fourth way is to look at the budget in terms of which agencies receive the largest amount of total funding. An introduction to the general fund portion of the 2013-15 state budget is provided below in terms of a budget overview by function, by purpose, by major budget programs and by state agencies receiving the largest proportion of state budget funding.

**Budget Overview by Functional Categories.** A measure of where the budgeted funds go is to look at the broad functional categories into which the state appropriations schedule is divided. These functional categories are: (1) education; (2) human relations and resources; (3) shared revenue and tax relief; (4) environmental resources; (5) general executive functions; (6)

judicial; (7) legislative; (8) commerce; and (9) general appropriations and compensation reserves. On a broad functional basis, half (45.0%) of the total general purpose revenue (GPR) budget was allocated to the education function. Just two functional areas (education and human relations and resources) accounted for more than three-fourths (76.9%) of the total GPR budget. Table 9 in Appendix VII provides more details on this type of categorization of the budget.

**Budget Overview by Purpose Categories.** Table 10 in Appendix VII shows the 2013-15 total GPR budget by purpose categories. That table reveals that a quarter (26.1%) of the total GPR budget went to state operations purposes (generally, state agency central administrative costs plus the costs of running state institutions and facilities). Moreover, more than half (52.9%) of the total GPR funding for state operations went for just two agencies, the Department of Corrections and the University of Wisconsin System (see Table 11 in Appendix VII). Further, more than three-fourths of all GPR funded positions were located in those two agencies (see Table 13 in Appendix VII for more details).

In contrast, more than half (50.5%) of the total GPR budget was for assistance to local units of governments. Further, 65.1% of those local assistance funds were for elementary and secondary school aids and 87.2% of local assistance funding went to just three programs: elementary and secondary school aids, shared revenue payments, and school levy/first dollar tax credits (see Table 11 in Appendix VII).

The remaining portion (23.4%) of the total GPR budget was for aids to individuals and organizations. However, 63.7% of this total category went to just one program, medical assistance.

**Budget Overview by Major Programs.** A frequently-used budget overview is to cite the top 10 programs funded in the budget, based on

percentage of the total GPR budget that is allocated to each program. Table 12 in Appendix VII lists the top 10 GPR-funded programs in the 2013-15 state budget. The figures on Table 12 are taken from Table 11. Just three major programs (elementary and secondary school aids,

medical assistance and the University of Wisconsin System operations) account for 55.0% of the total 2013-15 GPR budget. The top 10 identified programs were allocated 81.0% of the total GPR budget.

## APPENDIX II

### Brief Chronology of the 2013-15 Budget

#### GOVERNOR/ADMINISTRATION

- August 14, 2012 Department of Administration issued major budget policies.
- August 27 Department of Administration issued technical budget instructions.
- September 17 Agency deadline for submission of budget requests.
- November 20 Executive Budget Office submitted a compilation of agency budget requests and a Department of Revenue estimate of tax revenues.
- February 20, 2013 Governor Walker delivered budget message and recommendations to the Legislature.
- April 2 Recommendations of the State Building Commission for the capital budget and state building program submitted to the Joint Committee on Finance.

#### JOINT COMMITTEE ON FINANCE

- January 24 Legislative Fiscal Bureau releases general fund expenditure and revenue projections.
- February 20 Introduced the executive budget as 2013 Assembly Bill 40.
- March 19-26 Budget bill briefings by agency officials.
- April 2 Received recommendations of the State Building Commission for the capital budget and authorized state building program.
- April 4-18 Public hearings (Greendale, Green Bay, Wisconsin Dells, Baldwin).
- April 24 Non-fiscal items removed from budget bill.
- April 25-June 4 Executive sessions.
- June 4 Adopted Assembly Substitute Amendment 1 (ASA 1) to AB 40 and recommended the bill for passage on a 12-4 vote.
- June 14 ASA 1 to AB 40, as recommended by the Joint Committee on Finance, reported to the Assembly.

#### LEGISLATURE

- June 19 Assembly adopted Assembly Substitute Amendment 1 to AB 40, as amended, and passed the bill, as amended, on a vote of 55-42.
- June 21 Senate concurred with the Assembly's action on the budget bill, on a vote of 17-16.

#### ENACTMENT

- June 24 Assembly Bill 40 enrolled.
- June 27 Enrolled AB 40 presented to Governor.
- June 30 Governor approved bill, with 57 partial vetoes, as 2013 Wisconsin Act 20.
- July 1 Act 20 published.
- July 2 Act 20 became generally effective.

## APPENDIX III

### History of the 2013-15 Biennial Budget

This section provides a narrative history of the 2013-15 biennial budget. Although the formal legislative history of the biennial state budget commenced with the introduction of a bill comprising the Governor's budget recommendations, the actual process of assembling the budget began several months prior to its introduction. This history starts at that point.

On August 14, 2012, the Department of Administration (DOA) released Governor Scott Walker's major budget policies. On August 27, 2012, the technical budget instructions were issued for each state agency to follow in preparing their 2013-15 biennial budget requests. Included in these policy directives were instructions that state agencies prepare their 2013-15 biennial budget requests based on 100 percent of their fiscal year 2012-13 adjusted base levels minus statutory and discretionary lapses. In addition, agencies were to assume zero growth in overall state general purpose revenue (GPR) appropriations, except for K-12 school aids, required basic cost-to-continue needs for the state's institutions (in the Department of Corrections and the Department of Health Services), entitlement and related assistance programs in the Department of Health Services (medical assistance); the Department of Children and Families' Division of Safety and Permanence, and the Department of Workforce Development's Division of Vocational Rehabilitation, and housekeeping adjustments such as standard budget adjustments, fuel and utilities, and debt service.

Under 2011 Act 32 (2011-13 biennial budget), the Secretary of the Department of Administration Secretary was authorized to lapse or transfer \$174.3 million to the general fund in 2011-13 and 2013-15 biennia from the budgets of state agen-

cies. However, the Department of Justice, University of Wisconsin System, Department of Children and Families, Department of Workforce Development, and the Office of State Employment Relations were not required to make these lapse reductions for 2013-15.

Agencies were also required to report on performance measures identified in previous biennial budgets. For the 2013-15 budget, agencies were asked to report actual outcome measures for fiscal year 2010-11 and 2011-12. Planned outcome measures were to be listed for fiscal years 2012-13, 2013-14, and 2014-15.

By statute, executive branch agencies were required to submit their formal budget requests to the Department of Administration and the Legislative Fiscal Bureau by September 17, 2012. The Division of Executive Budget and Finance (within DOA) began reviewing agency funding requests as they were submitted. On November 20, 2012, as required by statute, DOA distributed a compilation of state agencies' 2013-15 biennial budget requests to Governor Walker and members of the Legislature. This report indicated that agencies were seeking total 2013-15 funding of \$67.62 billion (all funds), of which \$31.15 billion was requested from general purpose revenue. Also included in the summary was the statutorily required estimate of tax revenues for fiscal year 2012-13 and the 2013-15 biennium, as developed by the Department of Revenue. Total general fund tax collections for the 2013-15 biennium were projected at \$29.07 billion.

Every January, the Legislative Fiscal Bureau prepares general fund expenditure and revenue projections for the Legislature as it begins to consider the state's budget and other legislation.

Based on updated tax collection data and other information, on January 24, 2013, the Bureau estimated that the state's general fund would realize a total of \$259.1 million less in tax collections for the period from 2012-13 through 2013-15 than was reflected in the administration's November 20 report. The primary reason for the \$259.1 million reduction was due to the enactment of the American Taxpayer Relief Act of 2012. At the time of the November 20 report, under state and federal law, Wisconsin's estate tax would have been restored for deaths occurring in 2013 and after. It was estimated that this restoration would have increased tax collections for the state by \$219.0 million (\$94.0 million in 2013-14 and \$125.0 million in 2014-15). The \$219.0 million was included in the November report. However, Congress modified federal law so that this did not occur.

By statute, the Governor is required to submit the budget message and the executive budget bill (or bills) to the Legislature on or before the last Tuesday in January of each odd-numbered year. However, under 2013 Senate Joint Resolution 1, adopted by the Senate on January 7, 2013, and concurred in by the Assembly on January 8, 2013, this deadline for the submission of Governor Walker's budget was extended to February 12, 2013. On January 25, 2013, at the request of the Governor, Senate Joint Resolution 6 was introduced and adopted by the Senate and Assembly extending the deadline for the Governor's budget message to Wednesday, February 20, 2013.

On February 20, 2013, the Joint Committee on Finance introduced Assembly Bill 40 -- the 2013-15 biennial budget bill. The bill was referred to the Joint Committee on Finance. The recommendations of the State Building Commission constituting the capital budget and the state building programs were submitted to the Joint Committee on Finance on April 2, 2013. These recommendations were taken up by the Joint Committee on Finance as modifications to the budget bill.

On February 20, 2013, reports were requested from the Joint Survey Committee on Tax Exemptions and the Joint Survey Committee on Retirement Systems on certain provisions of the bill.

The Joint Committee on Finance held agency informational briefings on the biennial budget bill on March 19, 20, 21, and 26. During these briefings, agency representatives testified before the Committee on the executive budget recommendations affecting their respective agencies. The agencies selected to appear before the Committee included: Department of Administration, Department of Revenue, Department of Workforce Development, Department of Justice, Office of the State Public Defender, Department of Agriculture, Trade and Consumer Protection, Department of Health Services, Department of Veterans Affairs, Department of Transportation, Wisconsin Economic Development Corporation, Department of Public Instruction, Wisconsin Technical College System, University of Wisconsin System, Supreme Court, Department of Corrections, Department of Children and Families, Department of Natural Resources, and the Department of Safety and Professional Services.

The Joint Committee on Finance held four public hearings on the biennial budget bill. Public hearings were held in Greendale on April 4, Green Bay on April 8, Wisconsin Dells on April 10, and Baldwin on April 18.

On April 24, 2013, Senator Alberta Darling (R-River Hills), the Senate Chair of the Joint Committee on Finance, and Representative John Nygren (R-Marinette), the Assembly Chair of the Joint Committee on Finance, issued a memorandum identifying a total of 12 non-fiscal policy items in the budget bill that would not be addressed as part of the Joint Committee on Finance's budget deliberations.

On May 9, 2013, the Legislative Fiscal Bureau sent a letter to the Co-chairs of the Joint Committee on Finance regarding recent tax collection data



showing significant strength in the individual income tax. In addition, while not as positive as income tax collections, revenues from the corporate income and franchise tax were also running ahead of the January estimates. Based on its review of collection data and economic forecasts, the Bureau indicated that general fund tax revenues would be higher than the previous estimates by \$215 million in 2012-13, \$180 million in 2013-14, and \$180 million in 2014-15. Over the three-year period, the income tax estimates were increased by \$385 million, and corporate tax projections were increased by \$190 million. The estimates for the other taxes were not revised because collections were consistent with the January figures.

The Joint Committee on Finance held a total of 10 executive sessions on the biennial budget bill. The first executive session was held on April 25, and the last was held on June 4. At the Committee's final executive session (June 4), the Committee adopted a substitute amendment incorporating all of its previous actions modifying the biennial budget. The vote to recommend Assembly Bill 40 for passage, as amended, was 12-4. The Committee's version of the budget bill, ASA 1 to AB 40, was reported to the Assembly on June 14, 2013.

Under section 13.95(1r) of the statutes, as created by 2011 Act 220, the Legislative Fiscal Bureau is required to prepare an earmark transparency report on each biennial budget bill and on each amendment to that bill. The report is to include the following elements: (1) a list of all earmarks; (2) the cost of each earmark; (3) the beneficiary of each earmark, if the Bureau can make this determination, and the Assembly and Senate district in which the beneficiary resides (for individuals) or is located (for entities); and (4) for a report on a budget amendment, the name of the legislator who proposed the earmark.

Under section 13.102 of the statutes, the Joint Committee on Finance (JFC) cannot vote to recommend passage of the biennial budget bill or

an amendment to the bill until the required report, on either the bill or amendment, has been distributed by the Bureau to each member of the Legislature and is made available on the Legislature's website. Section 13.39 of the statutes specifies that neither house of the Legislature may pass the biennial budget bill until the Bureau has distributed a copy of an earmark transparency report on the bill, as amended, to each member of the Legislature and has made the report available on the Legislature's website.

Under these provisions, the Legislative Fiscal Bureau released earmark reports as follows:

- April 24, 2013 -- Earmark Transparency Report on AB 40: total of 15 earmarks.
- June 5, 2013 -- Earmark Transparency Report on JFC Substitute Amendment (ASA 1): total of 25 earmarks -- 15 included in AB 40 (Governor) and an additional 10 added by JFC.
- June 19, 2013 -- Earmark Transparency Report on ASA 1, as amended by the Assembly: total of 25 earmarks -- no additional earmarks added by the Assembly.
- June 21, 2013 -- Earmark Transparency Report on Engrossed AB 40: total of 25 earmarks -- no additional earmarks added by the Senate.

On June 12, 2013, the Joint Survey Committee on Tax Exemptions took executive action on provisions included in Assembly 40. The Joint Survey Committee on Tax Exemption report addressed provisions in the bill that would affect existing statutes or create new statutes relating to the exemption of property or persons from state or local taxes. The provisions included: (a) sunset the deferral of capital gains reinvested in qualified new business ventures, effective for taxable years beginning after December 31, 2013; (b) modification of the deferral of capital gains reinvested in qualified Wisconsin businesses by adopting a registration procedure performed by the Depart-

ment of Revenue (DOR); (c) modification of the deferral of capital gains on the sale of a Wisconsin capital asset by adopting a registration procedure performed by DOR; (d) income phase-out levels for the higher education tuition deduction indexed based on percentage change in Consumer Price Index; (e) an income tax exclusion for interest income received on bonds or notes issued by the Wisconsin Health and Educational Facilities Authority; (f) adoption of certain changes made to Internal Revenue Code (IRC); (g) creation of a sales and use tax exemption for certain lump sum contracts; (h) make definitional changes relating to the existing sales and use tax exemption for qualified research in biotech and manufacturing, as well as existing sales and use tax exemption relating to machinery and equipment used to raise animals for use in such qualified research; (i) definition of "custom farming services" sales and use tax exemption to include services performed by a veterinarian to animals that are farm livestock or work stock; (j) clarification that the sales and use tax exemption for products provided free of charge with the purchase of another product does not apply to products provided free of charge with the purchase of taxable services; (k) exemption from sales and use tax services related to printing of promotional and direct mail; and (l) exemption of biogas energy systems from property taxation, including equipment used to generate biogas and to store biomass or biogas, as well as structures used to shelter or operate such equipment.

The Joint Survey Committee on Tax Exemptions found that there were no questions of legality regarding the provisions of the bill described in the report and determined that the provisions were good public policy.

On June 18, 2013, the Joint Survey Committee on Retirement Systems held an executive session to address the following provisions contained in Assembly Bill 40: (a) modification of current WRS administration and benefits to ensure com-

pliance with the IRC; (b) modification of current WRS eligibility requirements; and (c) modification of WRS employee separation requirements. The Joint Survey Committee on Retirement Systems indicated that the provisions in the bill were good public policy and should be considered by the Legislature.

Prior to Assembly and Senate deliberations on the budget, the Legislative Fiscal Bureau conducted briefings with the caucuses in both houses on the provisions of the budget bill.

The Assembly took action on the 2013-15 state budget on June 18, 2013, and June 19, 2013. During the Assembly's deliberations, four amendments to ASA 1 to Assembly Bill 40 were offered (three amendments to ASA 1 and one amendment to AA 3 to ASA 1). Two Assembly amendments were adopted – AA 1 to Assembly Amendment 3 and Assembly Amendment 3 to ASA 1. On June 19, 2013, the Assembly substitute amendment (ASA 1), as amended, was adopted and the bill, as amended, was passed on a vote of 55-42. The bill was ordered immediately messaged to the Senate.

The Senate debated the 2013-15 state budget on June 20, 2013 and June 21, 2013. A total of 55 amendments to Assembly Bill 40, as amended, were offered. No amendments were adopted. The Senate concurred with the Assembly by a vote of 17-16 on June 21, 2013.

The bill was enrolled on June 24, 2013, and presented to the Governor on June 27, 2013. He approved the bill, in part, on June 30 and had it deposited to the Office of the Secretary of State on July 1, as 2013 Wisconsin Act 20. The Governor indicated in his message to the Legislature that he had exercised his authority to make 57 partial vetoes to the bill, as passed by the Legislature. Act 20 was published on July 1, and except as otherwise specifically provided, became effective the following day.

## APPENDIX IV

### History of Passage of Biennial Budget Bills (1977-79 thru 2013-15)

<u>Biennial Budget</u>	<u>Bill #</u>	<u>Date of Introduction</u>	<u>JFC Passage</u>	<u>First House Passage</u>	<u>Second House Passage</u>	<u>Final Legislative Action</u>	<u>Publication Date</u>	<u>Act #</u>
2013-15	AB 40	Feb 20, 2013	June 4	June 19	June 21	June 21	July 1	2013 Act 20
2011-13	AB 40 <sup>a</sup>	March 1, 2011	June 13	June 14	June 16	June 16	June 30	2011 Act 32
	SB 27 <sup>a</sup>	March 1, 2011	---					
2009-11	AB 75	Feb 17, 2009	June 8	June 11	June 25	June 26	June 29	2009 Act 28
2007-09	SB 40	Feb 13, 2007	June 20	June 26	July 6	Oct 23	Oct 26	2007 Act 20
2005-07	AB 100	Feb 9, 2005	June 9	June 21	June 30	July 5	July 26	2005 Act 25
2003-05	SB 44	Feb 20, 2003	June 4	June 18	June 19	June 24	July 25	2003 Act 33
2001-03	AB 144 <sup>a</sup>	Feb 20, 2001	---					
	SB 55 <sup>a</sup>	Feb 20, 2001	June 7	June 19	June 29	July 26	Aug 31	2001 Act 16
1999-01	SS AB 1	Oct 29, 1999	Nov 4 <sup>b</sup>	Nov 2	Nov 11	Nov 11	Nov 18	1999 Act 10
	AB 133 <sup>a</sup>	Feb 16, 1999	June 10	June 30	July 1	Oct 6	Oct 28	1999 Act 9
	SB 45 <sup>a</sup>	Feb 16, 1999	---	---	---	---	---	---
1997-99	SB 77 <sup>a</sup>	Feb 12, 1997	June 19	---	---	---	---	---
	AB 100 <sup>a</sup>	Feb 12, 1997	Sept 4	Sept 16	Sept 25	Sept 29	Oct 13	1997 Act 27
1995-97	AB 150	Feb 16, 1995	June 15	June 22	June 28	June 29	July 28	1995 Act 27
	AB 402 <sup>c</sup>	May 24, 1995	May 30					
	AB 557 <sup>d</sup>	Sep 12, 1995	Oct 3	Oct 12	Nov 7	Nov 16	Dec 20	1995 Act 113
1993-95	SB 44	Feb 4, 1993	June 29 <sup>e</sup>	June 30	<sup>f</sup>	July 16	Aug 11	1993 Act 16
1991-93	AB 91	Feb 7, 1991	June 25	June 26	July 2	July 3	Aug 14	1991 Act 39
1989-91	SB 31 <sup>g</sup>	Feb 2, 1989	June 14	June 19	June 28	June 30	Aug 8	1989 Act 31
1987-89	SB 100	Feb 17, 1987	June 11	June 18	July 2	July 2	July 31	1987 Act 27
1985-87	AB 85	Jan 29, 1985	June 6	June 14	June 23	June 28	July 19	1985 Act 29
1983-85	SB 83	Feb 8, 1983	May 26	June 3	June 21	June 24	July 1	1983 Act 27
1981-83	AB 66	Jan 27, 1981	June 2	June 30	July 8	July 22	July 30	Chap. 20, Laws of 1981
1979-81	SB 79	Feb 13, 1979	May 22	June 6	June 27	June 29	July 28	Chap. 34, Laws of 1979
1977-79	SB 77	Jan 25, 1977	May 10	May 24	June 13	June 15	June 29	Chap. 29, Laws of 1977

<sup>a</sup>In 1997-99, 1999-01, 2001-03, and 2011-13, the Governor's biennial budget recommendations were introduced in identical form in both the Assembly and the Senate.

<sup>b</sup>SS AB 1 was referred by the Assembly to the Joint Committee on Finance (JFC) on October 29 and withdrawn from the Committee on November 2. The bill, as passed by the Assembly, was referred to the JFC by the Senate on November 4. The Committee recommended passage of SSA 1 to SS AB 1 on that same day.

<sup>c</sup>AB 150, as introduced, did not include the transportation budget. The Governor later submitted separate recommendations for the transportation budget which were introduced as AB 402 on May 24, 1995. The provisions of AB 402 were subsequently incorporated into the budget bill, but were later removed when the Legislature was unable to reconcile differences between the two houses on the transportation budget.

<sup>d</sup>A second transportation budget was introduced September 12, 1995 by Senator Weeden and Representative Brancel at the request of the Governor and the transportation budget bill was adopted on December 20, 1995.

<sup>e</sup>Budget bill was reported out without recommendation.

<sup>f</sup>Committee of Conference was requested by the Assembly on July 7.

<sup>g</sup>The Governor's initial biennial budget was presented in three bills: SB 31 (general executive budget); SB 32 (natural resources budget); and SB 33 (transportation budget). These three bills were combined into a single substitute amendment to SB 31 when the 1989-91 biennial budget bill was reported out by the Joint Committee on Finance.

## APPENDIX V

### Biennial Budget Bill Introduction Dates 1977-79 thru 2013-15

<u>Budget Biennium</u>	<u>Introduced Bill</u>	<u>Statutory Submittal Date</u>	<u>Actual Submittal Date</u>	<u>Days After Statutory Date</u>
2013-15	AB 40	January 29, 2013	February 20, 2013	22
2011-13	AB 40/SB 27	January 25, 2011	March 1, 2011	35
2009-11	AB 75	January 27, 2009	February 17, 2009	21
2007-09	SB 40	January 30, 2007	February 13, 2007	14
2005-07	AB 100	January 25, 2005	February 9, 2005	15
2003-05	SB 44	January 28, 2003	February 20, 2003	23
2001-03	SB 55/AB 144	January 30, 2001	February 20, 2001	21
1999-01	SB 45/AB 133	January 26, 1999	February 16, 1999	21
1997-99	AB 100/SB 77	January 28, 1997	February 12, 1997	15
1995-97	AB 150	January 31, 1995	February 16, 1995	16
1993-95	SB 44	January 26, 1993	February 4, 1993	9
1991-93	AB 91	January 29, 1991	February 7, 1991	9
1989-91	SB 31	January 31, 1989	February 2, 1989	2
1987-89	SB 100	January 27, 1987	February 17, 1987	21
1985-87	AB 85	January 29, 1985	January 29, 1985	0
1983-85	SB 83	January 25, 1983	February 8, 1983	14
1981-83	AB 66	January 27, 1981	January 27, 1981	0
1979-81	SB 79	January 30, 1979	February 13, 1979	14
1977-79	SB 77	January 25, 1977	January 25, 1977	0

## APPENDIX VI

### General Fund Condition Statement, Summary of Total Appropriations by Fund Source, and Sample Appropriations Schedule and Language

The following four charts portray statutory sections of the final 2013-15 approved biennial budget. Chart 1 portrays the final general fund condition statement for 2013-15 which appears in the 2013-14 Wisconsin Statutes. This is the part of figure 20.005(1) that is headed "GENERAL FUND SUMMARY."

That same figure also contains three other summaries which, taken together, represent the final level of all funds appropriations and reserves approved by the 2013 Legislature. Chart 2

displays these other three summaries. One summary is for all appropriations by revenue source, another is for compensation reserve amounts by revenue source, and the final one is a summary of the lottery fund revenues and expenditures. Chart 3 provides an example of the individual appropriations and departmental totals for three state agencies within one functional area (Judicial) of the total budget. Chart 4 shows the actual statutory language which governs the appropriations shown in Chart 3.

#### CHART 1

**20.005 State budget. (1) SUMMARY OF ALL FUNDS.** The budget governing fiscal operations for the state of Wisconsin for all funds beginning on July 1, 2013, and ending on June 30, 2015, is summarized as follows: [See Figure 20.005 (1) following]

**Figure 20.005(1):**

#### GENERAL FUND SUMMARY

	<b>2013-14</b>	<b>2014-15</b>
Opening Balance, July 1	\$ 759,205,000	\$ 724,377,000
<b>Revenues</b>		
Taxes	\$ 14,229,270,000	\$14,724,600,000
Departmental Revenues		
Tribal Gaming Revenues	23,703,600	23,533,600
Other	<u>576,909,000</u>	<u>535,201,800</u>
Total Available	\$15,589,087,600	\$16,007,712,400
<b>Appropriations, Transfers, and Reserves</b>		
Gross Appropriations	\$ 15,013,472,900	\$15,883,157,300
Transfers to:		
Transportation Fund	60,877,000	143,837,100
Veterans Trust Fund	5,300,000	0
Compensation Reserves	78,752,200	133,056,500
Less Lapses	<u>-293,691,500</u>	<u>-317,679,100</u>
Net Appropriations	\$ 14,864,710,600	\$15,842,371,800
<b>Balance</b>		
Gross Balance	\$ 724,377,000	\$ 165,340,600
Required Statutory Balance	<u>-65,000,000</u>	<u>-65,000,000</u>
Net Balance, June 30	\$ 659,377,000	\$ 100,340,600

**CHART 2**

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**Figure 20.005(1): (continued)**

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**SUMMARY OF APPROPRIATIONS -- ALL FUNDS**

	<b>2013-14</b>	<b>2014-15</b>
General Purpose Revenue	\$ 15,013,472,900	\$ 15,883,157,300
Federal Revenue	\$ 9,718,473,200	\$ 10,022,639,400
Program	(8,820,121,900)	(9,125,190,400)
Segregated	(898,351,300)	(897,449,000)
Program Revenue	\$ 5,106,021,200	\$ 5,071,143,700
State	(4,218,316,700)	(4,251,633,800)
Service	(887,704,500)	(819,509,900)
Segregated Revenue	\$ 3,957,959,100	\$ 3,870,251,300
State	(3,609,587,900)	(3,521,855,800)
Local	(107,861,800)	(107,886,100)
Service	<u>(240,509,400)</u>	<u>(240,509,400)</u>
GRAND TOTAL	\$ 33,795,926,400	\$ 34,847,191,700

**SUMMARY OF COMPENSATION RESERVES -- ALL FUNDS**

	<b>2013-14</b>	<b>2014-15</b>
General Purpose Revenue	\$ 78,752,200	\$ 133,056,500
Federal Revenue	12,054,600	19,760,100
Program Revenue	20,400,000	33,440,200
Segregated Revenue	<u>13,909,100</u>	<u>22,800,100</u>
TOTAL	\$ 125,115,900	\$ 209,056,900

**CHART 2 (continued)**

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**Figure 20.005(1): (continued)**

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**LOTTERY FUND SUMMARY**

	<b>2013-14</b>	<b>2014-15</b>
Gross Revenue		
Ticket Sales	\$ 543,365,900	\$ 526,636,300
Miscellaneous Revenue	<u>104,200</u>	<u>63,800</u>
	\$ 543,470,100	\$ 526,700,100
Expenses		
Prizes	\$ 321,158,000	\$ 310,686,300
Administrative Expenses	<u>73,133,200</u>	<u>73,028,300</u>
	\$ 394,291,200	\$ 383,714,600
Net Proceeds	\$ 149,178,900	\$ 142,985,500
Total Available for Property Tax Relief		
Opening Balance	\$ 33,099,100	\$ 10,869,400
Net Proceeds	149,178,900	142,985,500
Interest Earnings	102,200	124,600
Gaming-Related Revenue	<u>91,200</u>	<u>102,300</u>
	\$ 182,471,400	\$ 154,081,800
Property Tax Relief	\$ 171,602,000	\$ 143,547,800
Gross Closing Balance	\$ 10,869,400	\$ 10,534,000
Reserve	\$ 10,869,400	\$ 10,534,000
Net Balance	\$ 0	\$ 0

### CHART 3

#### Sample of Statutory Appropriations Schedule

#### Judicial Functional Area

Statute, Agency and Purpose	Source	Type	2013-14	2014-15
<b>20.625 Circuit Courts</b>				
(1) COURT OPERATIONS				
(a) Circuit courts	GPR	S	69,824,200	69,824,200
(as) Violent crime court costs	GPR	A	-0-	-0-
(b) Permanent reserve judges	GPR	A	-0-	-0-
(c) Court interpreter fees	GPR	A	1,433,500	1,433,500
(d) Circuit court support payments	GPR	B	18,552,200	18,552,200
(e) Guardian ad litem costs	GPR	A	4,691,100	4,691,100
(g) Sale of materials and services	PR	C	-0-	-0-
(k) Court interpreters	PR-S	A	232,700	232,700
(m) Federal aid	PR-F	C	-0-	-0-
20.625 DEPARTMENT TOTALS				
GENERAL PURPOSE REVENUES			94,501,000	94,501,000
PROGRAM REVENUE			232,700	232,700
FEDERAL			(-0-)	(-0-)
OTHER			(-0-)	(-0-)
SERVICE			(232,700)	(232,700)
TOTAL--ALL SOURCES			94,733,700	94,733,700
<b>20.660 Court of Appeals</b>				
(1) Appellate proceedings				
(a) General program operations	GPR	S	10,246,400	10,267,800
(m) Federal aid	PR-F	C	-0-	-0-
20.660 DEPARTMENT TOTALS				
GENERAL PURPOSE REVENUES			10,246,400	10,267,800
PROGRAM REVENUE			-0-	-0-
FEDERAL			(-0-)	(-0-)
TOTAL-ALL SOURCES			10,246,400	10,267,800
<b>20.665 Judicial Commission</b>				
(1) JUDICIAL CONDUCT				
(a) General program operations	GPR	A	321,900	273,500
(cm) Contractual agreements	GPR	B	16,200	16,200
(mm) Federal aid	PR-F	C	-0-	-0-
20.665 DEPARTMENT TOTALS				
GENERAL PURPOSE REVENUES			338,100	289,700
PROGRAM REVENUE			-0-	-0-
FEDERAL			(-0-)	(-0-)
TOTAL-ALL SOURCES			338,100	289,700



## CHART 4

### Sample of Statutory Appropriations Language

**20.625 Circuit courts.** There is appropriated to the director of state courts for the following programs:

(1) COURT OPERATIONS. (a) *Circuit courts.* A sum sufficient for salaries and expenses of the judges, reporters and assistant reporters of the circuit courts.

(as) *Violent crime court costs.* The amounts in the schedule for reimbursement under s. 753.061 (5) for the costs of operating 2 circuit court branches in the 1st judicial administrative district that primarily handle violent crime cases, to pay one-time court construction costs.

(b) *Permanent reserve judges.* The amounts in the schedule for reimbursement of permanent reserve judges under s. 753.075 (3) (b).

(c) *Court interpreter fees.* The amounts in the schedule to pay interpreter fees reimbursed under s. 758.19 (8) and 2009 Wisconsin Act 28, section 9109 (1).

(d) *Circuit court support payments.* Biennially, the amounts in the schedule to make a payment to each county under s. 758.19 (5).

(e) *Guardian ad litem costs.* The amounts in the schedule to pay the counties for guardian ad litem costs under s. 758.19 (6).

(g) *Sale of materials and services.* All moneys received, other than from state agencies, by circuit courts from the sale of materials or services, for general program operations of the circuit courts.

(k) *Court interpreters.* The amounts in the schedule to pay interpreter fees reimbursed under s. 758.19 (8) and 2009 Wisconsin Act 28, section 9109 (1). All moneys transferred from the appropriation account under s. 20.505 (1) (id) 8. shall be credited to this appropriation account.

