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JOINT COMMITTEE ON FINANCE

April 20, 2007

TO: Members
Joint Committee on Finance

FROM: Senator Russ Decker, Senate Chair
Representative Kitty Rhoades, Assembly Chair
Joint Committee on Finance

SUBJECT: 2007-09 Budget Procedures for the Joint Committee on Finance

The purpose of this memorandum is to inform you of the process that the Committee will use in reviewing the 2007-09 state budget.

It is our goal to develop a budget that will receive the bipartisan support of the Committee and full Legislature. We believe that the procedures outlined in this memorandum will assist in achieving that objective.

Non-fiscal Policy Items

There are some non-fiscal policy items contained within the Governor's budget recommendations. We have identified 48 of these items and believe that they should not be addressed within the budget, but should instead be considered as non-budget legislation by other standing committees. Accordingly, these items will be drafted as separate bills. They will not be considered by the Committee during our deliberations on the budget. A list of these items is attached. For each item, the page and item number from the LFB summary of the budget is shown.

Beginning Point

The Committee will use, as its beginning point, a combination of the Governor's recommendations (SB 40) and the 2006-07 adjusted base.

Adjusted Base. For the following agencies, or parts of agencies, the Committee will work from the 2006-07 adjusted base:

- Administration
 - Transfers to the Department
 - Information Technology
- Budget Management and Compensation Reserves
 - DOA Secretary Authority to Lapse or Transfer Funds to the General Fund
- Building Program
- Child Abuse Neglect and Prevention Board
- Commerce
- District Attorneys
- Elections Board
- Employee Trust Funds
 - Health Insurance Coverage for Domestic Partners of State Employees and State Annuitants
- Ethics Board
- Government Accountability Board
- Health and Family Services
 - Health
- Healthy Wisconsin Authority
- Justice
- Lieutenant Governor
- Medical College of Wisconsin
- Military Affairs
- Miscellaneous Appropriations
- State Fair Park

For these agencies (items), the Committee will entertain motions to amend current law or the adjusted base rather than the recommendations of the Governor. Although the Governor's recommendations will be before the Committee, it will take a majority vote for them (or any other proposal) to be adopted.

SB 40. For all other agencies, the Committee will work from SB 40.

The Committee will entertain motions to amend SB 40. It will take a majority vote for the bill to be amended. A list of those agencies, or parts of those agencies, follows:

- Administration
 - General Agency Provisions
 - Office of Justice Assistance
 - Division of Gaming
- Agriculture, Trade and Consumer Protection
- Arts Board
- Board of Commissioners of Public Lands
- Board on Aging and Long-Term Care
- Budget Management and Compensation Reserves (except DOA Secretary Authority to Lapse or Transfer Funds to the General Fund)
- Building Commission
- Children and Families
- Circuit Courts
- Corrections
- Court of Appeals
- Educational Communications Board
- Employee Trust Funds (except for Health Insurance Coverage for Domestic Partners of State Employees and State Annuitants)
- Employment Relations Commission
- Environmental Improvement Fund
- Financial Institutions

- Fox River Navigational System Authority
- General Fund Taxes
- General Provisions
- Governor
- Health and Family Services (except Health)
- Health Insurance Risk-Sharing Plan Authority
- Higher Educational Aids Board
- Historical Society
- Insurance
- Investment Board
- Judicial Commission
- Legislature
- Lower Wisconsin State Riverway Board
- Natural Resources
- Office of State Employment Relations
- Permanent Endowment Fund and Tobacco Financing
- Program Supplements
- Public Defender
- Public Instruction
- Public Service Commission
- Regulation and Licensing
- Revenue
- Secretary of State
- Shared Revenue and Tax Relief
- State Treasurer
- Supreme Court
- Tourism
- Transportation
- University of Wisconsin Hospital and Clinics Board
- University of Wisconsin System
- Veterans Affairs
- Wisconsin Health and Educational Facilities Authority
- Wisconsin Housing and Economic Development Authority
- Wisconsin Technical College System
- Workforce Development

Use of Transportation Fund Revenues for General Fund Purposes. There are a number of items throughout SB 40 where the budget would use segregated transportation fund revenues for programs currently funded from the general fund. The Committee will consider the funding level for each of those programs in their respective agency. However, whether they will be funded with SEG funds, GPR, or some other source, will be considered under "Transportation -- Transportation Finance."

