

1995-96 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR\_RCP\_pt01a
- 05hrAC-EdR\_RCP\_pt01b
- 05hrAC-EdR\_RCP\_pt02

➤ Appointments ... Appt

➤ \*\*

➤ Clearinghouse Rules ... CRule

➤ \*\*

➤ Committee Hearings ... CH

➤ \*\*

➤ Committee Reports ... CR

➤ \*\*

➤ Executive Sessions ... ES

➤ \*\*

➤ Hearing Records ... HR

➤ \*\*

➤ Miscellaneous ... Misc

➤ 95hrJC-Fi\_Misc\_pt17

➤ Record of Comm. Proceedings ... RCP

➤ \*\*

Tommy G. Thompson  
Governor

Michael J. Sullivan  
Secretary

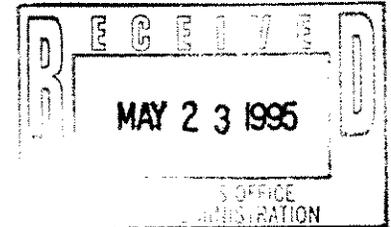


Mailing Address  
149 East Wilson Street  
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Telephone (608) 266-2471

## State of Wisconsin Department of Corrections

May 18, 1995

M E M O R A N D U M



TO: James R. Klauser, Secretary  
Department of Administration

FROM: Michael J. Sullivan, Secretary  
Department of Corrections

SUBJECT: S. 16.515(1) Request for Appropriation  
20.410(1) (km)  
Numeric Appropriation 134, Prison Industries

The Department of Corrections requests a one time increase in expenditure authority in Appropriation 20.410(1)(km)(134) of \$970,900 in FY 95 for permanent and LTE salary and fringe related to overtime, commissions and LTES and to purchase raw materials and manufactured components due to unanticipated cost increases and sales growth.

Background

Appropriation 20.410(1)(km) contains numeric appropriation 134. A summary is attached showing the full alpha appropriation, 20.410(1)(km).

20.410(1)(km)(134) 1993 Wisconsin Act 16 provided expenditure authority to Prison Industries Appropriation 134 in the amount of \$13,715,800 in FY 95. Expenditure carryover of \$202,284 for supplies and capital equipment purchases, supplements of \$97,788 for pay plan, \$900 for risk management, \$5,100 for risk liability, and \$4,900 for environmental liability increased Prison Industries available expenditure spending authority to \$14,026,772.

Actual FY 95 expenditures through April 30, 1995 were \$12,430,159. Prison Industries is projecting expenditures for FY 95 to total \$14,997,672.

A re-estimate of cash revenue projections for FY 95 is \$15,128,224. Year end accounts receivable will be approximately \$1.5M. Approval of this request would allow a total expenditure authority of \$14,997,672 in appropriation 134.

James R. Klauser  
May 18, 1995  
Page 2

Prison Industries revenues will exceed their expenditures by \$130,550 during FY 95.

Program Needs-Numeric 134

Prison Industries experienced higher than expected sales during FY 95. The increase in FY 95 sales is directly related to \$2,398,000 in orders Prison Industries originally expected during FY 94 that were not actually ordered until FY 95. Prison Industries did not encumber funds during FY 94 for raw materials related to those orders.

In order to process all FY 95 orders in a timely manner, Prison Industries incurred additional, unbudgeted salary and fringe expenses.

Hiring additional LTES	\$71,200
Sales commissions	\$30,000
Overtime	\$90,800
Associated fringe	\$83,000
Lower than anticipated turnover	\$19,400

The unexpected increase in sales resulted in the need for additional raw materials. Prison Industries reports an overall 14% increase in costs of steel, aluminum, lumber, paper, and cartons during FY 95. The raw materials needed for processing orders for the remainder of the fiscal year is \$676,500. A breakdown of raw materials costs for the remainder of the fiscal year by industry is attached.

Summary

The Department of Corrections requests increased expenditure authority of \$970,900 for salary, fringe, and raw materials related to increased sales for FY 95. The Department anticipates sufficient cash receipts to fund the increased expenditures and will reduce Prison Industries negative cash balance by approximately \$130,550 for the fiscal year.

cc: Ave M. Bie, Dpty Sec.- DOC  
Dean Stensberg, Ex. Asst. - DOC  
Pamela Brandon, Admin.- DMS  
Terri Landwehr, Admin.- DPS  
Mary Cassady, Dir.-OBP  
Steve Kronzer, Dir.-BCE  
Cathy Halpin - OBP  
Roger Fetterly - DOA, OBP

James R. Klauser  
May 18, 1995  
Page 3

Raw Material Needs By Industry  
for remainder of FY 95

WCI - Metal Stamping (aluminum sheeting)	50,500
WCI - Metal Furniture (steel)	200,000
WCI - Systems Furniture (systems components)	225,000
GBCI - Textile (inner spring mattress components)	52,000
FLCI - Wood Furniture (laminated, particle board)	50,000
CCI - Printing (paper, ink)	40,000
OCI - Upholstery (fabric, chair components)	46,000
WCI - Sign and screenprint (aluminum sheeting and sign stock)	<u>13,000</u>
TOTAL RAW MATERIALS NEEDED	\$676,500

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FUND CONDITION STATEMENT  
20.410(1) (KF)

FISCAL YEAR 95

REVENUES

YTD CASH REVENUE (3-31-95)	\$9,284,456
ADDT CASH PROJECTED (6-30-95)	<u>\$5,843,768</u>
TOTAL	\$15,128,224

EXPENDITURES

ACTUAL EXPENDITURES YTD (3-31-95)	\$11,368,807
ADDT PROJECTED EXPENDITURES (6-30-95)	<u>\$3,628,865</u>
TOTAL	\$14,997,672

DIFFERENCE \$130,552

BSI BALANCE

OPENING BALANCE	(\$2,929,705)
LESS RETAINED REVENUE	<u>\$130,552</u>
PROPOSED ENDING BALANCE	(\$2,799,153)

EXPENDITURE AUTHORITY

AUTHORIZED ACT 16	\$13,715,800
SUPPLEMENTS	\$108,688
CARRYOVER	\$202,284
16.515	<u>\$970,900</u>
TOTAL REQUESTED EXPENDITURE AUTHORITY	\$14,997,672

Prison Industries  
 Projected Expenditures vs. Budget  
 FY 95

<u>CATEGORY</u>	<u>PROJECTED EXPENDITURES FOR FY 95</u>	<u>EXPENDITURE AUTHORITY</u>	<u>DIFFERENCE OVER (UNDER) BUDGET</u>
Permanent/Project Salary	\$2,148,588	\$2,008,388	\$140,200
LTE Salary	205,000	133,800	71,200
Fringe	<u>795,000</u>	<u>712,000</u>	<u>83,000</u>
TOTAL SALARY & FRINGE	\$3,148,588	\$2,854,188	\$294,400
Inmate Wages	725,000	725,000	0
Rent	170,000	170,000	0
Raw Materials & Other Supplies & Services	<u>10,596,284</u>	<u>9,919,784</u>	<u>676,500</u>
Permanent Property	<u>357,800</u>	<u>357,800</u>	<u>0</u>
TOTAL NON-SALARY	11,849,084	11,172,584	676,500
TOTAL APP. 134 EXPENDITURES	\$14,997,672	\$14,026,772	\$970,900

5/10/95

PRISON INDUSTRIES  
ACTUAL AND PROJECTED CASH  
FY 95

INDUSTRY	ACTUAL CASH THRU 3/31/95	ACCOUNTS RECEIVABLES AS OF 3/31/95	TOTAL CASH AND RECEIVABLES	PROJECTED CASH FY95
WCI - METAL STAMP	\$ 1,280,855	\$ 241,705	\$ 1,522,560	\$ 2,385,000
OSCI - LAUNDRY	791,088	111,304	902,392	975,000
GBCI - LAUNDRY	319,316	33,685	353,001	380,000
GBCI - TEXTILES	216,912	17,178	234,090	300,000
RCI - DATA ENTRY	183,030	14,762	197,792	200,000
WCI - SIGN SHOP	427,167	83,556	510,723	600,000
TCI - SCREENPRINT	165,477	15,164	180,641	200,000
CCI - PRINTING	631,831	78,501	710,332	975,000
FLCI - WOOD FURNITURE	395,512	42,902	438,414	600,000
WCI - METAL FURNITURE	1,187,247	167,787	1,355,034	1,550,000
WCI - SYSTEMS FURNITURE	2,825,473	2,453,236	5,278,709	6,100,000
OCI - UPHOLSTERY	853,725	80,028	933,753	1,050,000
SBPCC - YARD & REC	6,823	9,791	16,614	27,000
<b>TOTAL</b>	<b>\$ 9,284,456</b>	<b>\$ 3,349,599</b>	<b>\$ 12,634,055</b>	<b>\$ 15,342,000</b>
TRANSFER TO APP# 129 - DEBT SERVICE				(132,800)
TRANSFER TO APP# 100 - PRIOR YEAR DEBT SERVICE				(80,976)
PROJECTED CASH AVAILABLE APP# 134				<b>\$ 15,128,224</b>

5/10/95

PRISON INDUSTRIES  
ACTUAL AND PROJECTED SALES  
FY 95

INDUSTRY	ACTUAL INVOICED SALES THRU 3/31/95	OPEN ORDERS AS OF 3/31/95	TOTAL INVOICED & BOOKED	PROJECTED SALES FY95
WCI - METAL STAMP	\$ 1,522,113	\$ 660,846	\$ 2,182,959	\$ 2,800,000
OSCI - LAUNDRY	763,396		763,396	1,008,000
GBCI - LAUNDRY	305,791		305,791	408,000
GBCI - TEXTILES	247,573	131,464	379,037	385,000
RCI - DATA ENTRY	196,266		196,266	225,000
WCI - SIGN SHOP	489,634	113,864	603,498	675,000
TCI - SCREENPRINT	130,208	3,446	133,654	207,000
CCI - PRINTING	636,090	188,571	824,661	1,000,000
FLCI - WOOD FURNITURE	369,924	273,010	642,934	700,000
WCI - METAL FURNITURE	1,008,270	1,204,053	2,212,323	1,700,000
WCI - SYSTEMS FURNITURE	4,984,836	1,382,703	6,367,539	6,300,000
OCI - UPHOLSTERY	902,758	134,272	1,037,030	1,150,000
SBPCC - YARD & REC	3,222	23,009	26,231	27,000
TOTAL	<u>\$ 11,560,081</u>	<u>\$ 4,115,238</u>	<u>\$ 15,675,319</u>	<u>\$16,585,000</u>

5/10/95

PRISON INDUSTRIES  
MAJOR PROJECTS ANTICIPATED IN FY 94  
REALIZED IN FY 95

<u>CUSTOMER</u>	<u>PRODUCT</u>	<u>AMOUNT</u>
DOA - AG BUILDING	SYSTEMS FURNITURE	\$ 850,000
DODGE CORRECTIONAL	CELL FURNITURE	500,000
PUBLIC SERVICE COMMISSION	SYSTEMS FURNITURE	454,000
DOA EAU CLAIRE STATE OFFICE BUILDING	SYSTEMS FURNITURE	332,000
DOT - HILL FARMS 6TH FLOOR	SYSTEMS FURNITURE	262,000
		<u>\$ 2,398,000</u>



**Charles J. Chvala**  
**State Senator**

June 5, 1995

Senator Joe Leean  
Co-Chair  
Joint Committee on Finance  
Hand-delivered

Representative Ben Brancel  
Co-Chair  
Joint Committee on Finance  
Hand-delivered

Dear Senator Leean and Representative Brancel:

I would like the Joint Committee on Finance to meet formally to consider the request from the Department of Administration dated June 5, 1995, pursuant to s. 16.515 and s. 16.505(2) pertaining to a request from the Department of Corrections. The request pertains to the Prison Industries program.

Thank you.