(m) *Federal aid.* All federal moneys received as

authorized under s. 16.54 to carry out the purposes for which made and received.

**History:** 1971 c. 125; 1975 c. 39, 283; 1977 c. 187 s. 135; 1977 c. 449; Sup. Ct. Order, 88 Wis. 2d xiii (1979); 1979 c. 34; 1983 a. 27; 1987 a. 399; 1989 a. 122; 1991 a. 39; 1993 a. 16, 206; 1995 a. 27; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2005 a. 130; 2009 a. 28; 2011 a. 32.

**20.660 Court of appeals.** There is appropriated to the court of appeals for the following programs:

(1) APPELLATE PROCEEDINGS. (a) *General program operations.* A sum sufficient to carry its functions into effect.

(m) *Federal aid.* All moneys received from the federal government as authorized by the governor under s. 16.54 to carry out the purposes for which made and received.

**History:** 1977 c. 187, 418; 1997 a. 27; 1999 a. 9.

**20.665 Judicial commission.** There is appropriated to the judicial commission:

(1) JUDICIAL CONDUCT. (a) *General program operations.* The amounts in the schedule for the general program operations of the judicial commission.

(cm) *Contractual agreements.* Biennially, the amounts in the schedule for payments relating to contractual agreements for investigations or prosecutions or both.

(mm) *Federal aid.* All federal moneys received as authorized under s. 16.54 and approved by the joint committee on finance to carry out the purposes for which made and received.

**History:** 1977 c. 449; 1979 c. 221; 1981 c. 20; 1983 a. 27, 378; 1987 a. 27; 1989 a. 31; 1995 a. 27; 1999 a. 9; 2007 a. 20.

## APPENDIX VII

### Tables Summarizing the 2013-15 State Budget

The tables, which follow, present budget and position summaries for Wisconsin's 2013-15 state budget. The amounts portrayed reflect final appropriated levels of the biennial budget (2013 Act 20) and all other legislation enacted in the 2013-14 session of the Legislature (2013 Acts 1 through 380).

The tables are presented in two sections. Tables 1 through 5 reflect all funds budget and position summaries and Tables 6 through 13 show budgeted amounts and positions funded from the state's general fund.

#### All Funds Budget and Position Summaries

Table 1	2013-15 Appropriations and Authorizations
Table 2	2013-15 Total Appropriations by Agency
Table 3	2013-15 All Funds Appropriations by Functional Area
Table 4	2013-15 All Funds Appropriations by Purpose
Table 5	2014-15 All Funds Full-Time Equivalent Positions by Agency

#### General Fund Budget and Position Summaries

Table 6	2013-15 General Fund Condition Statement
Table 7	Estimated 2013-15 General Fund Taxes
Table 8	2013-15 General Fund Appropriations by Agency
Table 9	2013-15 General Fund Appropriations by Functional Area
Table 10	2013-15 General Fund Appropriations by Purpose
Table 11	2013-15 General Fund Appropriations by Purpose and Major Budget Program
Table 12	2013-15 General Fund Appropriations -- Top Ten Programs
Table 13	2014-15 General Fund Full-Time Equivalent Positions by Agency

**TABLE 1**

**2013-15 Appropriations and Authorizations**

<u>Fund Source</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Total</u>	<u>% of Total</u>
<b>General Purpose Revenue (GPR)</b>	<b>\$15,092,225,100</b>	<b>\$16,016,213,800</b>	<b>\$31,108,438,900</b>	<b>43.8%</b>
Appropriations	15,013,472,900	15,883,157,300	30,896,630,200	
Compensation Reserves	78,752,200	133,056,500	211,808,700	
<b>Federal Revenue (FED)</b>	<b>9,730,527,800</b>	<b>10,042,399,500</b>	<b>19,772,927,300</b>	<b>27.8</b>
Appropriations	9,718,473,200	10,022,639,400	19,741,112,600	
Compensation Reserves	12,054,600	19,760,100	31,814,700	
<b>Program Revenue (PR)</b>	<b>5,126,421,200</b>	<b>5,104,583,900</b>	<b>10,231,005,100</b>	<b>14.4</b>
Appropriations	5,106,021,200	5,071,143,700	10,177,164,900	
Compensation Reserves	20,400,000	33,440,200	53,840,200	
<b>Segregated Revenue (SEG)</b>	<b>3,971,868,200</b>	<b>3,893,051,400</b>	<b>7,864,919,600</b>	<b>11.1</b>
Appropriations	3,957,959,100	3,870,251,300	7,828,210,400	
Compensation Reserves	<u>13,909,100</u>	<u>22,800,100</u>	<u>36,709,200</u>	<u>          </u>
<b>Subtotal</b>	<b>\$33,921,042,300</b>	<b>\$35,056,248,600</b>	<b>\$68,977,290,900</b>	<b>97.1%</b>
Appropriations	33,795,926,400	34,847,191,700	68,643,118,100	
Compensation Reserves	125,115,900	209,056,900	334,172,800	
<b>Bonding Authorization</b>			<b>2,048,604,900</b>	<b>2.9</b>
General Obligation Bonding			1,639,492,900*	
Revenue Bonding			<u>409,112,000</u>	<u>          </u>
<b>TOTAL</b>			<b>\$71,025,895,800</b>	<b>100.0%</b>

\*Excludes \$2,010,000,000 of economic refunding authority.

**TABLE 2**

**2013-15 Total Appropriations by Agency**

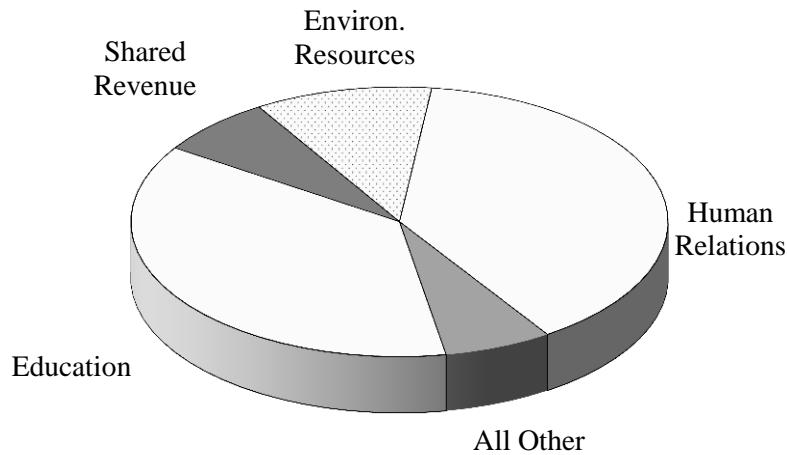
<u>Agency/Area</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2013-15 Biennium</u>	
			<u>Amount</u>	<u>% of Total</u>
Administration	\$964,776,100	\$931,851,900	\$1,896,628,000	2.75%
Agriculture, Trade and Consumer Protection	97,274,000	95,988,300	193,262,300	0.28
Bd. for People with Developmental Disab.	1,404,900	1,404,900	2,809,800	< 0.01
Board of Commissioners of Public Lands	1,548,900	1,550,500	3,099,400	< 0.01
Board on Aging and Long-Term Care	2,843,000	2,820,600	5,663,600	< 0.01
Building Commission	39,786,500	50,266,700	90,053,200	0.13
Child Abuse and Neglect Prevention Board	3,002,400	3,003,300	6,005,700	0.01
Children and Families	1,136,925,700	1,154,053,600	2,290,979,300	3.32
Circuit Courts	94,733,700	94,733,700	189,467,400	0.27
Compensation Reserves	125,115,900	209,056,900	334,172,800	0.48
Corrections	1,275,155,000	1,273,368,500	2,548,523,500	3.69
Court of Appeals	10,246,400	10,267,800	20,514,200	0.03
District Attorneys	46,174,700	48,785,300	94,960,000	0.14
Educational Communications Board	19,643,900	19,842,600	39,486,500	0.06
Employee Trust Funds	41,314,400	42,106,900	83,421,300	0.12
Employment Relations Commission	1,982,500	1,484,300	3,466,800	< 0.01
Environmental Improvement Program	45,738,900	46,824,500	92,563,400	0.13
Financial Institutions	17,839,700	17,947,900	35,787,600	0.05
Fox River Navigational System Authority	125,400	125,400	250,800	< 0.01
Government Accountability Board	7,416,000	6,591,000	14,007,000	0.02
Governor	3,741,300	3,741,300	7,482,600	0.01
Health Services	9,916,036,000	10,423,039,700	20,339,075,700	29.49
Higher Educational Aids Board	145,951,100	146,516,000	292,467,100	0.42
Historical Society	21,822,400	21,815,100	43,637,500	0.06
Insurance Commissioner	108,472,100	108,454,700	216,926,800	0.31
Investment Board	35,300,000	35,300,000	70,600,000	0.10
Judicial Commission	338,100	289,700	627,800	< 0.01
Judicial Council	69,700	69,700	139,400	< 0.01
Justice	121,172,500	122,491,800	243,664,300	0.35
Legislature	75,067,400	74,923,700	149,991,100	0.22
Lieutenant Governor	316,600	316,600	633,200	< 0.01
Lower Wisconsin State Riverway Board	208,700	208,800	417,500	< 0.01
Medical College of Wisconsin	8,698,500	9,966,200	18,664,700	0.03
Military Affairs	102,532,200	103,874,300	206,406,500	0.30
Miscellaneous Appropriations	130,531,800	138,287,700	268,819,500	0.39

**TABLE 2 (continued)****2013-15 Total Appropriations by Agency**

<u>Agency/Area</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2013-15 Biennium</u>	
			<u>Amount</u>	<u>% of Total</u>
Natural Resources	\$577,144,500	\$568,873,400	\$1,146,017,900	1.66%
Office of State Employment Relations	5,952,900	6,031,800	11,984,700	0.02
Program Supplements	7,709,600	7,879,400	15,589,000	0.02
Public Defender	88,492,100	83,325,100	171,817,200	0.25
Public Instruction	6,181,274,200	6,401,075,200	12,582,349,400	18.24
Public Service Commission	24,253,400	24,654,400	48,907,800	0.07
Revenue	184,384,700	184,049,000	368,433,700	0.53
Safety and Professional Services	50,918,600	51,186,700	102,105,300	0.15
Secretary of State	507,000	508,600	1,015,600	< 0.01
Shared Revenue and Tax Relief	2,410,694,700	2,406,113,400	4,816,808,100	6.98
State Fair Park Board	22,574,600	22,522,000	45,096,600	0.07
State Treasurer	544,800	544,800	1,089,600	< 0.01
Supreme Court	31,154,500	31,198,000	62,352,500	0.09
Tourism	17,824,100	17,832,700	35,656,800	0.05
Transportation	3,087,715,900	3,008,640,900	6,096,356,800	8.84
University of Wisconsin System	5,901,661,200	5,926,524,800	11,828,186,000	17.15
Veterans Affairs	135,970,000	135,857,600	271,827,600	0.39
WI Economic Development Corporation	40,900,700	59,300,700	100,201,400	0.15
WI Housing and Economic Development Auth.	2,500,000	0	2,500,000	< 0.01
Wisconsin Technical College System	146,154,300	557,164,200	703,318,500	1.02
Workforce Development	<u>399,404,100</u>	<u>361,596,000</u>	<u>761,000,100</u>	<u>1.10</u>
<b>TOTAL</b>	<b>\$33,921,042,300</b>	<b>\$35,056,248,600</b>	<b>\$68,977,290,900</b>	<b>100.00%</b>

**TABLE 3**

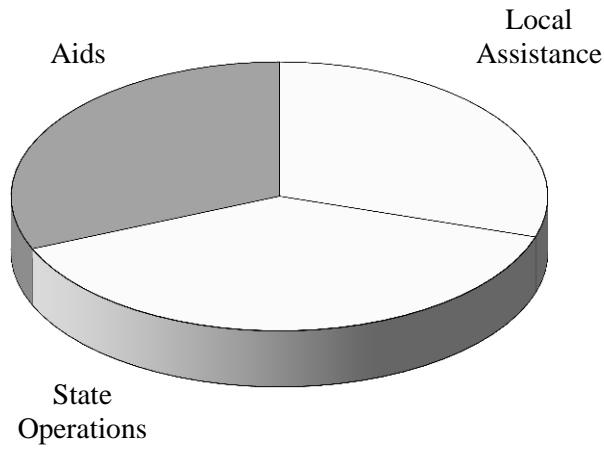
**2013-15 All Funds Appropriations  
By Functional Area**



<u>Functional Area</u>	<u>Amount</u>	<u>% of Total</u>
Human Relations and Resources	\$26,776,882,900	38.8%
Education	25,508,109,700	37.0
Environmental Resources	7,371,263,200	10.7
Shared Revenue and Tax Relief	4,816,808,100	7.0
All Other		
General Executive	2,630,212,300	3.8
Commerce	742,287,800	1.1
General Appropriations	374,461,700	0.5
Compensation Reserves	334,172,800	0.5
Judicial	273,101,300	0.4
Legislative	<u>149,991,100</u>	<u>0.2</u>
<b>TOTAL</b>	<b>\$68,977,290,900</b>	<b>100.0%</b>

**TABLE 4**

**2013-15 All Funds Appropriations  
By Purpose**



<u>Purpose</u>	<u>Amount</u>	<u>% of Total</u>
State Operations	\$26,672,688,100	38.7%
UW System	(11,825,661,600)	(17.2)
Other Programs	(14,512,853,700)	(21.0)
Compensation Reserves	(334,172,800)	(0.5)
Local Assistance	20,647,820,400	29.9
Aids to Individuals and Organizations	<u>21,656,782,400</u>	<u>31.4</u>
TOTAL	\$68,977,290,900	100.0%

**TABLE 5****2014-15 All Funds Full-Time Equivalent Positions by Agency**

<u>Agency</u>	<u>Number</u>	<u>% of Total</u>
Administration	997.03	1.44%
Agriculture, Trade and Consumer Protection	624.69	0.90
Board for People with Developmental Disabilities	6.75	0.01
Board of Commissioners of Public Lands	9.50	0.01
Board on Aging and Long-Term Care	37.00	0.05
Child Abuse and Neglect Prevention Board	6.00	0.01
Children and Families	788.61	1.14
Circuit Courts	527.00	0.76
Corrections	10,211.02	14.73
Court of Appeals	75.50	0.11
District Attorneys	435.95	0.63
Educational Communications Board	56.68	0.08
Employee Trust Funds	266.20	0.38
Employment Relations Commission	9.01	0.01
Financial Institutions	141.54	0.20
Government Accountability Board	48.75	0.07
Governor	37.25	0.05
Health Services	6,162.55	8.89
Higher Educational Aids Board	11.00	0.02
Historical Society	127.54	0.18
Insurance	153.30	0.22
Investment Board	145.10	0.21
Judicial Commission	2.00	< 0.01
Judicial Council	1.00	< 0.01
Justice	674.74	0.97
Legislature	777.97	1.12
Lieutenant Governor	4.00	< 0.01
Lower Wisconsin State Riverway Board	2.00	< 0.01
Military Affairs	430.61	0.62
Natural Resources	2,625.54	3.79
Office of State Employment Relations	49.95	0.07
Public Defender	579.85	0.84
Public Instruction	629.46	0.91
Public Service Commission	148.00	0.21
Revenue	1,096.28	1.58



**TABLE 5 (continued)**

**2014-15 All Funds Full-Time Equivalent Positions by Agency**

<u>Agency</u>	<u>Number</u>	<u>% of Total</u>
Safety and Professional Services	262.60	0.38%
Secretary of State	4.00	< 0.01
State Fair Park	48.00	0.07
State Treasurer	4.00	< 0.01
Supreme Court	220.75	0.32
Tourism	35.00	0.05
Transportation	3,513.04	5.07
University of Wisconsin System	34,279.96	49.44
Veterans Affairs	1,291.70	1.86
Wisconsin Technical College System	64.50	0.09
Workforce Development	<u>1,716.76</u>	<u>2.48</u>
TOTAL	69,339.68	100.00%

**2014-15 Full-Time Equivalent Positions by Funding Source**

<u>Fund</u>	<u>Number</u>	<u>% of Total</u>
GPR	35,961.83	51.86%
FED	10,411.43	15.02
PR	17,748.81	25.60
SEG	<u>5,217.61</u>	<u>7.52</u>
TOTAL	69,339.68	100.00%

**TABLE 6****2013-15 General Fund Condition Statement**

	<u>2013-14</u>	<u>2014-15</u>
<b>Revenues</b>		
Opening Balance, July 1	\$759,205,000	\$724,377,000
Taxes	14,229,270,000	14,724,600,000
Departmental Revenues		
Tribal Gaming Revenues	23,703,600	23,533,600
Other	<u>576,909,000</u>	<u>535,201,800</u>
Total Available	\$15,589,087,600	\$16,007,712,400
<b>Appropriations, Transfers, and Reserves</b>		
Gross Appropriations	\$15,013,472,900	\$15,883,157,300
Transfers to:		
Transportation Fund	60,877,000	143,837,100
Veterans Trust Fund	5,300,000	0
Compensation Reserves	78,752,200	133,056,500
Less Lapses	<u>-293,691,500</u>	<u>-317,679,100</u>
Total Expenditures	\$14,864,710,600	\$15,842,371,800
<b>Balances</b>		
Gross Balance	\$724,377,000	\$165,340,600
Less Required Statutory Balance	<u>-65,000,000</u>	<u>-65,000,000</u>
Net Balance, June 30	\$659,377,000	\$100,340,600

**TABLE 7****Estimated 2013-15 General Fund Taxes**

<u>Tax Source</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Total</u>	<u>% of Total</u>
Individual Income	\$7,240,100,000	\$7,514,140,000	\$14,754,240,000	51.0%
Sales and Use	4,639,380,000	4,808,400,000	9,447,780,000	32.6
Corporate Income and Franchise	1,064,890,000	1,099,860,000	2,164,750,000	7.5
Public Utility	353,700,000	358,300,000	712,000,000	2.4
Excise Taxes				
Cigarette	575,000,000	570,000,000	1,145,000,000	3.9
Tobacco Products	67,700,000	69,800,000	137,500,000	0.5
Liquor and Wine	47,700,000	48,300,000	96,000,000	0.3
Beer	9,000,000	8,900,000	17,900,000	0.1
Insurance Company	164,000,000	172,000,000	336,000,000	1.2
Miscellaneous	<u>67,800,000</u>	<u>74,900,000</u>	<u>142,700,000</u>	<u>0.5</u>
<b>TOTAL</b>	<b>\$14,229,270,000</b>	<b>\$14,724,600,000</b>	<b>\$28,953,870,000</b>	<b>100.0%</b>

**TABLE 8****2013-15 General Fund Appropriations by Agency**

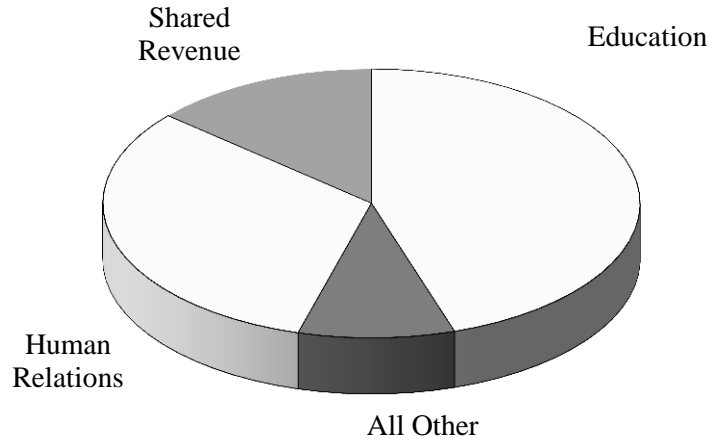
<u>Agency/Area</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2013-15 Biennium</u>	
			<u>Amount</u>	<u>% of Total</u>
Administration	446,536,700	414,422,900	\$860,959,600	2.77%
Agriculture, Trade and Consumer Protection	26,785,400	26,411,900	53,197,300	0.17
Bd. for People with Developmental Disab.	59,100	59,100	118,200	< 0.01
Board on Aging and Long-Term Care	1,117,600	1,117,600	2,235,200	0.01
Building Commission	36,162,100	44,443,200	80,605,300	0.26
Child Abuse and Neglect Prevention Board	996,700	996,700	1,993,400	< 0.01
Children and Families	349,369,100	357,586,100	706,955,200	2.27
Circuit Courts	94,501,000	94,501,000	189,002,000	0.61
Compensation Reserves	78,752,200	133,056,500	211,808,700	0.68
Corrections	1,161,045,100	1,158,822,100	2,319,867,200	7.46
Court of Appeals	10,246,400	10,267,800	20,514,200	0.07
District Attorneys	42,711,900	45,319,000	88,030,900	0.28
Educational Communications Board	7,925,100	7,919,000	15,844,100	0.05
Employee Trust Funds	367,200	216,600	583,800	< 0.01
Employment Relations Commission	1,797,400	1,381,000	3,178,400	0.01
Environmental Improvement Program	37,738,900	38,824,500	76,563,400	0.25
Government Accountability Board	3,307,300	2,815,000	6,122,300	0.02
Governor	3,741,300	3,741,300	7,482,600	0.02
Health Services	3,152,340,200	3,364,517,500	6,516,857,700	20.95
Higher Educational Aids Board	84,803,200	143,713,500	228,516,700	0.73
Historical Society	14,046,300	14,034,900	28,081,200	0.09
Judicial Commission	338,100	289,700	627,800	< 0.01
Judicial Council	69,700	69,700	139,400	< 0.01
Justice	47,210,500	47,302,500	94,513,000	0.30
Legislature	73,080,700	72,926,300	146,007,000	0.47
Lieutenant Governor	316,600	316,600	633,200	< 0.01
Medical College of Wisconsin	8,451,000	9,718,700	18,169,700	0.06
Military Affairs	25,076,500	26,265,400	51,341,900	0.17
Miscellaneous Appropriations	100,154,900	107,789,700	207,944,600	0.67
Natural Resources	136,236,700	136,715,000	272,951,700	0.88
Program Supplements	7,404,900	5,873,200	13,278,100	0.04
Public Defender	87,190,900	82,023,800	169,214,700	0.54
Public Instruction	5,313,726,500	5,531,822,600	10,845,549,100	34.86
Revenue	90,364,900	89,711,500	180,076,400	0.58
Safety and Professional Services	2,412,300	2,412,300	4,824,600	0.02

**TABLE 8 (continued)****2013-15 General Fund Appropriations by Agency**

<u>Agency/Area</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2013-15 Biennium</u>	
			<u>Amount</u>	<u>% of Total</u>
Shared Revenue and Tax Relief	\$2,123,342,700	\$2,147,065,600	\$4,270,408,300	13.73%
State Fair Park Board	3,481,600	3,476,200	6,957,800	0.02
Supreme Court	14,775,400	14,802,200	29,577,600	0.10
Tourism	5,267,000	5,270,400	10,537,400	0.03
Transportation	174,451,500	136,280,600	310,732,100	1.00
University of Wisconsin System	1,116,534,500	1,124,031,500	2,240,566,000	7.20
Veterans Affairs	2,069,700	2,070,300	4,140,000	0.01
WI Economic Development Corporation	6,124,400	36,524,700	42,649,100	0.14
WI Housing and Economic Development Auth.	2,500,000	0	2,500,000	< 0.01
Wisconsin Technical College System	108,286,200	519,292,700	627,578,900	2.02
Workforce Development	<u>89,007,700</u>	<u>49,995,400</u>	<u>139,003,100</u>	<u>0.45</u>
<b>TOTAL</b>	<b>\$15,092,225,100</b>	<b>\$16,016,213,800</b>	<b>\$31,108,438,900</b>	<b>100.00%</b>