Children and Families. SB 40 recommends that portions of the Departments of Health and Family Services and Workforce Development be transferred to a newly-created Department of Children and Families. The Committee will consider the programs to be transferred within their respective agencies and will separately determine whether the new Department should be created.

Programs Funded with New Revenue Sources. There are a number of programs in a variety of agencies that are funded under SB 40 from new or expanded revenue sources. They include: (1) programs funded from recycling fees; (2) the county aid fund (real estate transfer fee); (3) provisions funded from increased vital records fees; and (4) the health care quality fund (cigarette tax, tobacco products tax, hospital assessment, and injured patients compensation fund). Rather than consider these items under each affected agency, executive sessions will be scheduled for each of these four funding sources. At those meetings, all items related to the use of those funding sources will be considered.

Transferred Programs. For those programs or functions which are being transferred from one agency to another, the Committee will consider that transfer under the receiving agency.

Reassign Certain Executive Salary Group Positions. There are eight positions in SB 40 that would be reassigned to a different executive salary group classification. They are shown, for informational purposes, within each affected agency in the LFB summary. However, they will all be addressed in the executive session of the Office of State Employment Relations.

At the conclusion of our work, all of the Committee's decisions will be incorporated in a substitute amendment to SB 40.

Executive Sessions

During its executive sessions on the budget, the Committee will work from the following three documents.

1. **LFB Summary of the Governor's Budget Recommendations.** This is the document that we have used during the briefings and public hearings.

2. **LFB Budget Papers.** The Legislative Fiscal Bureau will attempt to distribute its papers at least 72 hours prior to each of the Committee's executive sessions.

3. **Individual Motions.** Motions will be made from the budget papers or the LFB summary of the Governor's recommendations. If a member of the Committee desires a vote on a budget-related item that is not contained in either the LFB summary or a budget paper, the member should contact the Fiscal Bureau and ask that a motion be prepared on that item. The Bureau will then: (1) prepare the motion; (2) indicate the name of the Committee member who authored the motion on the motion itself; and (3) give the author sufficient copies of the motion for distribution to the entire Committee. The Bureau will keep the motion confidential and will distribute all copies only to the author. This distribution will occur at the commencement of, or during, each executive session. The Chair will only entertain motions that have been prepared by the Fiscal Bureau.

In order that the Bureau has time to properly prepare the motion and produce sufficient copies for the Committee, members should submit all motion requests at least one day prior to the executive session on each agency or program.

RD:KR:dh
Attachment

NON-FISCAL POLICY ITEMS

ADMINISTRATION

General Agency Provisions

- Truth-in-Sentencing Phase II Council (Page 27, #18)

AGRICULTURE, TRADE AND CONSUMER PROTECTION

- Nursery and Plant Quarantine Law Penalties (Page 55, #16)

BOARD ON AGING AND LONG-TERM CARE

- CBRF Requirement to Post Contact Information on the Ombudsman Program (Page 63, #9)

CHILD ABUSE AND NEGLECT PREVENTION BOARD

- Real Estate Donations to the Foundation (Page 77, #3)

CORRECTIONS

Adult Corrections

- Rename Parole Commission the Earned Release Review Commission and Expand Authority of Commission to Modify Bifurcated Sentences (Page 109, #8)
- Placements for Ninety-Day Sanctions (Page 110, #9)
- Audit Limit for State and County-Purchased Correctional Services (Page 111, #14)

ELECTIONS BOARD

- Campaign Finance Appropriation (Page 128, #5)

EMPLOYEE TRUST FUNDS

- Modify Retirement Provisions for Educational Support Personnel (Page 135, #10)

