



Rob Hutton

STATE REPRESENTATIVE • 13TH ASSEMBLY DISTRICT

Mr. Chairman and members of the Committee on State Affairs and Government Operations,

Thank you for taking time today to have a public hearing on AB 534. We feel this legislation is an important piece to help give better transparency and bring additional information during the budget process to help us make more informed decisions when crafting the biennial budget.

This simple, straightforward proposal would require state agencies to submit, along with their normal budget requests, a non-binding budget request at 0% increased funding and a non-binding budget request at 5% decreased funding.

The intent of this legislation is to create a more efficient, responsive, and transparent government to see what taxpayer dollars are funding every biennium and encourage greater dialogue between legislators and state agencies. Wisconsin's budget has tripled in almost 25 years going from \$26.6 billion to \$68.3 billion. From 1991- 2015 our GPR spending has nearly tripled the rate of inflation. By introducing this legislation our goal is to start a conversation on the long term trajectory of our state 5, 10, 15 years out rather than in 2 year increments.

Being stewards of taxpayer dollars we need to establish a process that continually re-evaluates government. By encouraging state agencies to go through this process they can better establish spending priorities. Further, this process will promote a broader discussion around how to ensure we protect and enhance needed services while reducing or eliminating those that have lived out their life cycle.

This legislation does not mandate that agencies will be held to a specific spending percentage. It simply shows us how state agencies would operate under different scenarios and provides different starting points for the overall budget process. We hope it will have the full support of this committee as we seek to make sure taxpayer dollars are being invested wisely. Thank you again for taking the time today to hold a hearing on this legislation. I look forward answering any questions today and in the future.



CHRIS KAPENGA

WISCONSIN STATE SENATOR

Testimony on Senate Bill 407

Senate Committee on Government Operations and Consumer Protection

December 17, 2015

Thank you Chairman Stroebel and committee members for hearing testimony today on Senate Bill 407. I would also like to thank Representative Hutton for his leadership and work on this issue.

Under our current budget process, the Governor gives direction to state agencies on how to construct their budget. Agencies then submit their “wish list”, which the Governor utilizes to put together his budget. For example, in this past budget cycle Governor Walker requested that the agencies submit a “zero-growth” budget. However, this is not always the case.

Senate Bill 407 would simply require state agencies to submit to the Governor and legislature, in addition to the typical biennial budget request, a proposal to reduce agency spending by 5% and a proposal that has 0% growth from current base level funding levels.

By giving legislators a more complete picture of the priorities within our state agencies, this legislation will help make our budgeting process more transparent and accountable. For too long we have worked on the assumption that all spending from prior budgets is justified. This assumption has led to a nearly 175% growth in state spending over the past 25 years.

Government is still one of the only sectors that operates on a cash basis, and makes the assumption that prior spending should carry over. As legislators, it is our responsibility to ensure the long-term fiscal outlook of our state is sound. We have made great strides over the past five years to improve our fiscal outlook by reducing our GAAP deficit by over 55%, making significant reductions to bonding levels, and contributing more to our “rainy-day” fund.

There are still significant improvements to be made to our state budgeting process. Senate Bill 407 is a step towards a system that would continually evaluate the effectiveness of government programming and allocate funding accordingly. I would ask for your support of this legislation and would be happy to answer any questions.