



2009 SENATE BILL 703

April 21, 2010 - Introduced by Senators KAPANKE, LEIBHAM and SCHULTZ, cosponsored by Representatives VOS, DAVIS, PRIDEMORE and STRACHOTA. Referred to Committee on Ethics Reform and Government Operations.

1 **AN ACT to amend** 13.62 (4m), 16.40 (20), 16.42 (1) (intro.), 16.45, 16.47 (1), 281.58
2 (9) (e) and 350.145 (3) (title); and **to create** 13.085, 16.42 (1) (f), 16.42 (3), 16.423
3 and 16.46 (5g) of the statutes; **relating to:** content of executive budget bills and
4 requiring a supermajority approval for certain bills in the state legislature,
5 preparation of results-based biennial budget requests by executive branch
6 state agencies, and state agency base budget review reports.

Analysis by the Legislative Reference Bureau

Current law requires the governor to prepare and submit to the legislature an executive budget bill or bills that contain the governor's recommendations for appropriations in the succeeding fiscal biennium. The governor may submit these appropriation recommendations in a single bill or in a multitude of bills. In recent history, the practice has been for the governor to submit a single executive budget bill. This bill requires the governor to prepare and submit to the legislature multiple executive budget bills. Each bill may contain only the governor's recommendations for appropriations for the succeeding biennium from a single fund. In other words, an executive budget bill may not appropriate moneys from more than one fund.

The bill also creates a legislative rule of proceeding that provides that no house of the legislature may pass a bill that transfers money from one fund to another fund unless the bill is approved by two-thirds of those members present and voting.

Current law requires each executive branch state agency to submit its biennial budget request to the Department of Administrative and the Legislative Fiscal

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Bureau no later than September 15 of the even-numbered year. These requests are used for the purpose of preparing the executive budget bill. This bill provides that each executive branch state agency must submit its biennial budget requests prepared using the principles of results-based budgeting for each of its activities, units, and programs. Under the bill, “results-based budgeting” is defined as the compilation of a budget of a state agency in which objectives are established for each of the state agency’s activities, units, and programs; in which resources are allocated specifically to achieving the objectives; in which objective performance indicators are developed to determine whether the state agency has achieved the objectives; and in which an evaluation is undertaken to determine whether the objectives have been achieved using the performance indicators.

2009 Wisconsin Act 28, the biennial budget act, eliminated a program that required, every fiscal biennium, one-third of all state agencies to prepare a base budget review report that contains a description of each programmatic activity of the state agency; an accounting of all expenditures in each of the prior three fiscal years, arranged by revenue source and expenditure category for that state agency; and, for each programmatic activity of the state agency, an accounting of all expenditures, arranged by revenue source and expenditure category in the last two quarters in each of the prior three fiscal years. This bill recreates the requirement for state agencies to prepare base budget review reports.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 13.085 of the statutes is created to read:

2 **13.085 Bills transferring moneys between funds.** No house of the
3 legislature may pass a bill that transfers money from one fund to another fund unless
4 the bill is approved by two-thirds of those members present and voting.

5 **SECTION 2.** 13.62 (4m) of the statutes is amended to read:

6 **13.62 (4m)** “Budget bill subject” means a subject specified by the board that is
7 included in the executive budget bill ~~or~~ bills introduced under s. 16.47.

8 **SECTION 3.** 16.40 (20) of the statutes is amended to read:

9 **16.40 (20)** PUBLIC DEBT SERVICE COSTS PROJECTION. Prepare in each
10 odd-numbered year for inclusion in the report submitted by the building commission

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1 under s. 13.48 (7) a projection of the long-term trends in principal and interest costs
2 on public debt contracted under subchs. I and IV of ch. 18 as a proportion of all tax
3 revenues that are deposited or are expected to be deposited in the general fund. The
4 projection shall take account of the recommendations adopted by the building
5 commission for the long-range building program under s. 13.48 (7) for the succeeding
6 fiscal biennium and all proposed general obligation bonding contained in the
7 executive budget bill or bills, including bonding for the authorized state building
8 program as well as for other borrowing purposes.

9 **SECTION 4.** 16.42 (1) (intro.) of the statutes is amended to read:

10 16.42 (1) (intro.) All agencies, other than the legislature and the courts, no later
11 than September 15 of each even-numbered year, in the form and content prescribed
12 by the department, but subject to the requirements of sub. (3), shall prepare and
13 forward to the department and to the legislative fiscal bureau the following program
14 and financial information:

15 **SECTION 5.** 16.42 (1) (f) of the statutes is created to read:

16 16.42 (1) (f) The information required under s. 16.423.

17 **SECTION 6.** 16.42 (3) of the statutes is created to read:

18 16.42 (3) (a) In this subsection, “results-based budgeting” means the
19 compilation of a budget of an agency in which objectives are established for each of
20 the agency’s activities, units, and programs; in which resources are allocated
21 specifically to achieving the objectives; in which objective performance indicators are
22 developed to determine whether the agency has achieved the objectives; and in which
23 an evaluation is undertaken to determine whether the objectives have been achieved
24 using the performance indicators.