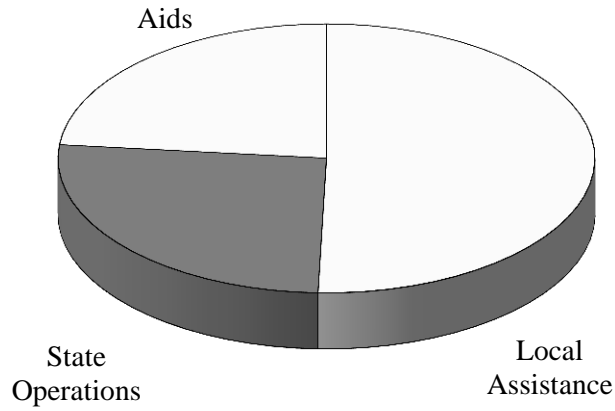
**TABLE 9**

**2013-15 General Fund Appropriations  
By Functional Area**



<u>Functional Area</u>	<u>Amount</u>	<u>% of Total</u>
Education	\$14,004,305,700	45.0%
Human Relations and Resources	9,930,734,200	31.9
Shared Revenue and Tax Relief	4,270,408,300	13.7
All Other		
General Executive	1,225,072,600	3.9
Environmental Resources	670,784,600	2.2
General Appropriations	301,828,000	1.0
Judicial	239,861,000	0.8
Compensation Reserves	211,808,700	0.7
Legislative	146,007,000	0.5
Commerce	<u>107,628,800</u>	<u>0.3</u>
<b>TOTAL</b>	<b>\$31,108,438,900</b>	<b>100.0%</b>

**TABLE 10**  
**2013-15 General Fund Appropriations**  
**By Purpose**



<u>Purpose</u>	<u>Amount</u>	<u>% of Total</u>
Local Assistance	\$15,713,151,300	50.5%
State Operations	8,130,405,700	26.1
UW System	(2,240,566,000)	(7.2)
Corrections	(2,062,800,000)	(6.6)
Compensation Reserves	(211,808,700)	(0.7)
Other Programs	(3,615,231,000)	(11.6)
Aids to Individuals and Organizations	<u>7,264,881,900</u>	<u>23.4</u>
<b>TOTAL</b>	<b>\$31,108,438,900</b>	<b>100.0%</b>

**TABLE 11**

**2013-15 General Fund Appropriations  
By Purpose and Major Budget Program**

	<u>Amount</u>	<u>% of Category</u>	<u>% of Budget</u>
<b>LOCAL ASSISTANCE</b>			
Elementary and Secondary School Aids	\$10,228,062,200	65.1%	32.9%
School Levy/First Dollar Tax Credits	1,793,219,100	11.4	5.7
Shared Revenue Payments	1,683,156,500	10.7	5.4
Technical College System Aids	617,594,500	3.9	2.0
Community and Juvenile Correctional Services	611,508,700	3.9	2.0
Long-Term Care Programs	175,619,400	1.1	0.6
Aid for Exempt Computer Property	168,517,700	1.1	0.5
Environmental Aid	133,417,100	0.8	0.4
Income Maintenance and Court Support Payments	86,476,600	0.6	0.3
Other	<u>215,579,500</u>	<u>1.4</u>	<u>0.7</u>
TOTAL -- Local Assistance	\$15,713,151,300	100.0%	50.5%
<b>STATE OPERATIONS</b>			
UW System	\$2,240,566,000	27.5%	7.2%
Correctional Operations	2,062,800,000	25.4	6.6
Appropriation Obligation Bonds	793,118,400	9.8	2.6
Judicial and Legal Services	527,432,800	6.5	1.7
State Residential Institutions	450,325,600	5.5	1.4
Health Services/Children & Families	315,642,600	3.9	1.0
Transportation Debt Service	310,732,100	3.8	1.0
Natural Resources	222,672,500	2.7	0.7
Compensation Reserves	211,808,700	2.6	0.7
Tax Administration	180,076,400	2.2	0.6
Income Tax Reciprocity	159,548,000	2.0	0.5
Legislature	146,007,000	1.8	0.5
Other	<u>509,675,600</u>	<u>6.3</u>	<u>1.6</u>
TOTAL -- State Operations	\$8,130,405,700	100.0%	26.1%
<b>AIDS TO INDIVIDUALS AND ORGANIZATIONS</b>			
Medical Assistance	\$4,626,845,800	63.7%	14.9%
Parental Choice Programs	384,334,700	5.3	1.2
Public Assistance	320,254,000	4.4	1.0
Supplemental Security Income	301,000,600	4.1	1.0
Student Grants and Aids	241,534,100	3.3	0.8
Homestead Tax Credit	238,710,000	3.3	0.8
Other Individual Tax Credits	142,795,000	2.0	0.5
Independent "2r" Charter Schools	134,445,000	1.9	0.4
Milwaukee Child Welfare	111,036,100	1.5	0.4
Foster Care and Adoption Assistance	109,448,200	1.5	0.3
Purchased Services	96,975,300	1.3	0.3
Prescription Drugs Assistance for Elderly	37,835,900	0.5	0.1
Other	<u>519,667,200</u>	<u>7.2</u>	<u>1.7</u>
TOTAL -- Aids to Individuals and Organizations	\$7,264,881,900	100.0%	23.4%
<b>TOTAL STATE GPR BUDGET</b>	\$31,108,438,900		100.0%



**TABLE 12****2013-15 General Fund Appropriations  
Top Ten Programs (from Table 11)**

	<u>Amount</u>	<u>% of Total</u>	<u>Cumulative % Total</u>
Elementary and Secondary School Aids	\$10,228,062,200	32.9%	32.9%
Medical Assistance	4,626,845,800	14.9	47.8
UW System	2,240,566,000	7.2	55.0
Correctional Operations	2,062,800,000	6.6	61.6
School Levy/First Dollar Tax Credits	1,793,219,100	5.7	67.3
Shared Revenue Payments	1,683,156,500	5.4	72.7
Appropriation Obligation Bonds	793,118,400	2.6	75.3
Technical College System Aids	617,594,500	2.0	77.3
Community and Juvenile Correctional Services	611,508,700	2.0	79.3
Judicial and Legal Services	<u>527,432,800</u>	<u>1.7</u>	81.0
Subtotal	\$25,184,304,000	81.0%	
All Other Programs	<u>5,924,134,900</u>	<u>19.0</u>	100.0%
GRAND TOTAL	\$31,108,438,900	100.0%	

**TABLE 13****2014-15 General Fund Full-Time Equivalent Positions by Agency**

<u>Agency</u>	<u>Number</u>	<u>% of Total</u>
Administration	95.84	0.27%
Agriculture, Trade and Consumer Protection	211.00	0.59
Board on Aging and Long-Term Care	15.73	0.04
Child Abuse and Neglect Prevention Board	1.00	< 0.01
Children and Families	220.90	0.61
Circuit Courts	527.00	1.47
Corrections	9,636.87	26.80
Court of Appeals	75.50	0.21
District Attorneys	383.95	1.07
Educational Communications Board	35.14	0.10
Employment Relations Commission	9.01	0.03
Government Accountability Board	19.30	0.05
Governor	37.25	0.10
Health Services	2,624.91	7.30
Higher Educational Aids Board	11.00	0.03
Historical Society	93.65	0.26
Judicial Commission	2.00	< 0.01
Judicial Council	0.50	< 0.00
Justice	392.58	1.09
Legislature	758.17	2.11
Lieutenant Governor	4.00	0.01
Military Affairs	80.63	0.22
Natural Resources	277.20	0.77
Public Defender	574.85	1.60
Public Instruction	253.43	0.70
Revenue	870.53	2.42
Safety and Professional Services	1.00	< 0.01
Supreme Court	114.50	0.32
Tourism	30.00	0.08
University of Wisconsin System	18,432.76	51.26
Wisconsin Technical College System	23.25	0.06
Workforce Development	<u>148.38</u>	<u>0.41</u>
<b>TOTAL</b>	<b>35,961.83</b>	<b>100.00%</b>