EMPLOYMENT RELATIONS COMMISSION

- Repeal QEO Provisions (Page 137, #3; Page 138, #4; Page 464, #9)
- Weighting of Factors Considered in Arbitration Awards (Page 139, #5)
- Collective Bargaining Process for University of Wisconsin Faculty and Academic Staff (Page 140, #6; Page 436, #5; Page 577, #22)

GENERAL FUND TAXES

Excise Taxes and Regulation of Tobacco and Alcohol

- Direct Marketing of Cigarettes and Tobacco Products (Page 192, #2)

GENERAL PROVISIONS

- Milwaukee County Pension Liabilities -- Appropriation Bond and Promissory Note Authority (Page 217, #1)
- Milwaukee County Pension Committee Membership Expertise (Page 224, #2)
- Redevelopment Authority Inspection Rights (Page 224, #3)

HEALTH AND FAMILY SERVICES

Departmentwide

- Required Reports (Page 234, #10)

Medical Assistance - Long-Term Care

- Statewide Licensed Nursing Home Bed Cap and Bed Transfers (Page 290, #7)
- Repeal Nursing Home Bed Bank (Page 291, #8)
- Nursing Home and CBRFs -- Contesting Actions and Receiverships (Page 291, #10)
- Community Relocation Initiative -- Authority to Provide Services to Additional Clients (Page 292, #13)

Disability and Elder Services

- Audit Limit for State and County-Purchased Human and Correctional Services (Page 333, #13)
- Proposed County Budget for Community Aids Expenditures (Page 334, #14)

HEALTH INSURANCE RISK-SHARING PLAN AUTHORITY

- Authority to Designate Insurance Types for Eligibility Purposes (Page 343, #4)
- Eligibility for Premium Subsidies (Page 343, #5)
- Pharmacy and Pharmacist Participation (Page 343, #6)
- Provider Rates (Page 343, #7)
- Fiscal Agent Responsibilities (Page 344, #8)

INSURANCE

- Minimum Coverage Requirements for Treatment of Mental Health and Alcohol and Other Drug Abuse Problems (Page 362, #16)
- Required Health Insurance Coverage for Autism Spectrum Disorders (Page 363, #17)
- Health Insurance -- Insurer Disclosure of Current Procedural Terminology Code Changes and Explanation of Restriction or Termination of Policy Coverage (Page 363, #18)

JUSTICE

- Public Intervenor (Page 379, #16)
- Civil Rights Enforcement Authority (Page 380, #17)

LEGISLATURE

- Audit of the State Crime Laboratories (Page 381, #3)

NATURAL RESOURCES

Departmentwide

- Automated DNR Citations (Page 402, #13)

Water Quality

- Authorize Milwaukee Metropolitan Sewage District to Use Design-Build Process (Page 427, #13)

PUBLIC INSTRUCTION

Administrative and Other Funding

- High School Credit Requirements (Page 479, #24)
- Wind Electricity Generators (Page 480, #25)

REGULATION AND LICENSING

- Providing Fingerprints to the Department (Page 486, #7)
- Eliminate Temporary Private Security Permits (Page 487, #8)
- Credential Limitations (Page 487, #9)

REVENUE

Lottery Administration

- Time Period for Claiming Instant Lottery Prizes (Page 495, #5)

SHARED REVENUE AND TAX RELIEF

Property Tax Credits

- Farmland Preservation -- Tax Credit and Land Use Provisions (Page 510, #8)

Property Taxation

- Property Tax Exemption for Veterans Service Organizations (Page 515, #2)
- City of Milwaukee Authority to Extend the Life of TIF Districts (Page 515, #3)

Local Revenue Options

- Premier Resort Area -- City of Milwaukee (Page 516, #1)

TRANSPORTATION

Motor Vehicles

- Operating While Intoxicated Driver Improvement Surcharge (Page 563, #8)

WORKFORCE DEVELOPMENT

Child Support

- Study on Child Support Collection Process (Page 624, #9)