Sincerely,

CHUCK CHVALA  
State Senator

CJC:jw

# STATE OF WISCONSIN

**Senate Chair**  
**JOE LEEAN**

Room 119 South, State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
608-266-0751



**Assembly Chair**  
**BEN BRANCEL**

Room 107 South, State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
608-266-7746

## JOINT COMMITTEE ON FINANCE

April 27, 1995

Mr. James R. Klauser, Secretary  
Department of Administration  
101 East Wilson Street  
Madison, WI 53703

Dear Secretary Klauser:

On April 6, 1995, a s. 16.515 request relating to an increase in the materials and services to state agencies appropriation in the Department of Administration was forwarded by the State Budget Office to the Joint Committee on Finance for approval. The requested increase for 1994-95 of \$838,000 PR is approved with the stipulation that this increased spending authority is not to be included in the 30-day roll-up report for 1995-97 appropriations as authorized under s. 16.517. Any increase in budgeted levels for this appropriation for the next biennium will instead be handled as a separate s. 16.515 request.

Sincerely,

Handwritten signature of Ben Brancel in cursive.

BEN BRANCEL  
Assembly Chair

Handwritten signature of Joe Leean in cursive.

JOE LEEAN  
Senate Chair

BB/JL/ns

cc: Members, Joint Committee on Finance

STATE OF WISCONSIN

*Senate Chair*  
**JOE LEEAN**

Room 119 South, State Capitol  
P.O. Box 7882  
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608-266-0751



*Assembly Chair*  
**BEN BRANCEL**

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JOINT COMMITTEE ON FINANCE

April 6, 1995

MEMO TO: Members, Joint Committee on Finance

FROM: Senator Joe Leean, Senate Co-Chair  
Representative Ben Brancel, Assembly Co-Chair  
Joint Committee on Finance

Attached is a copy of a request from the Department of Administration dated April 6, 1995 pursuant to s. 16.515 and s.16.505(2) pertaining to the Department of Administration.

Please review this item and notify Senator Leean's office not later than Tuesday, April 25, 1995 if you have any concerns about the request or would like the Committee to meet formally to consider it.

Also, please contact us if you need additional information.

JL:BB:ns

Attachments

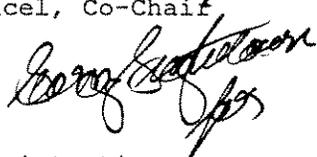
**CORRESPONDENCE/MEMORANDUM**

**STATE OF WISCONSIN  
Department of Administration**

*Date:* Apr. 6, 1995

*To:* Honorable Joseph Leean, Co-Chair  
Honorable Ben Brancel, Co-Chair

*From:* James R. Klauser  
Secretary  
Department of Administration



*Subject:* s. 16.515/16.505(2) Requests

Enclosed are requests which have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1993-94</u>		<u>1994-95</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
D.O.A. 20.505(1)(ka)	Materials & Services to State Agencies			\$ 838,000	

As provided in s. 16.515, this request will be approved on Apr. 28, 1995 unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about this request.

Please contact Roger Grossman at 266-1072, or the analyst who approved the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments:

**CORRESPONDENCE/MEMORANDUM**

STATE OF WISCONSIN  
Department of Administration

*Date:* March 28, 1995

*To:* James R. Klauser, Secretary  
Department of Administration

*From:* Michael Heifetz, Executive Policy Analyst  
State Budget Office

*Subject:* Request under s. 16.515 from the Department of Administration for additional expenditure authority to meet mail volume and postal rate increases.

**REQUEST:**

The Department of Administration (DOA) requests increased PRS expenditure authority of \$838,000 in FY95 due to growth in the volume of mail processed and recent rate increases by the United States Postal Service. This increase is requested under s. 20.505(1)(ka), Materials and Services to State Agencies. Revenues to support this request are from charges assessed to state agencies for the use of mail services. The department indicates it has sufficient revenues to fund the requested increases. However, the postal rate increases will be passed through to customer agencies to manage within their budget authority. No other mail service cost increases are anticipated. The annualized cost of this request is \$1,144,000 PRS.

The Governor has recommended in the 1995-97 biennial budget bill (AB 150) that mail services (and other functions) be transferred to s. 20.505(1)(kd) and the appropriation be renamed from Printing Services to Printing, Document Sales, Mail Distribution and Record Services. Therefore, the department is requesting that the annualized (FY96) cost be built in to the consolidated appropriation under s. 20.505(1)(kd).

**BACKGROUND:**

The Division of State Agency Services within DOA provides a variety of services to state agencies, including document sales, distribution and mail services. These services are provided through the appropriation under s. 20.505(1)(ka), Materials and Services to State Agencies, and customer agencies are charged for their use of these services. The budget for this appropriation in FY95 is approximately \$10.9 million PRS.

Mail services account for approximately \$7.5 million of this total, with postage costs equaling over two-thirds of this number. Mail services are provided through two units: 1) Central Mail, which provides zip-code presorting for First Class mail and metering services for United States Postal Service and United Parcel Service deliveries; and 2) Bulk Mail, which provides high-volume inserting and labeling services for First Class and Third Class mail.

In FY94, DOA mailing operations metered and billed customer agencies for \$4,675,000 in postage. The Department of Health and Social Services (DHSS) is the largest user of mail services, accounting for over one-third of the total postage metered. This is mainly due to the many assistance programs administered by DHSS, which require mailing checks to thousands of individuals.

The additional expenditure authority in this request was not addressed in DOA's 1995-97 biennial budget request because postal rate increases and the impact of the CARES system at DHSS were uncertain when biennial budget requests were required to be submitted (September 15, 1994).

ANALYSIS:

The Department of Administration is requesting an increase in expenditure authority of \$838,000 PRS in FY95. There are two components to this request: 1) mail volume growth; and 2) United States Postal Service rate increases.

Mail Volume Growth:

Of the total request, \$532,000 is due to the growth in the volume of mail. Postage demand (measured in dollars of metered postage) has increased an average of 8% annually since FY92. Projections for FY95 indicate that this growth will continue. For FY95, the department is projecting a 11% increase in postal charges over FY94. The table below illustrates this trend. The majority of this increase will result from the implementation of the CARES system during the second half of FY95. While in the past the department has been able to absorb these increases, the appropriation no longer has sufficient flexibility to absorb this continuing growth. This is a permanent increase in postage demand; therefore, it is appropriate to provide the requested expenditure authority as an increase to the appropriation's base budget authority.

<u>Fiscal Year</u>	<u>Postage Charges</u>	<u>Annual Increase</u>
FY92	\$4,023,000	
FY93	\$4,336,000	8%
FY94	\$4,675,000	8%
<i>FY95 (Projected)</i>	<i>\$5,207,000</i>	<i>11%</i>
<i>FY95 over FY94:</i>	<i>\$532,000</i>	

United States Postal Service Rate Increases:

The remaining \$306,000 of the total requested increase of \$838,000 for FY95 is due to United States Postal Service rate increases. As of January 1, 1995, first-class and pre-sort mail postal rates increased 10.5% while third-class bulk mail rates increased 14%. Approximately 86% of the metered postage is attributable to first-class mail while the remaining 14% is attributable to third-class mail. The table on the next page illustrates the impact of the postal rate increases, based on six months of experience in FY95.

<u>Postage Class</u>	<u>FY95 Base (6 months)</u>	<u>% of Total</u>	<u>Postal Rate Increase</u>	<u>Dollar Increase</u>
First	\$2,785,000	86.0%	10.5%	\$251,000
Third	\$2,785,000	14.0%	14.0%	\$55,000
<i>Total:</i>				<i>\$306,000</i>

**RECOMMENDATION:**

Approve the request for \$838,000 PRS in FY95 as an increase to the base budget of the appropriation under s. 20.505(1)(ka). The annualized cost of this request (\$1,144,000 PRS) will be built in through the thirty day report as required by s. 16.517.

*Note: If this request is approved by the Joint Committee on Finance and the Legislature approves the Governor's recommendation to consolidate mailing services currently appropriated in s. 20.505(1)(ka) into 20.505(1)(kd), this increase should be applied to the base of the consolidated appropriation under s. 20.505(1)(kd).*



Date: March 7, 1995

To: Richard Chandler, Director  
State Budget Office

From: James R. Klauser, Secretary  
*James R. Klauser*

Subject: Request for Appropriation Authority Under s.16.515

### REQUEST

Under the provisions of s.16.515, the Department requests an appropriation increase of \$838,000 in FY95 and a base increase of \$1,144,000 in FY96. The FY95 increase is to the PRS appropriation under s. 20.505(1)(ka) - Materials and Services to State Agencies and the FY96 increase to the PRS appropriation under s.20.505(1)(kd) - Printing, Document Sales, Mail Distribution and Record Services<sup>1</sup>. These increases are due to business growth in the Department's mail processing operations and recent rate increases by the United States Postal Service (USPS).

### BACKGROUND

The Department of Administration, Division of State Agency Services, operates two program revenue units providing mail processing services to state agencies. Central Mail provides metering services for USPS/UPS deliveries and zip-code presorting for First-Class mail, with the majority of the work attributable to "office mail". Bulk Mail provides high-volume inserting and labeling services which include application of First and Third class postage. Major customers include H&SS (CARES<sup>2</sup>, Child Support and Weatherization Assistance), ETF (annuity checks and statements), and DNR (DNR magazine). In FY94, DOA mailing operations metered and billed customer agencies for nearly \$4.7 million in postage.

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<sup>1</sup> As part of its biennial budget submission, the department has requested that mailing activities be transferred to the appropriation under s.20.505(1)(kd) which would be renamed from Printing Services to Printing, Document Sales, Mail Distribution, and Record Services.

<sup>2</sup> Client Assistance for Re-employment and Economic Support (CARES)

## JUSTIFICATION

The requested appropriation authority increase is due to a combination of business growth and a USPS postal rate increase effective January, 1995.

### Business Growth

As shown by the following table, postage demand has increased on average 8% annually between FY92 and FY94. This trend continued in the first six months of FY95, which was 9% higher than the same period in FY94.

The table also shows that postage demand follows a cyclical trend with increases of between 11% and 16% comparing the second six months of each fiscal year to the first six months. Because of the implementation and growth of the H&SS CARES system, the Department believes the increase for the January - June period of FY95 will be at the upper end of the range (see attached graph). Total postage for the year is projected at slightly more than \$5.2 million based on a 15% semiannual growth factor applied to the first 6-months of FY95 actual usage. Consequently, the total projected FY95 increase due to business growth is \$532,000.

### **Postage Charges**

Fiscal Year	July - December	January - June	Total	Year-to- Year % Increase	Semiannual % Increase
FY92	\$1,861,000	\$2,162,000	\$4,023,000		16%
FY93	2,039,000	2,297,000	4,336,000	8%	13%
FY94	2,219,000	2,456,000	4,675,000	8%	11%
FY95 (actual)	2,422,000			9%	
FY95 (estimate)	\$2,422,000	\$2,785,000	\$5,207,000		15%

### USPS Rate Increases

As of January 1, 1995, postal rates increased by 10.5% for First-Class, Pre-sort mail and 14% for Third-Class "bulk" mail. Approximately 86% of the metered postage is attributable to First-Class and the remaining 14% to Third-Class mail. Applying these percentages and rate increases results in an estimated \$306,000 January-June postage increase as shown on the next page.

### Postal Rate Increase

Postage Class	6-month Base	% of Total	Postal Increase	Postage Needed
First	\$2,785,000	86.0%	10.5%	\$251,000
Third	2,785,000	14.0%	14.0%	55,000
				\$306,000

#### Future Growth

Though not included in this request, the Department anticipates additional postage growth in FY96 due to the implementation of H&SS' KIDS system which replaces the partially implemented Child Support Data System. State Agency Services also has received inquires and is negotiating with one agency to process mail which is currently done in-house by those agencies. These activities may require additional appropriation authority which would be requested in FY96 if needed.