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1 (b) Each agency, other than the legislature and the courts, shall submit its
2 biennial budget requests prepared using the principles of results-based budgeting
3 for each of its activities, units, and programs.

4 **SECTION 7.** 16.423 of the statutes is created to read:

5 **16.423 Base budget review reports.** (1) In this section, “state agency” has
6 the meaning given in s. 20.001 (1).

7 (2) (a) During the 2009–11 fiscal biennium, the secretary shall require that
8 one-third of all state agencies submit a report no later than September 15, 2010, and
9 every 3rd fiscal biennium thereafter, that contains the information specified in sub.
10 (3).

11 (b) During the 2011–13 fiscal biennium, the secretary shall require that 50
12 percent of the state agencies that did not submit a report under par. (a) submit a
13 report no later than September 15, 2012, and every 3rd fiscal biennium thereafter,
14 that contains the information specified in sub. (3).

15 (c) During the 2013–15 fiscal biennium, the secretary shall require that all
16 state agencies created on or before September 15, 2014, that did not submit a report
17 under par. (a) or (b) submit a report no later than September 15, 2014, and every 3rd
18 fiscal biennium thereafter, that contains the information specified in sub. (3).

19 (d) Beginning in the 2013–15 fiscal biennium, the secretary shall require that
20 any state agency created after September 15, 2014, submit a report no later than the
21 September 15 in the even-numbered year that first occurs after the state agency is
22 created, and every 3rd fiscal biennium thereafter, that contains the information
23 specified in sub. (3).

24 (3) A report submitted under this section shall contain at least all of the
25 following:

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1 (a) A description of each programmatic activity of the state agency.

2 (b) For each programmatic activity of the state agency, an accounting of all
3 expenditures, arranged by revenue source and the categories specified in sub. (4), in
4 each of the prior 3 fiscal years.

5 (c) For each programmatic activity of the state agency, an accounting of all
6 expenditures, arranged by revenue source and the categories specified in sub. (4), in
7 the last 2 quarters in each of the prior 3 fiscal years.

8 (4) The secretary shall develop categories for state agencies to use for the
9 purpose of organizing the expenditure information that is required under sub. (3) (b)
10 and (c).

11 **SECTION 8.** 16.45 of the statutes, as affected by 2009 Wisconsin Act 28, is
12 amended to read:

13 **16.45 Budget message to legislature.** In each regular session of the
14 legislature, the governor shall deliver the budget message to the 2 houses in joint
15 session assembled. Unless a later date is requested by the governor and approved
16 by the legislature in the form of a joint resolution, the budget message shall be
17 delivered on or before the last Tuesday in January of the odd-numbered year. With
18 the message the governor shall transmit to the legislature, as provided in ss. 16.46
19 and 16.47, the biennial state budget report and the executive budget ~~bill or bills~~
20 together with suggestions for the best methods for raising the needed revenues. The
21 governor may distribute the biennial state budget report in printed or optical disk
22 format or post the biennial state budget report on the Internet, except that, if
23 requested by a member of the legislature, the governor shall provide the member
24 with a printed copy of the biennial state budget report.

25 **SECTION 9.** 16.46 (5g) of the statutes is created to read:

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1 16.46 (5g) A summary of the information submitted to the department by state
2 agencies under s. 16.423.

3 **SECTION 10.** 16.47 (1) of the statutes is amended to read:

4 16.47 (1) Except as provided in s. 16.529 (2), the executive budget bill or bills
5 shall incorporate the governor's recommendations for appropriations for the
6 succeeding biennium. Each executive budget bill may only contain the governor's
7 recommendations for appropriations for the succeeding biennium from a single fund.
8 The appropriation method shown in the bill or bills shall in no way affect the amount
9 of detail or manner of presentation which may be requested by the joint committee
10 on finance. Appropriation requests may be divided into 3 allotments: personal
11 services, other operating expenses and capital outlay or such other meaningful
12 classifications as may be approved by the joint committee on finance.

13 **SECTION 11.** 281.58 (9) (e) of the statutes is amended to read:

14 281.58 (9) (e) If the department of natural resources and the department of
15 administration determine that the governor's recommendation, as set forth in the
16 executive budget bill bills, for the amount under s. 281.59 (3e) (b), the amount
17 available under s. 20.866 (2) (tc), or the amount available under s. 281.59 (4) (f) for
18 a biennium is insufficient to provide funding for all projects for which applications
19 will be approved during that biennium, the department shall inform municipalities
20 that, if the governor's recommendations are approved, clean water fund program
21 assistance during a fiscal year of that biennium will be available only to
22 municipalities that submit financial assistance applications by the June 30
23 preceding that fiscal year.

24 **SECTION 12.** 350.145 (3) (title) of the statutes is amended to read:

