



Enacting the State Budget Bill

WHAT IS THE STATE BUDGET BILL?

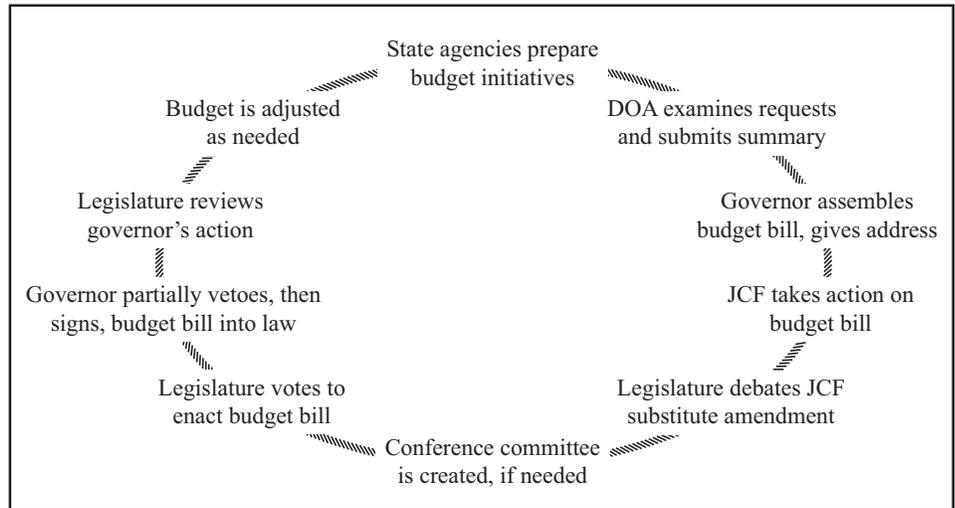
The governor proposes the state budget bill, which is modified and passed by the legislature, and signed into law by the governor. The budget bill covers state finances for a fiscal biennium, the two-year period beginning on July 1 of an odd-numbered year and ending on June 30 of the next odd-numbered year. A budget bill can often be between 1,000 and 2,000 pages long.

A new budget is due at the start of each fiscal biennium, but if it is late, the previous biennium's spending levels continue until a new budget is enacted. Wisconsin is one of only a few states with such a provision.

The budget bill fulfills the state constitutional mandate that the legislature provide funds for state government operations and programs. All state and local governmental agencies, including municipal governments and schools, receive funding through the state budget. In the 2007–09 biennium, total spending came to almost \$56.8 billion. The revenue to pay for these expenditures is collected through taxes, with some income from tribal gaming, the lottery, and state programs for which fees are charged.

FUNDING REQUESTS

Before the state budget bill can be prepared, the governor must know how much money state agencies and local governments need to operate and fund their programs. Under current Wisconsin law, every state agency must submit a budget request to the Department of Administration



(DOA) by September 15 of the even-numbered year. By November 20 of the same year, DOA must thoroughly review the requests, consolidate them into one document, and submit it, with revenue totals for the current biennium and estimated totals for the next, to the governor.

The governor has until the last Tuesday in January of the odd-numbered year to deliver the budget message to the legislature, at which time copies of the governor's budget report and budget bill are submitted to the legislature. This deadline is often delayed by two or three weeks at the governor's request.

Some budget changes require modifying or writing new policies that govern an agency or other entity. These changes are drafted at the request of the governor or the legislature, incorporated into the budget bill, and integrated into the Wisconsin Statutes after enactment.

LEGISLATIVE CONSIDERATION

After the governor's budget message, the Joint Committee on Finance (JCF) introduces the budget bill into one of the two houses of the legislature (house of origin) and begins the process of legislative consideration.

JCF review. A bill is typically sent to one or more legislative committees for review before it is debated on the floor. For the budget bill, that committee is JCF. After introduction, the bill is referred to JCF for review by the committee's eight senators and eight representatives.

As part of its review, JCF holds public hearings for input from state agencies (agency informational briefings) and the general public (public hearings). Although JCF reviews the full budget, other committees may also hold hearings to gain information on the parts of the budget affecting their areas of expertise. JCF then convenes executive sessions to examine the budget in detail and to consider alternatives

to the governor's recommendations. All proposed changes are brought to JCF as motions for discussion and for a vote. If JCF adopts a motion, the change is incorporated into a JCF substitute amendment—a modified version of the budget bill that replaces the governor's bill. Once JCF has completed its action, the substitute amendment is reported to the house of origin for consideration.

Amendments by each house. Before the legislature begins consideration of the budget bill, each party in each house caucuses to further review the budget. During a caucus, all legislators from the same political party in a house meet to go over a bill and formulate a response. Any modifications to the budget from this point on are usually drafted as amendments to the substitute amendment. Amendments can be made to the original bill, to the substitute amendment, or to any amendments to the substitute amendment.