#### FINANCIAL SUMMARY

- 20.505(1)(ka) - *Materials and Services to State Agencies (FY95) and*  
 20.505(1)(kd) - *Printing, Document Sales, Mail Distribution, and Record Services (FY96)*

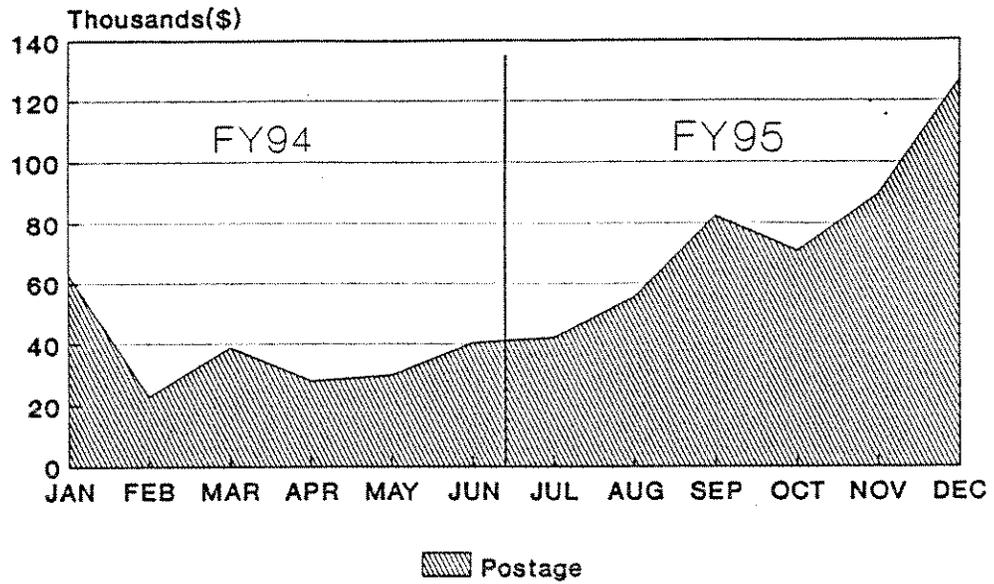
#### Appropriation Increases

	<u>FY95</u>	<u>FY96</u>
Business Growth	\$532,000	\$532,000
USPS Rate Increase	<u>\$306,000</u>	<u>\$612,000</u>
Total Increase	\$838,000	\$1,144,000

Attachment

# H&SS CARES POSTAGE

## Calendar Year 1994



# STATE OF WISCONSIN

**Senate Chair**  
**JOE LEEAN**

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P.O. Box 7882  
Madison, WI 53707-7882  
608-266-0751



**Assembly Chair**  
**BEN BRANCEL**

Room 107 South, State Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
608-266-7746

## JOINT COMMITTEE ON FINANCE

April 3, 1995

Secretary James R. Klauser  
Department of Administration  
101 East Wilson Street  
Madison, WI 53702

Dear Secretary Klauser:

On March 13, 1995, 16,515 requests, as approved by the Department, relating to the University of Wisconsin System and the Department of Revenue were forwarded to the Joint Committee on Finance for approval.

It has been decided that the item relating to Administration of County Sales Tax from the Department of Revenue should receive further review by the Committee, and therefore, we will schedule a meeting of the Committee to consider this request. There were no objections to the request relating to Cigarette Tax Stamps or the University of Wisconsin System requests and accordingly, they have been approved.

A handwritten signature in cursive script that reads "Joe Leean".

JOE LEEAN  
Senate Chair

Sincerely,

A handwritten signature in cursive script that reads "Ben Brancel".

BEN BRANCEL  
Assembly Chair

JL/BB/ns

cc: Members, Joint Committee on Finance

# STATE OF WISCONSIN

**Senate Chair**  
**JOE LEEAN**

Room 119 South, State Capitol  
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Madison, WI 53707-7882  
608-266-0751



**Assembly Chair**  
**BEN BRANCEL**

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Madison, WI 53708-8952  
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## JOINT COMMITTEE ON FINANCE

March 13, 1995

MEMO TO: Members, Joint Committee on Finance

FROM: Senator Joe Leean, Senate Co-Chair  
Representative Ben Brancel, Assembly Co-Chair  
Joint Committee on Finance

Attached is a copy of a request from the Department of Administration dated March 13, 1995 pursuant to s. 16.515 and s.16.505(2) pertaining to the Department of Revenue and the University of Wisconsin System.

Please review these items and notify Senator Leean's office not later than Tuesday, March 28, 1995 if you have any concerns about the requests or would like the Committee to meet formally to consider them.

Also, please contact us if you need additional information.

JL:BB:ns

Attachments

objection to

DOR 16.505/515

request 86

Mar. 13

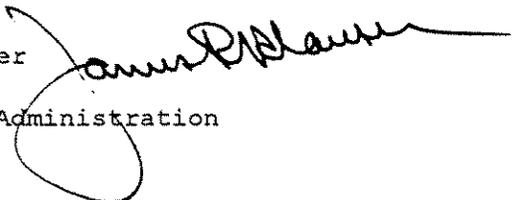
objection  
to DOR  
Mar 13 request

**CORRESPONDENCE/MEMORANDUM**

STATE OF WISCONSIN  
Department of Administration

Date: Mar. 13, 1995

To: Honorable Joseph Leean, Co-Chair  
Honorable Ben Brancel, Co-Chair

From: James R. Klauser   
Secretary  
Department of Administration

Subject: s. 16.515/16.505(2) Requests

Enclosed are requests which have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

AGENCY	DESCRIPTION	1993-94		1994-95	
		AMOUNT	FTE	AMOUNT	FTE
D.O.R. 20.566(1)(g)	Admin. of County Sales Tax			\$ 165,200	
D.O.R. 20.566(1)(ga)	Cigarette Tax Stamps			11,900	
U.W.S. 20.285(5)(h)	Auxiliary Enterprises			2,606,400	
U.W.S. 20.285(5)(j)	Gifts and Grants*			285,200	
U.W.S. 20.285(5)(iw)	Indoor Practice Facility*			1,300	

\* These are continuing appropriations.

As provided in s. 16.515, this request will be approved on Apr. 3, 1995 unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about this request.

Please contact Roger Grossman at 266-1072, or the analyst who approved the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments:

**CORRESPONDENCE/MEMORANDUM**STATE OF WISCONSIN  
Department of Administration

*Date:* March 3, 1995

*To:* James R. Klauser, Secretary  
Department of Administration

*From:* Paul D. Ziegler, Policy and Budget Analyst  
State Budget Office, Department of Administration

*Subject:* Department of Revenue S.16.515 Request - Cigarette Tax Stamps

**Request:**

The Department of Revenue (DOR) requests an increase of \$11,900 PRO in s.20.566(1)(ga), Cigarette Tax Stamps, to purchase additional tax stamps. The request is for ongoing funding.

**Background:**

The Cigarette Tax Stamps appropriation, s.20.566(1)(ga), was created in 1993 Act 16 to provide funding for the department to purchase and ship cigarette tax stamps. Distributors and manufacturers of cigarettes buy the stamps from DOR and apply the stamps to individual cigarette packages.

**Analysis:**

The appropriation currently provides \$165,400 annually for this activity (with \$151,600 available for stamp purchases and \$7,200 allocated to postage and shipping costs).

Higher than expected demand for tax stamps, however, will likely deplete the department's inventory of stamps before FY96 funding can be used to re-stock. The higher demand is in part attributable to higher sales on Indian reservations and border-crossers from Michigan. (Michigan has increased its cigarette tax rate to almost twice the Wisconsin rate -- 75 cents per pack vs. Wisconsin's 38 cents).

To maintain a sufficient inventory, the department is planning to order \$19,900 of additional stamps. Since the department has only \$8000 remaining in the appropriation for this purpose, it is requesting a s.16.515 supplement of \$11,900.

By providing this supplement as ongoing rather than one-time funding, the need for similar requests in the future will be diminished. If demand for the stamps drops, the unused expenditure authority will lapse.

**Recommendation:**

Approve the request.



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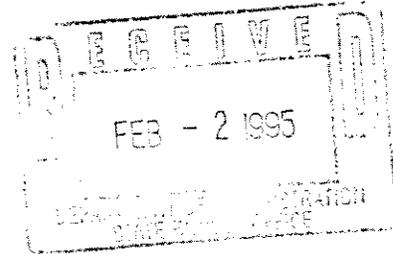
Tommy G. Thompson  
Governor

Mark D. Bugher  
Secretary of Revenue

CC: RG  
RCH  
JK

MEMORANDUM

February 1, 1995



TO: Richard G. Chandler, Director  
State Budget Office

FROM: Mark D. Bugher *[Signature]*  
Secretary of Revenue

SUBJECT: s. 16.515 Request for Additional Expenditure Authority for s. 20.566(1)(ga) -  
Cigarette Tax Stamps

SUMMARY OF REQUEST

The Department of Revenue requests an increase of \$11,900 in s. 20.566(1)(ga), numeric appropriation 127, Cigarette Tax Stamps, for fiscal year 1994-95 due to increased cigarette sales. Subsequently, an increase of \$11,900 will be requested through the s. 16.517 process to provide ongoing funding for the program.

ADDITIONAL FUNDING ANALYSIS

The Cigarette Tax Stamp appropriation was created in 1993 Wisconsin Act 16 to pay for the printing and shipping of cigarette tax stamps under s. 139.32(2). \$165,400 was appropriated in each year to fund this activity.

Currently, \$7,200 is allocated to fund postage and shipping costs and \$151,600 is allocated for printing the cigarette tax stamps. The remaining \$6,600 is in unallotted reserve.

Sales of stamps to date have been higher than anticipated, primarily due to increased cigarette sales in Indian reservations and to border-crossers from Michigan, which recently enacted a cigarette tax increase. Nearly all current funding for stamp printing has been expended. The following is a detail of the expenditures for stamp printing:

Current Printing Budget	\$151,600.00
July 1994 Stamp Order	(63,618.29)
December 1994 Stamp Order	<u>(86,549.43)</u>

Richard G. Chandler  
February 1, 1995  
Page 2

Current Printing Budget Balance	1,432.28
Projected Stamp Order	<u>(19,884.57)</u>
Additional Funding Required	(18,452.29)
Release Unallotted Reserve	<u>6,600.00</u>
Additional Expenditure Authority Needed	11,852.29
s. 16.515 Request (Rounded)	11,900.00

If additional funding is not provided, stamp inventories will be exhausted before stamps ordered from 1995-96 budget authority can be delivered.

#### APPROPRIATION STATUS ANALYSIS

The appropriation balance analysis presented below includes expenditure estimates as reflected in this request.

	<u>1994-95</u>	<u>1995-96</u>	<u>1996-97</u>
Beginning Balance	(\$39,700)	(\$40,000)	(\$40,000)
Projected Revenue	177,000	177,300	177,300
Projected Expenditures	<u>(177,300)</u>	<u>(177,300)</u>	<u>(177,300)</u>
Ending Balance	(\$40,000)	(\$40,000)	(\$40,000)

The cash deficit in each fiscal year is covered by accounts receivables.

cc: D. Hardt  
B. Matthiesen  
R. Grade

c:\docs\revst

**CORRESPONDENCE/MEMORANDUM**STATE OF WISCONSIN  
Department of Administration

**Date:** March 3, 1995

**To:** James R. Klauser, Secretary  
Department of Administration

**From:** Paul Ziegler, Policy and Budget Analyst  
State Budget Office 

**Subject:** Department of Revenue's S.16.515 Request for County Sales Tax Expenses

**Request:**

The Department of Revenue (DOR) requests additional expenditure authority of \$181,200 PRO in s.20.566(1)(g) Administration of County Sales Tax. Of this amount, \$106,100 is requested as one-time funding.

**Background:**

DOR has statutory responsibility for administering the county sales tax. Retailers submit both state and county sales tax collections to DOR. After deducting 1.5% of the amount collected to cover state administrative costs, the department forwards county sales tax revenues to the counties imposing the tax. The 0.5% county sales tax is currently imposed in 46 Wisconsin counties.

**Analysis:**

The request has several components:

One-time costs for Forest County adoption of the tax	\$6,600
One-time costs for DNR administrative functions	
Eliminate time-lag in reimbursement	\$71,600
FY93 cost reestimate	\$27,900
Continuing costs of program functions	
Postage	\$20,500
Data processing costs	\$21,100
Personal computers	\$33,500

***Forest County adoption of the county sales tax:***

The department incurs one-time printing and postage costs when an additional county adopts the county sales tax. Special mailings are required to alert sales tax registrants and provide information about collecting the tax. Forest County has informed DOR that it has adopted the county sales tax effective April 1, 1995. The department requests \$6,600 to cover printing and mailing costs associated with Forest County's action.