Caucuses are often held in private, so the public can determine the inner workings only by observing the results. In 2007, the senate's majority Democrats offered only two amendments, but the minority Republicans offered 17. In the assembly, the majority Republicans offered one amendment, but the minority Democrats offered none, instead moving for a vote to reject the majority's amendment. (The motion was voted down.)

The pattern suggests that, before commencing floor debate on the budget bill, the majority party selects the changes to which it can generally agree and combines them into one larger amendment, while the minority party prepares separate amendments or doesn't introduce any at all, as in the 2007 assembly.

Once the caucuses have finished their work, the house of origin

begins general consideration of the budget bill, considering first the caucus amendments to the JCF substitute amendment, and voting to either adopt, reject, or table the amendments. When legislation is tabled, it is set aside to be discussed at a later date; however, a tabled budget amendment is unlikely to be taken up again. As a result of consensus building in caucuses, amendments are adopted or rejected on a partisan vote, with most members of the same party voting the same way.

When each amendment has been considered, the house votes on the amended substitute amendment. If the house of origin passes the budget bill as amended, it is messaged to the other house, where the process is repeated.

Resolving conflict. To become law, the budget bill must be passed in identical form by both houses. If the senate and the assembly cannot agree on an identical budget, one house may call for a committee of conference (also referred to as a conference committee).

The conference committee works to resolve the differences between the senate and the assembly on the budget. The conference committee is usually comprised of six or eight members, half from each house, including one member of each house's minority party. Conference committee meetings are public, though informal discussions among some of the members may take place behind closed doors. The committee meets as often as necessary, sometimes over several months.

Because the governor may veto the budget bill, in whole or in part, committee members may contact the governor during the process to build consensus. When the conference committee reaches an agreement, it drafts a conference report and

submits it to each house for consideration.

GOVERNOR'S VETO AND APPROVAL

Once the legislature passes the budget bill, it is prepared for the governor to sign. In Wisconsin, the governor can partially veto any bill containing appropriations. The state budget bill is the most significant appropriations bill passed during any legislative session, and the governor routinely exercises a partial veto on the budget bill before approving it. Wisconsin's governor has the most powerful veto pen in the United States.

BILL BECOMES LAW

After the governor signs the bill, it becomes the executive budget act, is given an act number (for example, 2007 Wisconsin Act 20), and is sent to the Office of the Secretary of State for publication. Most of the executive budget act becomes law on the day after publication, but some parts have different effective dates. At this point in the process, the legislature may override one or more of the governor's partial vetoes, but only with the approval of at least two-thirds of the members of each house.

MODIFICATIONS

Sometimes the budget must be modified during the fiscal biennium. This can be done by (1) enacting separate legislation that increases, removes, changes, or newly awards funding; and (2) introducing a budget adjustment bill to modify the final budget at the governor's request. These modifications are usually limited, and the bulk of the budget remains intact as the state's fiscal policy document until the next budget is enacted.

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Study Questions

1	What is a conference committee and what is its purpose?	
2	Is passing a state budget an executive-branch function or a legislative-branch function?	
3	Under the state constitution, funds may be spent only by authority of a legislative act (based on the idea of "no taxation without representation"). How does the state budget reflect this?	
4	Compare to the state budget process how an average Wisconsin family might determine its household budget.	
5	Make a list of persons who might want to testify before a legislative committee that is considering the state budget bill.	
6	If passing a budget bill is primarily a legislative function, why should the governor be involved from the beginning?	

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Study Questions in the Cognitive Domain

1	What is a conference committee and what is its purpose?	A conference committee, which is composed of members of both houses, recommends a compromise to the legislature when there is a conflict between the assembly and senate versions of a bill.	Cognition
2	Is passing a state budget an executive-branch function or a legislative-branch function?	Passing the state budget is a core legislative function, but the statutes assign the governor an important role in proposing the budget, and the constitution grants the governor a role vetoing, in whole or in part, and enacting the bill.	Comprehension
3	Under the state constitution, funds may be spent only by authority of a legislative act (based on the idea of "no taxation without representation"). How does the state budget reflect this?	The state budget bill contains appropriations that fund state government operations and programs and the transfer of state funds to local governments and school districts. The state budget bill is an appropriations bill that permits state officers to expend funds.	Application
4	Compare to the state budget process how an average Wisconsin family might determine its household budget.	Families determine household budgets by assessing needs, figuring costs, and setting aside money for the most urgent needs. If demand exceeds available money, the heads of household decide whether to cut other spending or find more income. The state budget follows a similar course, though on a vastly larger scale.	Analysis
5	Make a list of persons who might want to testify before a legislative committee that is considering the state budget bill.	The list should include managers of state agencies, university leaders, students, citizens interested in particular proposals in the budget, state employee unions, local government officials, individual legislators, and members of a merchants' association.	Synthesis
6	If passing a budget bill is primarily a legislative function, why should the governor be involved from the beginning?	It is a good idea to involve the governor because: (1) the governor supervises and controls the agencies of government; (2) the governor understands the programs and needs of the agencies; and (3) the governor will have an opportunity to veto and sign the budget bill.	Evaluation