***Recommendation: Deny the request.*** In recent years, the department has had sufficient turnover savings to allow these one-time costs to be covered by reallocation of surplus salary dollars. In FY95, DOR should again have sufficient flexibility to absorb this modest one-time cost.

*DNR costs:*

1991 Act 269 authorized the Department of Natural Resources (DNR) to administer the county sales tax for boats, snowmobiles, and all-terrain vehicles. The act increased the funding provided to DOR to reimburse DNR for its marginal costs of collecting the tax to \$71,600 for FY93 and thereafter. DNR initially billed DOR for FY93 costs in FY94. Since DOR's appropriation for county sales tax administration is an annual appropriation wherein unused expenditure authority lapses, this lagged billing pattern (of charging DOR in the current year for DNR's prior year costs) cannot be eliminated without additional expenditure authority.

DOR requests one-time expenditure authority of \$71,600 to allow DNR's costs to be paid in the year incurred. Under the request, DOR in FY95 will reimburse DNR for both its FY94 and FY95 costs. DOR also requests one-time expenditure authority of \$27,900 to fulfill its reimbursement of DNR's FY93 costs. DNR had initially billed DOR only \$43,700 for FY93 based on incomplete information. DNR now wishes to claim the remaining \$27,900 for which it did not earlier bill DOR to more fully recover its FY93 costs.

*Recommendation: Approve the requests.* Approval will allow the end-of-year cash balances of DNR and DOR accounts to more accurately portray amounts available. Adjusting the FY93 charge will properly allow the county sales tax administration appropriation to bear the costs of the tax.

*Postage:*

The department requests ongoing funding of \$20,500 for increased postage costs. Postage costs have increased due to additional sales tax registrants, increased postage rates, and refinement by the department of which mailings primarily relate to the county rather than the state sales tax (shifting costs from GPR to the county sales tax PR appropriation).

*Recommendation: Modify. Change \$2,000 of the amount requested to one-time funding.* Since the Governor's 1995-97 biennial budget proposals include the annualized projection for the postage rate increase, providing this portion of the request as ongoing funding would be redundant.

*Data Processing Costs:*

As additional counties have adopted the county sales tax and the number of businesses and individuals responsible for remitting the tax has multiplied, the department has increased automation of administration of the tax. The department is subsequently requesting ongoing funding of \$21,100 to cover increased computer time charges for entering, updating, executing and further developing its computer programs and databases. Examples of the activities automated include incomplete return notices, adjustment notices, non-filer detection efforts, and tax estimation processes.

*Recommendation: Approve.* Automation has captured the economies of scale that permitted the administrative fee to be cut from its initial 3% to the current 1.5%.

*Personal Computers:*

The appropriation for the administration of the county sales tax funds 39.80 FTE positions. The department estimates that of this total, eventually 32 positions will require frequent use of a personal computer. This need is largely driven by the upgrade of the delinquent tax collection computer system from a mainframe to a mainframe/networked PC system wherein employees will require PCs rather than terminals to conduct their work. The redesigned delinquent tax collection system will automate many functions currently done on paper -- including maintaining records of taxpayer contacts and collection actions.

The department requests \$33,500 in ongoing funding to purchase seven PCs and two printers annually. The county sales tax administration appropriation currently has no permanent property funding.

*Recommendation: Reduce the amount by \$9,400 to \$24,100.* The department currently has 17 of the 32 PCs it will need by the time the delinquent tax redesign is complete in FY97. The recommended amount will allow the department to purchase and install five PCs annually in FY95, FY96, and FY97 and thereby equip each employee requiring a PC by the time the redesigned system is complete.

Summary of Recommendations:

Reduce the total request of \$181,200 by \$16,000 to provide \$165,200 as follows:

	Request		Recommendation	
	<u>1-time</u>	<u>ongoing</u>	<u>1-time</u>	<u>ongoing</u>
Forest County adoption of tax	\$6,600	\$0	\$0	\$0
DNR administrative costs				
Eliminate time-lag	\$71,600	\$0	\$71,600	\$0
FY93 cost reestimate	\$27,900	\$0	\$27,900	\$0
Continuing functions				
Postage	\$0	\$20,500	\$2000	\$18,500
Data processing costs	\$0	\$21,100	\$0	\$21,100
Personal computers	<u>\$0</u>	<u>\$33,500</u>	<u>\$0</u>	<u>\$24,100</u>
<b>TOTAL</b>	<b>\$106,100</b>	<b>\$75,100</b>	<b>\$101,500</b>	<b>\$63,700</b>



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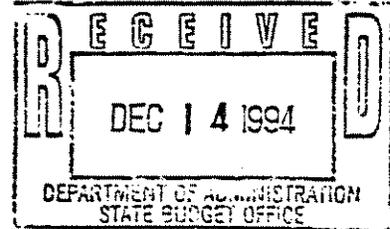
CC: P...  
K...  
DK

Tommy G. Thompson  
Governor

Mark D. Bugher  
Secretary of Revenue

MEMORANDUM

December 12, 1994



TO: Richard G. Chandler  
State Budget Director

FROM: Mark D. Bugher *[Signature]*  
Secretary of Revenue

SUBJECT: Section 16.515 Request for Increased Expenditure Authority under  
Section 20.566(1)(g), Stats., Administration of County Sales and  
Use Tax

SUMMARY OF REQUEST

The Department of Revenue (DOR) is requesting an increase of \$81,700 in fiscal year 1994-95 in s. 20.566(1)(g) related to the increase in the number of counties adopting the county sales and use tax and funding the ongoing needs of the program. Subsequently, an increase of \$75,100 will be requested through the s. 16.517 process to provide ongoing funding for the program.

BACKGROUND OF REQUEST

Under s. 77.76, the Department is mandated to administer the county sales and use tax in the same manner it administers the state sales tax. Affected retailers submit both state and county sales tax to DOR. The Department retains 1.5% of the county sales and use tax collected to pay for administrative costs and returns the balance to the counties participating in the program.

For fiscal year 1994-95, the following forty-six (46) counties are participating in the County Sales and Use Tax Program:

- |          |           |           |
|----------|-----------|-----------|
| Adams    | Jackson   | Polk      |
| Ashland  | Jefferson | Portage   |
| Barron   | Juneau    | Price     |
| Bayfield | Kenosha   | Richland  |
| Buffalo  | LaCrosse  | Rusk      |
| Burnett  | Langlade  | St. Croix |
| Chippewa | Lincoln   | Sauk      |
| Columbia | Marathon  | Sawyer    |
| Crawford | Marquette | Shawano   |
| Dane     | Milwaukee | Vilas     |
| Dodge    | Monroe    | Walworth  |

Richard G. Chandler  
December 12, 1994  
Page 2

Door	Oconto	Washburn
Douglas	Oneida	Waupaca
Dunn	Ozaukee	Waushara
Iowa	Pepin	
Iron	Pierce	

One new county has notified the Department they have adopted the county sales tax:

<u>County</u>	<u>Effective Date</u>	<u>Registrants</u>
Forest	April 1, 1995	391

#### ADDITIONAL FUNDING ANALYSIS

For purposes of this analysis, the following will first address one-time funding needs resulting from the addition of a new county and then continuing funding to support the ongoing needs of the program.

#### One-Time Costs

One-time costs are incurred for printing information about counties adopting the county sales and use tax in the *Sales and Use Tax Report*, which normally is printed and sent to registrants at the end of each calendar quarter. Copies of the *Tax Report* are sent along with return forms to registrants who are scheduled to receive forms at the end of the quarter. Additional envelope and postage costs are incurred to send special mailings of the *Tax Report* to registrants who are not scheduled to receive forms. One-time costs are also incurred through printing and mailing of bracket cards to the registrants with active locations within the counties that are adopting the county sales tax.

The entire printing cost of the December 1994 *Tax Report* will be charged to the county sales tax appropriation since nearly all of its space will be devoted to this subject. Copies of the December 1994 *Tax Report* will be sent along with return forms to registrants who are scheduled to receive forms in December 1994 and January 1995, including calendar year filers and quarterly filers with fiscal years ending in January, April, July and October. Timely notification of approximately 5,000 other registrants will require a special mailing of the *Tax Report* in January 1995. Envelope and postage costs associated with this special mailing will be charged to the county sales tax appropriation. One-time costs will also be incurred for printing and mailing bracket cards for 391 active locations within Forest County.

Specific one-time costs for the county sales tax appropriation for 1994-95 are as follows:

Printing	
Dec. 1994 Tax Report	5,408
Envelopes @ 1.5¢ (5,000 registrants)	75
Bracket Cards @ 1.5¢ (391 registrants)	6
Total Printing	<u>\$5,489</u>
Postage	
Dec. 1994 Tax Report @ 20.4¢ (5,000 registrants)	1,020
Bracket Cards @ 20.4¢ (391 registrants)	80
Total Postage	<u>\$1,100</u>
Total One-Time Costs (Rounded)	<u>\$6,600</u>

#### Ongoing Costs

Additional funding is requested for ongoing needs to fund postage and computer processing costs and equipment.

##### 1. Postage

An additional \$20,500 is needed to fully fund county sales tax postage costs on an ongoing basis. The current budget for postage is \$14,900. Postage costs, excluding one-time activities, are projected to be \$35,400. This increase is due in part to the growth of sales tax registrants. At the time each of the existing 46 counties adopted the county sales tax, there was a total of 88,751 registrants. As of July 1, 1994, these same counties had 96,008 registrants. This is due to growth in the number of registrants, not because of growth in the number of counties participating. This postage increase is requested on an ongoing basis.

##### 2. Data Processing Costs

As a result of the additional counties which have joined the program in recent years, several functions which had previously been handled manually are being automated, resulting in increased computer processing costs. Functions automated include batch and on-line processing to support:

- incomplete return notices
- second request notices
- municipal/county code edits
- non-filer detection/estimating
- department-corrected returns
- automation inactivation process
- boat occasional sales tax process
- multiple return mail-out process

- adjustment notice disposition process
- prior period return processing

Increased funding for data processing costs are requested as shown below:

	<u>FY 1994-95</u>
Batch production	\$ 45,100
User on-line costs	19,100
Applications development costs	<u>45,400</u>
Total	\$109,600
Base Funding	<u>(88,500)</u>
Additional Request	\$ 21,100

The \$21,100 in fiscal year 1994-95 is requested as permanent ongoing funding.

### 3. Automation Equipment

The Department currently has 27.0 FTE authorized in the Division of Income, Sales and Excise Taxes (IS&E) funded by the County Sales and Use Tax Program. There are only three personal computers funded by this appropriation at the present time in the Audit Bureau. The Central Compliance Section has 87 employees, 21 of whom are funded by County Sales Tax. Every employee has a mainframe terminal, but employees must share six personal computers. The scarcity of personal computer (PC) resources requires users to inefficiently schedule their work around PC availability, spend considerable time away from their workstations, and perform some tasks manually that would otherwise be able to be performed on a computer.

This problem was addressed by the Department's Strategic Business Plan under the information technology vision. According to the vision, the solution is to replace existing computer resources with a greatly expanded base of PC's connected in local area networks with linkages to mainframe systems. This will combine the mainframe accessibility and convenience of personal terminals with the functionality of networked PC's.

This request is intended to provide ongoing funds so that additional network-compatible PC's and associated equipment can be acquired for County Sales Tax funded employees in current and subsequent years to build toward the information technology vision. Once the vision is attained, the funds would be used for equipment replacement.

The specific funding requested will meet critical needs in 1994-95. Department standard network-compatible PC's with spreadsheet, word processing and mainframe emulation software, and attached laser printers are to be provided for the following users:

<u>User Area</u>	<u>Primary Applications</u>
1. Sales Tax System User	Memos, reports, statistical schedules
2. Sales Tax Return Adjustment Unit	Statistical schedules, recalculating account balances, camera copy of new or revised tax forms
3. Sales Tax Office Audit Unit	Memos, reports, recalculating account balances, tracking office audit projects
4. Registration Unit, Inquiry, Technical Assistance Unit	Memos, reports, statistical schedules, printing return forms for taxpayers who have lost or not received a form

The specific configuration costs are as follows:

Network capable PC with operating system and mainframe terminal emulation	\$3,530
Word processing/spreadsheet software	446
Minor equipment and supplies	<u>240</u>
Cost of Personal Computer	\$4,216
 Laserjet printer with memory upgrade	 1,500

IS&E is requesting to purchase five personal computers and two laserjet printers during fiscal year 1994-95 at a total cost of \$24,100. This funding is requested on an ongoing basis to continue to purchase this equipment each fiscal year. When all employees have received their equipment, the funding will be used to establish an equipment replacement program.

The Bureau of Information Systems currently has 12.8 FTE funded by the County Sales and Use Tax appropriation, with 8 personal computers purchased by this funding. This is a request for \$9,400 in 1994-95 to provide funding for a replacement program for their existing personal computers. This ongoing funding would provide for replacing two personal computers annually.

#### SUMMARY OF REQUEST

The following is a summary of the Department's request for additional expenditure authority:

	<u>FY 1994-95</u>
Supplies & Services	\$51,600
Permanent Property	<u>30,100</u>
Total	\$81,700

Richard G. Chandler  
December 12, 1994  
Page 6

APPROPRIATION BALANCE ANALYSIS

An appropriation balance analysis is presented below. The revenue amounts account for increases resulting from the adoption of the county sales tax by Forest County. Expenditures include estimated pay plan and fringe supplements and the requests for one-time and ongoing funding.

	<u>FY 1994-95</u>	<u>FY 1995-96</u>	<u>FY 1996-97</u>
Beginning Balance	\$ 433,900	\$ 693,000	\$1,036,500
Projected Revenue	2,175,900	2,313,500	2,448,500
Projected Expenditures	(1,916,800)	(1,970,000)	(2,016,000)
Ending Balance	\$ 693,000	\$1,036,500	\$1,469,000

cc: J. Bilotti  
D. Hardt  
C. McDowell  
B. Matthiesen  
P. Kronberger  
R. Grade  
S. Fosdal



# State of Wisconsin • DEPARTMENT OF REVENUE

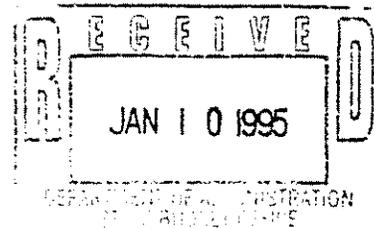
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*Tommy G. Thompson*  
Governor

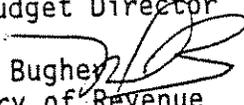
*Mark D. Bugher*  
Secretary of Revenue

## MEMORANDUM

January 6, 1994



**TO:** Richard G. Chandler  
State Budget Director

**FROM:** Mark D. Bugher   
Secretary of Revenue

**SUBJECT:** Modification to Section 16.515 Request for County Sales and Use Tax

The Department submitted a request dated December 12, 1994 for increased expenditure authority in s. 20.566(1)(g) related to the increase in the number of counties adopting the county sales and use tax and funding the ongoing needs of the program. The Department wishes to modify its request for an additional one-time increase of \$71,600 in fiscal year 1994-95.

The Department of Revenue currently has \$71,600 in unallotted reserve to fund the Department of Natural Resources' activities in administering the county sales tax on boats, ATV's and snowmobiles. The DNR reimbursement for fiscal year 1992-93 was made during fiscal year 1993-94. Both departments would like to begin to reimburse during the year in which the expenditures occur. The requested increase would allow DOR to reimburse DNR's costs for both fiscal years 1993-94 and 1994-95 during fiscal year 1994-95.

cc: P. Ziegler

c:\docs\cstamen



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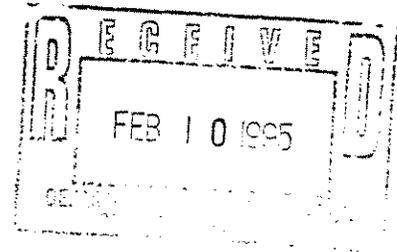
Tommy G. Thompson  
Governor

cc: JK  
RG  
RC

Mark D. Bugher  
Secretary of Revenue

MEMORANDUM

February 8, 1995



TO: Richard G. Chandler, Director  
State Budget Office

FROM: Mark D. Bugher *[Signature]*  
Secretary of Revenue

SUBJECT: s. 16.515 Request for Increased Expenditure Authority under s. 20.566(1)(g) -  
County Sales and Use Tax Administration

The Department requests a one-time increase of \$27,900 in expenditure authority for s. 20.566(1)(g) - County Sales and Use Tax Administration in fiscal year 1994-95.

The Department of Revenue (DOR) reimburses the Department of Natural Resources (DNR) for its activities in administering the county sales tax on boats, all-terrain vehicles, and snowmobiles. DNR was reimbursed \$43,710.17 for their costs incurred during fiscal year 1992-93, per an invoice submitted in July 1993. DNR has recently submitted a subsequent invoice dated February 2, 1995 for unrecovered costs incurred during the period of July 1, 1992 through June 30, 1993. A copy of the invoice and detailed documentation is attached for your information.

In order to reimburse DNR for these costs, an increase in expenditure authority is required.

An appropriation balance analysis is presented below. Expenditures include estimated pay plan and fringe supplements and the pending s. 16.515 requests for one-time and ongoing funding.

	<u>FY 1994-95</u>	<u>FY 1995-96</u>	<u>FY 1996-97</u>
Beginning Balance	\$433,900	\$593,500	\$937,000
Projected Revenue	2,175,900	2,313,500	2,448,500
Projected Expenditures	(2,016,300)	(1,970,000)	(2,016,000)
Ending Balance	\$593,500	\$937,000	\$1,369,500

cc: P. Ziegler R. Grade  
C. McDowell D. Shimeall, DNR



1/31/95

National Brand  
45-605 EyeEase®  
45-205 2-Pack  
Made in USA

# Tax Transactions In Boat, Snowmobile & ATV System C

Final FY 1992-93

	1	2	3	4	5
			FY 1992-93		
			Expenditures		
			Final		
(LA05RAP) Boat Order Form #9400-193			357600		
(LA05RAP) Data Entry (out-source)					
Data Shop			2623894		
(LA05RAP) Computer Programming Consultants					
Omni			3520045		
(LA034,5,6RAP) Permanent Salary RAP			23062751		
(LA034,5RAP) LTE Salary RAP			11257290		
Fringe Benefits @ 34.6% x Perm / @ 7.65% x LTE			8840895		
Subtotal			49662475		
Tax Trans. as % of Base Costs			x .30		
Subtotal			14898743		
CPU Chargeback Based Upon 60,000 Annual Trans					
20,000 in-house @ 45¢			900000		
40,000 out-source @ 5¢			200000		
Postage 60,000 x 15% (errors requiring return) x 29¢			261000		
Total Costs - Tax Transactions			16259743		
FY 1992-93 Spending Authority			7160000		
Previous Bill			- 4371017		
Amt. Requested			2788983		

From: DNRVAX::THEISB "Barbara Theisen, IM/8, 608-266-8389" 9-JAN-1995 11:33:48.58  
To: SHIMED  
CC:  
Subj: Numbers from the boat system

Dan,

I've pulled some information from our on-line transaction records regarding the number and types of transactions performed in the On-Line Boat Registration system.

The On-Line Boat Registration system became available in September of 1993. I do not have records regarding transactions for the period of time July, 1993 through September 15th, 1993.

During the period 9/93 - 6/94:  
-----

LI processed about 49,000 transactions. Of these, over 35,375 required sales tax data to be keyed. 20,293 of the 35,375 were transfers, the remaining 15,082 were originals.

- 72 % of transactions required tax data to be keyed.
- 57% of tax reporting transactions were transfers.
- Approx 60 fields are keyed on an original, 20 EXCLUSIVELY for tax purposes.
- Approx 40 fields are keyed on a transfer, 20 EXCLUSIVELY for tax purposes.

So, on over 70% of transactions, between 30% and 50% of the keying is for DOR exclusively. Multiplying out  $.72 * .57 * .50$  and adding  $.72 * .43 * .33$  yields about 30% of total keying for DOR.

During the period 7/94 - 1/95:  
-----

LI processed about 46,170 transactions. Of these, over 35,250 required sales tax data to be keyed. 20,158 of the 35,250 were transfers, the remaining 15,092 were originals.

- 76 % of transactions required tax data to be keyed.
- 57% of tax reporting transactions were transfers.
- Approx 60 fields are keyed on an original, 20 EXCLUSIVELY for tax purposes.
- Approx 40 fields are keyed on a transfer, 20 EXCLUSIVELY for tax purposes.

So, on over 70% of transactions, between 30% and 50% of the keying is for DOR exclusively. Multiplying out  $.76 * .57 * .50$  and adding  $.76 * .43 * .33$  yields about 32% of total keying for DOR.

If you also consider verifying the form, I'd estimate that at least 25% of the work is for DOR (this is a lower bound, not a best guess). Staff have to verify the taxable amount, compute state and county tax. Dick Royston's staff probably have a better idea of how much time they spend verifying the tax statement portion of the form.

Data Entry (Data Shop)

NRGADETAIL/3  
RUN DATE: 09/26/93  
RUN TIME: 03:07:23

WISCONSIN DEPARTMENT OF NATURAL RESOURCES  
YEAR TO DATE DETAIL REPORT 3  
AS OF 09/25/93

FISCAL YEAR: 1992 - 1993  
PAGE 2076

THIS LISTING OF TRANSACTION DETAILS SUPPORTS YOUR SUMMARY BALANCE 2 REPORT.  
IT SHOWS ENTRIES BY SUBUNIT WITHIN EACH DEPARTMENT CHECKBOOK.

CHECKBOOK: LA05 - LICENSE ADMINISTRATION-BOAT  
DISTRICT: CENTRAL OFF  
SUBMIT: RAP - REGISTRATION & PERMITS  
PMN: ALL

DISCIPLINE: LICENSE ADMINISTRATION  
BRU: LA05 RAP

\* - DETAIL SHOWN ON 93/07/31 REPORT

EFFECT DATE	VENDOR	CLASS CODE	REF NUMBER	CROSS REF NUMBER	TRANSDXN DATE	PMN	AMOUNT
EXPENDITURES							
*****							
SUPPLIES & SERVICES							
12-92	DEPT OF NATURAL RESOURCES	2600	*12009		02/09/93	LA877	956.12
01-93	DEPT OF NATURAL RESOURCES	2600	*12319		02/16/93	LA877	2,112.10
02-93	DEPT OF NATURAL RESOURCES	2600	*12320		02/16/93	LA877	806.90
02-93	DEPT OF NATURAL RESOURCES	2600	*14664		03/25/93	LA877	1,008.59
03-93	DEPT OF NATURAL RESOURCES	2600	*14665		03/25/93	LA877	7,408.59
03-93	DEPT OF NATURAL RESOURCES	2600	*15812		04/16/93	LA877	2,832.58
04-93	DEPT OF NATURAL RESOURCES	2600	*15813		04/16/93	LA877	4,509.43
04-93	DEPT OF NATURAL RESOURCES	2600	*19568		05/17/93	LA877	4,230.93
05-93	DEPT OF NATURAL RESOURCES	2600	*20005		06/23/93	LA877	1,918.93
05-93	DEPT OF NATURAL RESOURCES	2600	*20006		06/23/93	LA877	6,115.73
06-93	DEPT OF NATURAL RESOURCES	2600	*22060		07/22/93	LA877	1,076.76
07-92	DATA SHOP INC	2600	*22061		07/22/93	LA877	8,608.28
07-92	DATA SHOP INC	2650	*00692	90508	07/31/92	LA877	1,208.09
07-92	DATA SHOP INC	2650	*01138	90508	08/06/92	LA877	2,018.79
08-92	DATA SHOP INC	2650	*01139	90508	08/06/92	LA877	1,233.95
08-92	DATA SHOP INC	2650	*01843	90508	08/18/92	LA877	951.23
08-92	DATA SHOP INC	2650	*02010	90508	08/21/92	LA877	993.58
08-92	DATA SHOP INC	2650	*03067	90508	09/08/92	LA877	693.84
08-92	DATA SHOP INC	2650	*03068	90508	09/09/92	LA877	802.71
09-92	DATA SHOP INC	2650	*03537	90508	09/16/92	LA877	704.22
09-92	DATA SHOP INC	2650	*03672	90508	09/16/92	LA877	442.12
09-92	DATA SHOP INC	2650	*04626	90508	10/02/92	LA877	343.13
10-92	DATA SHOP INC	2650	*04627	90508	10/02/92	LA877	335.29
10-92	DATA SHOP INC	2650	*05261	90508	10/13/92	LA877	158.01
10-92	DATA SHOP INC	2650	*05541	90508	10/16/92	LA877	189.88
10-92	DATA SHOP INC	2650	*06056	90508	10/27/92	LA877	426.77
10-92	DATA DIMENSIONS COPR	2650	*06300	90508	10/30/92	LA877	213.22
10-92	DATA SHOP INC	2650	*06302	90307	10/30/92	LA877	276.62
11-92	DATA SHOP	2650	*06600	90508	11/03/92	LA877	137.01
11-92	OMNI RESOURCES INC	2650	*07050	90508	11/11/92	LA877	127.44
11-92	OMNI RESOURCES INC	2650	*07747	98857	11/23/92	LA877	4,410.00
11-92	DATA SHOP INC	2650	*07747	98847	01/08/93	LA877	4,410.00
11-92	DATA SHOP INC	2650	*07851	90508	11/24/92	LA877	197.09
11-92	DATA SHOP INC	2650	*08176	90508	12/02/92	LA877	33.75
11-92	DATA SHOP INC	2650	*08606	90508	12/07/92	LA877	129.83

# Data Entry (Data Shop) & Computer Programming Consultants (Omni)

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CHECKBOOK: LAOS - LICENSE ADMINISTRATION-BOAT  
 DISTRICT: CENTRAL OFF  
 SUBUNIT: RAP - REGISTRATION & PERMITS  
 PMN: ALL  
 DISCIPLINE: LICENSE ADMINISTRATION  
 \* - DETAIL SHOWN ON 93/07/31 REPORT  
 BRU: LAOS RAP

EFFECT DATE	VENDOR	TRANSACTION DESCRIPTION	CLASS CODE	REF NUMBER	CROSS REF NUMBER	TRANSN DATE	PMN	AMOUNT
<b>EXPENDITURES</b>								
*****								
<b>SUPPLIES &amp; SERVICES</b>								
12-92	DATA SHOP INC	DATA ENTRY	2650	*08789	90508	12/09/92	LAB77	27.66
12-92	DATA SHOP INC	DATA ENTRY	2650	*09158	90508	12/15/92	LAB77	142.34
01-93	OMNI RESOURCES INC	CONSULTING FEE-ALLGER	2650	*09960	90508	01/06/93	LAB77	42.58
01-93	DATA SHOP INC	DATA ENTRY	2650	*10827	91387	01/20/93	LAB999	-288.00
01-93	DATA SHOP INC	DATA ENTRY	2650	*10831	90508	01/20/93	LAB77	69.69
01-93	DATA SHOP INC	DATA ENTRY	2650	*11572	90508	02/03/93	LAB77	91.69
01-93	DATA SHOP INC	DATA ENTRY	2650	*11573	90508	02/03/93	LAB77	9.55
02-93	DATA SHOP INC	DATA ENTRY	2650	*12145	90508	02/10/93	LAB77	109.19
02-93	DATA SHOP INC	DATA ENTRY	2650	*12752	90508	02/23/93	LAB77	106.64
02-93	OMNI RESOURCES	CORR CONSULTANT FEE-WOOD, THEISEN	2650	*12753	90508	02/23/93	LAB77	70.38
03-93	DATA SHOP INC	DATA ENTRY	2650	*12791	91387	03/05/93	LAB999	-144.00
04-93	DATA SHOP INC	DATA ENTRY	2650	*13887	90508	03/15/93	LAB77	55.04
05-93	DATA SHOP INC	DATA ENTRY	2650	*16350	90508	04/26/93	LAB77	3,007.18
05-93	DATA SHOP INC	DATA ENTRY	2650	*17510	90508	05/12/93	LAB77	783.00
05-93	DATA SHOP INC	DATA ENTRY	2650	*17758	90508	05/18/93	LAB77	857.76
05-93	DATA SHOP INC	DATA ENTRY	2650	*18454	90508	05/28/93	LAB77	1,468.13
05-93	DATA SHOP INC	DATA ENTRY	2650	*20094	90508	06/23/93	LAB77	1.20
06-93	OMNI RESOURCES INC	CORR SENIOR PROGRAMMER/ANALYST	2650	*20094	90508	06/23/93	LAB77	576.02
06-93	OMNI RESOURCES	DATA ENTRY SERVICES	2650	*20115	98857	06/25/93	LAB77	-141.50
04-93	DEPT. OF ADMINISTRATION	CONSULTANT FEE - THEISEN, WOOD	2650	*21576	90508	07/16/93	LAB77	7,204.32
04-93	DEPT. OF ADMINISTRATION	POSTAGE METER	2650	*21622	98857	07/16/93	LAB77	-5,004.00
07-92	PROGRAM SERVICES	POSTAGE METER	3100	*18367		05/27/93	LAB77	19,834.31
07-92	PROGRAM SERVICES	POSTAGE METER	3100	*18367		05/27/93	LAB77	4,254.68
08-92	PS-POSTAGE	POSTAGE CHARGE BACK-JULY 1992	3100	*85003		08/24/92	LAB77	233.69
08-92	PS-POSTAGE	POSTAGE CHARGE BACK-JULY 1992	3100	*85003		08/24/92	LAB77	7,966.67
08-92	PS-POSTAGE	POSTAGE CHARGE BACK-AUGUST 1992	3100	*85052		09/28/92	LAB77	6,665.74
09-92	PROG SERV-TRF	POSTAGE CHARGE BACK-AUGUST 1992	3100	*85052		09/28/92	LAB77	31.77
09-92	PROG SERV-TRF	POSTAGE CHARGE BACK-SEPTEMBER 1992	3100	*85068		10/13/92	LAB77	2,099.65
10-92	PS-POSTAGE	POSTAGE CHARGE BACK-SEPTEMBER 1992	3100	*85068		10/13/92	LAB77	18.05
10-92	PS-POSTAGE	POSTAGE CHARGE BACK-OCTOBER 1992	3100	*85160	00001	11/18/92	LAB77	1,827.83
11-92	PROGRAM SERVICES	POSTAGE CHARGE BACK-OCTOBER 1992	3100	*85160		11/18/92	LAB77	174.27
11-92	PROGRAM SERVICES	POSTAGE CHARGE BACK-NOVEMBER 1992	3100	*85261		12/16/92	LAB77	854.94
12-92	PROGRAM SERVICES	POSTAGE CHARGE BACK-NOVEMBER 1992	3100	*85261		12/16/92	LAB77	34.87
12-92	PROGRAM SERVICES	POSTAGE CHARGE BACK-DECEMBER 1992	3100	*85342		01/20/93	LAB77	25.45
12-92	PROGRAM SERVICES	POSTAGE CHARGE BACK-DECEMBER 1992	3100	*85342		01/20/93	LAB77	429.06
01-93	PROGRAM SERVICES	POSTAGE CHARGE BACK-DECEMBER 1992	3100	*85342		01/20/93	LAB77	876.85
01-93	PROGRAM SERVICES	POSTAGE CHARGE BACK-JANUARY 1993	3100	*85426		02/16/93	LAB77	

# Computer Programming Consultants (Omni) & Boat Order Form

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CHECKBOOK: LA05 - LICENSE ADMINISTRATION-BOAT  
 DISTRICT: CENTRAL OFF.  
 SUBUNIT: RAP - REGISTRATION & PERMITS  
 PMN: ALL  
 AREA: GEF II AND GEF III  
 DISCIPLINE: LICENSE ADMINISTRATION  
 BRU: LA05 RAP  
 \* - DETAIL SHOWN ON 93/07/31 REPORT

EFFECT DATE	VENDOR	CLASS CODE	REF NUMBER	CROSS NUMBER	TRANSDXN DATE	PMN	AMOUNT
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EXPENDITURES \*\*\*\*\*  
 VOUCHER#

SUPPLIES & SERVICES							
EFFECT DATE	VENDOR	CLASS CODE	REF NUMBER	CROSS NUMBER	TRANSDXN DATE	PMN	AMOUNT
01-93	PROGRAM SERVICES	3100	*85426		02/16/93	LA877	46.06
02-93	PROGRAM SERVICES	3100	*85513		03/09/93	LA877	957.54
03-93	PROGRAM SERVICES	3100	*85636		04/13/93	LA877	71,095.39
04-93	PROGRAM SERVICES	3100	*85769		05/14/93	LA877	62.19
05-93	PROGRAM SERVICES	3100	*85769		05/14/93	LA877	12,612.04
05-93	PROGRAM SERVICES	3100	*85950		06/15/93	LA877	9,910.02
06-93	PROGRAM SERVICES	3100	*86252		07/16/93	LA877	10,445.44
04-93	DEPT. OF ADMINISTRATION	3110	*18367		05/27/93	LA877	1,473.00
10-92	OMNI RESOURCES, INC	3203	*16354		05/21/93	LA877	29.75
05-93	CEDAR COMPUTER CENTER INC	3203	*18406		05/26/93	FNINT	10.24
06-93	EMMONS-NAPP	3203	*22349	92423	07/30/93	FNINT	215.67
07-92	POSTMASTER	3301	*00117		07/07/92	LA877	405.00
07-92	POSTMASTER	3301	*00553		07/29/92	LA877	93.00
09-92	DEPT. OF ADMINISTRATION	3301	*06157		10/30/92	LA877	2,104.74
11-92	DEPT. OF ADMINISTRATION	3301	*09642		12/28/92	LA877	1,906.98
06-93	POSTMASTER	3301	*20716		06/30/93	LA877	405.00
06-93	DEPT. OF ADMINISTRATION	3301	*22074		07/23/93	LA877	2,261.60
07-92	POSTMASTER	3301	*22074		07/23/93	LA877	340.00
09-92	JOURNAL PRINTING CO.	3301	*74012		07/31/92	LA877	405.00
09-92	LA DUE PRINTING & GILL ST	3550	*06609	30268	11/05/92	LA877	231.35
09-92	DATA DOCUMENTS	3550	*06619	30217	11/05/92	LA877	12,059.00
01-93	MIAMI SYSTEMS CORP.	3550	*08256	30218	12/02/92	LA877	12,584.96
03-93	MOORE BUS. FORMS	3550	*14995	30463	04/01/93	LA877	2,703.00
03-93	MAIL-WELL ENVELOPE	3550	*15667	30606	04/14/93	LA877	3,576.00
03-93	UARCO INC.	3550	*16025	30575	04/20/93	LA877	4,726.80
05-93	MOORE BUSINESS FORMS	3550	*16079	30591	04/20/93	LA877	99.36
08-92	MILWAUKEE SENTINEL	3550	*21110	30827	07/08/93	LA877	273.48
08-92	MILWAUKEE SENTINEL	3550	*78004		08/19/92	LA877	23.12
04-93	AMPRO DATA	3550	*78004		08/19/92	LA877	23.12
04-93	AMERIDATA	3730	*18293	92614	05/25/93	LA999	941.50
04-93	GOVERNMENT TECHNOLOGY SER	3730	*18341	92629	05/26/93	LA877	914.16
04-93	AMERIDATA	3730	*18342	92630	05/26/93	LA877	1,000.00
04-93	BUR OF INFORMATION SYSTEM	3730	*18353	92633	05/27/93	LA877	471.56
04-93	GOVERNMENT TECHNOLOGY SER	3730	*18443	92635	05/28/93	LA877	1,776.00
04-93	GOVERNMENT TECHNOLOGY SER	3730	*18490	92639	06/15/93	LA877	504.00
04-93	GRANITE	3730	*21526	92638	07/16/93	LA877	132.84

# Computer Programming Consultants (Omni)

IRGADETAIL73  
 RUN DATE: 09/24/94  
 RUN TIME: 21:06:17

4381

WISCONSIN DEPARTMENT OF NATURAL RESOURCES  
 YEAR TO DATE DETAIL REPORT 3  
 AS OF 09/24/94

FISCAL YEAR: 1993 - 1994  
 PAGE 1197

THIS LISTING OF TRANSACTION DETAILS SUPPORTS YOUR SUMMARY BALANCE 2 REPORT.  
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CHECKBOOK: LAOS - LICENSE ADMINISTRATION-BOH1  
 DISTRICT: CENTRAL OFF.  
 SUBUNIT: RAP - REGISTRATION & PERMITS  
 PMN: ALL

BRU: LAOS RAP

CARRYOVER TRANSACTIONS FROM PRIOR YEAR  
 AREA: GEF II AND GEF III  
 DISCIPLINE: LICENSE ADMINISTRATION  
 \* - DETAIL SHOWN ON 94/07/31 REPORT

EFFECT DATE	VENDOR	TRANSACTION DESCRIPTION	CLASS CODE	REF NUMBER	CROSS REF NUMBER	TRANSDXN DATE	PMN	AMOUNT
<b>EXPENDITURES</b>								
*****								
<b>SUPPLIES &amp; SERVICES</b>								
07-93	OMNI RESOURCES INC,	CONSULTANT FEE-THEISEN, WOOD	2650	*00985	98857	08/09/93	LA877	13,590.00
07-93	OMNI RESOURCES, INC.	CORR ON LINE BOAT	2650	*04514	98857	02/03/94	LA877	15,948.00
07-93	OMNI RESOURCES, INC,	CONSULTANT FEE-THEISEN, WOOD	3203	*00985	98857	08/09/93	FNINT	55.20
07-93	CONTINENTAL RESOURCES, IN	DEC DE205-AA BOARD	3740	*00566	92637	07/30/93	LA877	1,260.00
07-93	CONTINENTAL RESOURCES, IN	DEC DE205-AA BOARD	3740	*00566	92637	07/30/93	LA877	189.00
07-93	CONTINENTAL RESOURCES, IN	CORR DEC DE205-AA BOARD	3740	*00566	92637	09/08/93	LA877	189.00
07-93	BADGER STAT INDUSTRIES	CONFERENCE ROOM FURNITURE	3740	*07542	92424	11/30/93	LA877	1,141.62
07-93	BADGER STATE INDUSTRIES	SYSTEMS FURNITURE GEF 3	3740	*09646	91837	01/04/94	LA877	23,000.00

TOTAL EXPENDITURES

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\$54,994.82

ENCUMBRANCES  
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ENCUMB#

**SUPPLIES & SERVICES**

07-93	MTM INC.	MAINTENANCE AGREEMENT VIEWER MAINT	2480	*90129	98857	09/30/93	LA877	305.00
07-93	MTM	CORR CANCEL BALANCE	2480	*90129	98857	07/30/94	LA877	305.00
07-93	OMNI RESOURCES, INC.	CORR ON LINE BOAT	2650	*04514	98857	02/03/94	LA877	15,948.00
07-93	OMNI RESOURCES	CORR ON LINE BOAT	2650	*04514	98857	02/11/94	LA877	15,948.00
07-93	DATA DIMENSIONS COPR	DATA ENTRY SERVICES	2650	*90307	98857	09/30/93	LA877	34,723.38
07-93	DATA DIMENSIONS	CORR CANCEL BALANCE	2650	*90307	98857	07/30/94	LA877	34,723.38
07-93	OMNI RESOURCES	PUBLICATION INVENTORY LIC. REGS	2650	*91387	98857	09/30/93	LA999	468.00
07-93	OMNI RESOURCES INC,	CORR CANCEL BALANCE	2650	*91387	98857	07/30/94	LA999	468.00
07-93	OMNI RESOURCES	CONSULTANT FEE-THEISEN, WOOD	2650	*98857	00985	08/09/93	LA877	13,590.00
07-93	OMNI RESOURCES	CONSULTANT FEE-THEISEN, WOOD	2650	*98857	04514	09/30/93	LA877	30,854.50
07-93	OMNI RESOURCES	CORR ON LINE BOAT	2650	*98857	04514	02/11/94	LA877	15,948.00
07-93	BADGER STATE INDUSTRIES	SYSTEMS FURNITURE GEF III 1ST FLOOR	3740	*91837	09646	09/30/93	LA877	1,316.50
07-93	BADGER STATE INDUSTRIES	SYSTEMS FURNITURE GEF 3	3740	*91837	09646	01/04/94	LA877	23,000.00
07-93	BADGER STATE INDUSTRIES	CON ROOM CHAIRS	3740	*91837	09646	01/04/94	LA877	23,000.00
07-93	BADGER STATE INDUSTRIES	CONFERENCE ROOM FURNITURE	3740	*92424	07542	09/30/93	LA877	1,141.62
07-93	BADGER STATE INDUSTRIES	CONFERENCE ROOM FURNITURE	3740	*92424	07542	11/30/93	LA877	1,141.62
07-93	CONTINENTAL RESOURCES, IN	DEC DE205-AA BOARD	3740	*92637	00566	07/30/93	LA877	1,260.00
07-93	CONTINENTAL RESOURCES, IN	DEC DE205-AA BOARD	3740	*92637	00566	09/30/93	LA877	1,260.00

*Permanent / LTE Salary*

THIS REPORT SUMMARIZES YOUR TRANSACTION DETAIL 2 REPORT.  
 IT SHOWS BALANCES BY CHECKBOOK FOR YOUR SUBUNIT.

CHECKBOOK: LA--  
 DISTRICT: CENTRAL OFF.  
 SUBUNIT: RAP - REGISTRATION & PERMITS  
 PMN: ALL  
 AREA: GEF II AND GEF III  
 DISCIPLINE: LICENSE ADMINISTRATION  
 SORTED BY: SUBUNIT  
 BRU: LA-- RAP

SUBUNIT	DESCRIPTION	LINE	ALLOTMENTS	ENCUMBRANCES	EXPENDITURES	BALANCE	PERCENT BALANCE
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LA02	LICENSE ADMINISTRATION-GENERAL LICENSING						
RAP	REGISTRATION & PERMITS						
	LTE SAL (L)		25,000.00	0.00	4,695.58	20,304.42	81 %
	SUPP/SERV (S)		189,900.00	40,414.04	240,354.95	90,868.99	-48 ERR
	TOTAL		214,900.00	40,414.04	245,050.53	70,564.57	-33 ERR

**	LAST ACTIVITY DATE	07/29/93					
LA03	LICENSE ADMINISTRATION-ATV						
RAP	REGISTRATION & PERMITS						
	PERM SAL (1)		23,800.00	0.00	27,081.45	3,281.45	-14 ERR
	LTE SAL (L)		8,600.00	0.00	1,756.90	6,843.10	80 %
	SUPP/SERV (S)		48,100.00	21,383.92	24,664.97	2,051.11	4 %
	TOTAL		80,500.00	21,383.92	53,503.32	5,612.76	7 %

**	LAST ACTIVITY DATE	07/22/93					
LA04	LICENSE ADMINISTRATION-SNOWMOBILE						
RAP	REGISTRATION & PERMITS						
	PERM SAL (1)		68,200.00	0.00	70,785.57	2,585.57	-4 ERR
	LTE SAL (L)		9,900.00	0.00	14,650.46	4,750.46	-48 ERR
	SUPP/SERV (S)		60,900.00	8,517.55	76,515.02	24,132.57	-40 ERR
	CAP & EQ (C)		4,200.00	0.00	0.00	4,200.00	100 %
	TOTAL		143,200.00	8,517.55	161,951.05	27,268.60	-19 ERR

**	LAST ACTIVITY DATE	07/22/93					
LA05	LICENSE ADMINISTRATION-BOAT						
RAP	REGISTRATION & PERMITS						
	PERM SAL (1)		142,400.00	0.00	129,888.20	12,511.80	9 %
	LTE SAL (L)		83,000.00	0.00	76,579.17	6,420.83	8 %
	FRINGE (F)		0.00	0.00	171.35	171.35	%
	SUPP/SERV (S)		458,600.00	91,752.50	326,005.76	40,841.74	9 %
	CAP & EQ (C)		60,000.00	0.00	45,986.89	14,013.11	23 %
	TOTAL		744,000.00	91,752.50	578,288.67	73,958.83	10 %

**	LAST ACTIVITY DATE	07/30/93					
LA06	WIS DEPT OF REVENUE-COUNTY SALES TAX-BOAT SNOWMOB ATV-GEN FD						
RAP	REGISTRATION & PERMITS						
	PERM SAL (1)		0.00	0.00	2,872.29	2,872.29	ERR

LTE Salary

THIS REPORT SUMMARIZES YOUR TRANSACTION DETAIL 2 REPORT.  
IT SHOWS BALANCES BY CHECKBOOK FOR YOUR SUBUNIT.

CHECKBOOK: LA --  
DISTRICT: CENTRAL OFF  
SUBUNIT: RAP - REGISTRATION & PERMITS  
PMN: ALL  
AREA: GEF II AND GEF III  
DISCIPLINE: LICENSE ADMINISTRATION  
SORTED BY: SUBUNIT  
BRU: LA -- RAP

SUBUNIT CODE	DESCRIPTION	LINE	ALLOTMENTS	ENCUMBRANCES	EXPENDITURES	BALANCE	PERCENT BALANCE
LA06	WIS DEPT OF REVENUE COUNTY SALES TAX-BOAT SNOWMOB ATV-GEN FD						
	REGISTRATION & PERMITS						
	LTE SAL (L)		20,000.00	0.00	19,586.37	413.63	2 %
	SUPP/SERV (S)		58,700.00	13,000.00	19,677.13	26,022.87	44 %
	TOTAL		78,700.00	13,000.00	42,135.79	23,564.21	30 %
**	LAST ACTIVITY DATE 07/16/93						

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN  
Department of Administration

Date: March 7, 1995

To: James R. Klauser  
Secretary

From: Marty Olle, Budget Analyst *MO*  
Department of Administration

Subject: s.16.515 Request for the University of Wisconsin System -- Intercollegiate Athletics

REQUEST

The UW System requests approval of \$2,606,400 additional expenditure authority for the appropriation under s.20.285 (5)(h), Intercollegiate Athletics Auxiliary Enterprises, \$285,200 for s.20.285 (5)(j), gifts and grants and \$1,300 for the appropriation under s.20.285 (5)(iw), Indoor Practice Facility.

BACKGROUND/ANALYSIS

Functionally, the request includes \$235,200 for ongoing FY95 pay plan costs, \$2,217,800 for ongoing program-related cost increases and \$439,900 in one-time expenditure increases for 1994-95 only. All Athletics Department increases, regardless of fund source, are included in the request based on a UW interpretation of the Joint Finance Committee policy regarding UW Athletics position and expenditure authority.

Pay Plan

The 1994-95 pay plan costs total \$235,200, based on actual payroll and approved compensation increases for FY95. Current DOA policy allows program revenue pay plan increases to be included with s.16.515 requests rather than the pay plan supplement process. The request appears reasonable.

Program-Related Cost Increases

The request includes \$2,217,800 in program-related cost increases, made up of \$2,084,100 from auxiliary enterprises and \$133,700 from gifts and grants. All items in this category were approved by the Athletics Board and Board of Regents prior to the start of the fiscal year. The major components of the increases are:

- Camps and clinics [\$306,300 increase over a base of \$1,043,700]
- Team travel costs [\$288,400 increase over a base of \$1,595,500]

- LTE's, overtime and coaches salary adjustments [\$210,100]
- Video and computer services [\$249,200 incr. over base of \$283,100]
- Coliseum renovation payments [\$135,600]
- Post-season play [\$121,900]
- Golf course expenses [\$97,600]
- New women's sport [\$75,000]
- Medical payments [\$71,200]
- Special event management costs [\$68,900]
- Marketing department advertising [\$69,700]
- Ticket office staffing increases [\$61,400]
- Sports information publications [\$67,700]
- Sports recruiting [\$55,100]
- Academic advising/learning specialist [\$37,100]
- Soccer and other sport supplies and inflationary increases [\$150,300]

The increases appear to be reasonable and justified. For example, the travel increases are due mostly to Big Ten policy changes such as making individual game trips rather than pairing of game travel [basketball]. Athletes now cannot miss more than six days of classes, which leads to higher travel costs. Also, team travel costs are quite dependent on changes in the competitive schedules from year to year. The video and computer services increases are planned expansions of the new computer network. Coliseum renovation payments are a new budget category related to recent hockey improvements.

#### **One-Time Expenditures**

*One-time* expenditures for 1994-95 include, from auxiliaries, \$116,000 for video equipment and system upgrades, \$40,000 for equipment related to recent hockey improvements at the Dane County Coliseum, \$33,500 for commercial laundry equipment, \$18,900 for mailing and ticketing system upgrades, \$50,000 for video and computer services and \$30,000 for enhancements to the telephone system. Gift and grant funds are expected to generate \$151,500 for capital projects including remodeling of the north stadium reception room [\$70,000], shelving and lockers for the McClain facility equipment room [\$50,000] and a new five-meter diving tower [\$50,000]. Total one-time expenditures are \$439,900. The requests appear reasonable.

#### **Revenues**

The division's latest FY95 revenue projection for athletics auxiliaries is \$21,679,400. The requested increase in expenditure authority would bring the FY95 total to \$20,869,800 which is \$809,600 less than projected receipts. As of 12/31/94, auxiliaries revenues were \$16,308,600 compared with \$12.2 million the previous year.

Projected FY95 gifts and grants revenues of \$3,263,000 are \$262,700 higher than the requested expenditure authority. As of 12/31/94, gift and grant revenues were \$952,400. Most of the athletics fundraising events occur in the spring, generating more revenue the second half of the fiscal year.

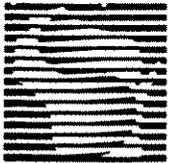
Given the continued positive fiscal condition within the Athletics division this year, it is reasonable to conclude that the division will meet or exceed its FY95 revenue projections.

**Accumulated Deficit/Reserve Fund Status**

The division's operating deficit, which reached \$2.1 million in FY89, has been eliminated. A reserve fund of approximately \$1.0 million had accumulated by June 30, 1994. Revenues are expected to exceed expenditures again this fiscal year.

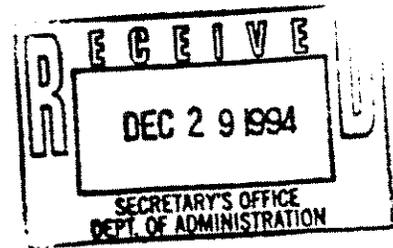
**RECOMMENDATION**

Approve the request.



# The University of Wisconsin System

Vice President for Business and Finance  
1752 Van Hise Hall  
1220 Linden Drive  
Madison, Wisconsin 53706  
(608) 262-1311 FAX (608) 262-3985



**DATE:** December 1, 1994  
**TO:** James R. Klauser  
Secretary, Department of Administration  
**FROM:** Raymond A. Marnocha *Ray*  
Vice President for Business and Finance  
**RE:** S. 16.515 Request for Intercollegiate Athletics

*MC*

The purpose of this letter is to comply with the policy of the Joint Committee on Finance that any request for increase in the allotment authority for Intercollegiate Athletics at UW-Madison must be submitted by December 1. This request is for increased expenditure authority for the Program Revenue appropriations under s.20.285(5)(j), s.20.285(5)(iw) and s.20.285(5)(h). The request increases allotment authority to the spending levels approved by the Board of Regents in the 1994-95 Redbook budget subject to approval by the Department of Administration and the Joint Committee on Finance.

The following is a table detailing the requested increases by appropriation:

<u>Appropriation</u>	<u>Current Allotment</u>	<u>Requested Authority</u>	<u>Increase</u>
528 s.20.285(5)(h)	\$18,263,400	\$20,869,825	\$2,606,425
526 s.20.285(5)(iw)	\$ 58,500	\$ 59,769	\$ 1,269
533 s.20.285(5)(j)	\$ 2,715,100	\$ 3,000,285	\$ 285,185

The increase in the allotment for s.20.285(5)(h) of \$2,606,425 in 1994-95 expenditure authority represents items such as payplan adjustments, camps and clinics, team travel, capital priority allocations, post-season play and startup costs related to a new women's sport. The increase in s.20.285(5)(j) is in anticipation of increased gift and donation revenues and related expenditures.

The three attachments indicate in more detail how the requested increases are determined. The request includes an estimate for 1994-95 payplan. Of the total requested, \$288,400 requires one-time funding; the remainder is ongoing. Questions regarding this request may be directed to George Ketterer (265-3831).

cc: Chancellor David Ward    John Torphy  
Pat Richter                    Nancy Seifert  
Marty Olle                     David Suchman  
Kathi Sell                      Debbie Durcan  
Tom Sonneleitner             Bob Andersen  
George Ketterer

g/acct/gjk/athreq

UNIVERSITY OF WISCONSIN-MADISON  
DIVISION OF INTERCOLLEGIATE ATHLETICS  
FY 1994-95 Budget Adjustment Request Summary

Allot5 Wk4  
DLR  
16-Nov-94

	Unc/Class	LTE/SH	Fringe	Supplies	Capital	Aids to	Special	Total
	Salaries	Salaries	Benefits	& Expense		Individuals	Purpose	
Fund 501 [20 285(5)(a)]								
Requested Budget Authority	416,516	0	131,424	1,800	0	0	0	549,740
Current Allotment	380,700	9,700	121,700	1,800	0	0	0	513,900
Subtotal	35,816	(9,700)	9,724	0	0	0	0	35,840
Less: Pay Plan (Future Request)	28,139		9,701					35,840
Requested Adjustment	9,677	(9,700)	23	0	0	0	0	0
Fund 526 [20 285(5)(iv)]								
Requested Budget Authority	43,186	0	19,583	0	0	0	0	59,769
Current Allotment	42,300	0	16,100	100	0	0	0	58,500
Requested Adjustment	886	0	483	(100)	0	0	0	1,269
Fund 528 [20 285(5)(h)]								
Requested Budget Authority *	5,076,798	1,132,806	1,700,920	11,965,606	963,195	0	10,500	20,869,825
Current Allotment	4,641,601	567,764	1,477,524	11,303,711	238,300	24,000	10,500	18,263,400
Requested Adjustment	435,197	565,042	223,396	661,895	744,895	(24,000)	0	2,606,425
Fund 529 [20 285(5)(g)]								
Requested Budget Authority	472,891	0	148,171	0	0	85,938	0	707,000
Current Allotment	460,000	0	134,100	1,300	0	171,700	0	767,100
Subtotal	12,891	0	14,071	(1,300)	0	(85,762)	0	(60,100)
Unallocated Reserve	(12,891)	0	(14,071)	1,300	0	85,762	0	60,100
Requested Adjustment	0	0	0	0	0	0	0	0
Fund 530 [20 285(5)(f)]								
Requested Budget Authority	215,456	2,500	67,542	8,391	0	188,011	0	481,900
Current Allotment	227,900	2,600	68,400	8,391	0	185,600	0	481,900
Requested Adjustment	(12,444)		(858)			2,411		0
Fund 633 [20 285(5)(j)]								
Requested Budget Authority	148,104	10,000	49,342	745,773	386,000	1,659,066	0	3,000,285
Current Allotment	335,300	124,200	69,300	952,800	105,300	1,128,400	0	2,715,100
Subtotal	(187,196)	(114,200)	(19,958)	(208,827)	282,700	530,666	0	265,185
Unallocated Reserve	0	0	0	0	0	0	0	0
Requested Adjustment	(187,196)	(114,200)	(19,958)	(208,827)	282,700	530,666	0	285,185
Subtotal Fund 500 [20 285(5)]								
Requested Budget Authority	6,372,951	1,145,308	2,113,982	12,721,570	1,371,195	1,933,015	10,500	25,668,519
Current Allotment	6,087,801	701,664	1,867,124	12,259,511	343,600	1,509,700	10,500	22,799,900
Requested Adjustment	285,150	443,642	246,858	462,059	1,027,595	423,315	0	2,868,619
Unallocated Reserve Fund 529	(12,891)	0	(14,071)	1,300	0	85,762	0	60,100
Requested Adjustment	272,259	443,642	212,787	463,359	1,027,595	509,077	0	2,928,719
Funds 123 and 137								
Requested Budget Authority	0	0	0	50,000	50,000	0	454,700	554,700
Current Allotment (Ath alloc)	0	0	0	50,000	50,000	0	454,700	554,700
Requested Adjustment	0	0	0	0	0	0	0	0
Total Athletics								
Requested Budget Authority	6,372,951	1,145,308	2,113,982	12,771,570	1,421,195	1,933,015	465,200	26,223,219
Current Allotment	6,087,801	701,664	1,867,124	12,309,511	393,600	1,509,700	465,200	23,354,600
Subtotal	285,150	443,642	246,858	462,059	1,027,595	423,315	0	2,868,619
Less: Fund 501 Pay Plan (Future Request)	26,139	0	9,701	0	0	0	0	35,840
Subtotal	259,011	443,642	217,157	462,059	1,027,595	423,315	0	2,832,778
Unallocated Reserve Fund 529	(12,891)	0	(14,071)	1,300	0	85,762	0	60,100
Requested Adjustment	246,120	443,642	203,086	463,359	1,027,595	509,077	0	2,892,879

\* Requested Budget Authority for fund 528 includes pay plans.

INTERCOLLEGIATE ATHLETICS  
 1994-95 Budget  
 Expenditure Budget Increases (Fund 528)

Attachment II

Fund 528	Base Budget	One-Time Funding	Total
Payplan and Equity Adjustments	\$233,900	\$0	\$233,900
LTE's - Sports, Weight Room & Maintenance	73,800	0	73,800
Classified Overtime	99,500	0	99,500
Camps and Clinics	306,300	0	306,300
Sports Team Travel	288,400	0	288,400
Sports Recruiting	55,100	0	55,100
Capital Priority Allocations	0	208,400	208,400
Video and Computer Services	249,200	50,000	299,200
Post Season Play	121,900	0	121,900
Coliseum Renovation Payments	135,600	0	135,600
University Ridge Golf Course	97,600	0	97,600
Special Events	18,600	0	18,600
New Women's Sport	75,000	0	75,000
Medical Payments	71,200	0	71,200
Marketing Department Advertising	69,700	0	69,700
Event Management	68,900	0	68,900
Ticket Office Staffing Increases	61,400	0	61,400
Academic & Student Serv - Learning Specialist	37,100	0	37,100
Coaches' Contract Adjustments	36,800	0	36,800
Sports Information Publications	67,700	0	67,700
Telephone System Enhancements	0	30,000	30,000
Soccer and Other Sport S&E Increases	150,300	0	150,300
	0	0	0
<b>Total Expenditure Budget Increase</b>	<b>\$2,318,000</b>	<b>\$288,400</b>	<b>\$2,606,400</b>

Note: Increases reflect the changes between the final 1993-94 budget and the budget approved by the Athletic Board at their March 1994 meeting (minor Red Book changes have adjusted these figures slightly).

INTERCOLLEGIATE ATHLETICS  
 1994-95 Budget  
 Expenditure Budget Increases (Funds 526 and 533)

Attachment III

	Base Budget	One-Time Funding	Total
Fund 526 Payplan	\$1,269	\$0	\$1,269
	0	0	0
Total Expenditure Budget Increase	\$1,269	\$0	\$1,269

Fund 533 Organizational Capital Projects	\$0	\$151,530	\$151,530
Fund 533 Grant-In-Aid	133,655	0	133,655
Total Expenditure Budget Increase	\$133,655	\$151,530	\$285,185

Note: Increases reflect the changes between the final 1993-94 budget and the budget approved by the Athletic Board at their March 1994 meeting (minor Red Book changes have adjusted these figures slightly).