

WISCONSIN STATE
LEGISLATURE COMMITTEE
HEARING RECORDS

1997-98

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on
Veterans and
Military Affairs
(AC-VMA)

Sample:

Record of Comm. Proceedings ... RCP

- 05hr_AC-Ed_RCP_pt01a
- 05hr_AC-Ed_RCP_pt01b
- 05hr_AC-Ed_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ **97hr_AC-VMA_Misc_pt05**

➤ Record of Comm. Proceedings ... RCP

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The Drug Control Program

**1998
Annual Business
Report**



31 DECEMBER 1998

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Our Vision

To be the premier organization supporting drug enforcement and prevention efforts, fully integrated with our customers.

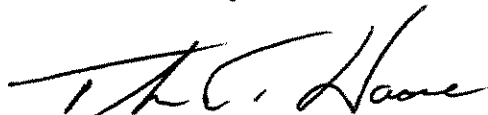
THE COORDINATOR'S REVIEW

In 1998, our program experienced great success through the following actions:

- We instituted a new management team born out of internal growth.
- Our intelligence team has become the premier intelligence source for Wisconsin drug law enforcement.
- We play an integral role in the congressionally established Milwaukee High Intensity Drug Trafficking Area (HIDTA) initiative.
- Our flying operations continue to evolve by developing tactics and operational excellence.
- Our Ropes program is a model for the rest of the country.
- We have positioned ourselves on key national and state committees where we have the opportunity to forge positive change.

We approach 1999 with great optimism. We will focus on continual growth of all our staff by presenting training and operational opportunities that both challenge and promote creativity. We will diligently review our business practices and processes, accepting only the very best we can offer. We are committed to seeking out new and evolving missions and staying on the leading edge of counterdrug activities. We will increase our customer base, operations and internal staffing while meeting or exceeding our standard of excellence.

Sincerely,



Thomas F. Haase
Lieutenant Colonel
Wisconsin National Guard
Counterdrug Coordinator

DRUG DEMAND REDUCTION (DDR)

▼ The Challenge Low Ropes Course

The Wisconsin National Guard is expanding its partnerships with community organizations and schools aimed at reducing demand for drugs by Wisconsin youth. By offering education and prevention activities such as the ropes courses, we hope to provide youth with experiences that allow them to make positive choices and experience success.

Unique Features of Our DDR Program...

- > Flexible & cost-free**
- > Mobile or fixed-site courses available**
- > 3 - 4 Hours working with each participant**
- > Over 100 youth can participate daily**

The course creates a hands-on learning experience that challenges people to go beyond their perceived boundaries, to work with others and to solve problems. The benefits to the individual student are: increased self-esteem, trust, functioning as a team member, group communication, and learning problem-solving and decision-making processes.

The Challenge Low Ropes Course is the essence of a win-win situation where the military, schools and community come together for one common purpose: drug education and prevention.

Impact:

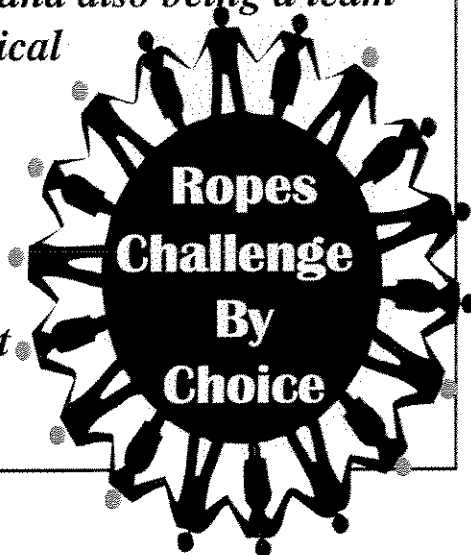
- ✓ **Reached 9,062 youth**
- ✓ **Supported 172 community-based organizations**
- ✓ **36,000 hours working with youth**

Customer Feedback

“It was wonderful to watch the leadership skills emerge in some of these young men that have little opportunity to lead in a positive way.” - Kinship Staff, Kinship of Polk County.

“I learned about being a team and also being a team member. I learned about physical and emotional support.” - Northstar Middle School, Eau Claire.

“Even though we had leaders we still had to work together to achieve our goals. I thought it was a great experience.” - Sheboygan South High School.



DRUG DEMAND REDUCTION (DDR)

▼ Gang Resistance Education And Training (GREAT)

The 1998 GREAT summer program was designed to provide positive activities for the students, enhance their social skills and make them aware of alternatives to gang involvement.

The summer GREAT program shows unity between the police, military and the community. Through the involvement of the Milwaukee Police Department, the Wisconsin National Guard, local universities and volunteers, we were able to create an environment that gives youth the necessary tools to identify and reject the negative influences in their lives.

Impact:

- ✓ 810 youth participated
- ✓ Supported Milwaukee Police Department, Beloit Police Department, Marquette University and the University of Wisconsin - LaCrosse

Our Mission

*Provide staff, equipment
and support to drug enforce-
ment and prevention efforts
throughout Wisconsin.*

▼ **EAA AirVenture Oshkosh**

The Wisconsin Drug Control Program was a partner for the fifth consecutive year in the CAN-AM partnership at the Experimental Aircraft Association (EAA) Convention. Under the direction of the Drug Control Program, this group has expanded to sixteen Canadian & U.S. federal agencies informing and educating the public. This year we moved into a 21,000 square foot permanent facility which allowed us to expand our scope and size. Our public forum and interactive displays served well to deliver an anti-drug message to over 100,000 visitors.

Impact: ✓ Reached 102,260 People

Our Values

**Diversity
Integrity
Dedication
Excellence
Quality Principles**

DRUG SUPPLY REDUCTION

▼ Intelligence

- The High Intensity Drug Trafficking Area (HIDTA) is located in Milwaukee, Wisconsin. The Drug Control Program members were instrumental in the initial planning and training of the intelligence cell, called the HIDTA Intelligence and Technical Support (HITS) Center. This will evolve into a central focus for four drug task forces operating in the Milwaukee area.
- Intelligence team members also began providing support to the U.S. Attorney's Office for the Eastern District.
- Intelligence team members assigned to the Division of Narcotics Enforcement - Wisconsin Department of Justice, are working in many areas of responsibility throughout the state of Wisconsin.
- During federal Fiscal Year 1998, the Drug Control Program maintained a high level of operational, communications and information security with no reported incidents. Intelligence training was also established and conducted quarterly for all intelligence analysts.

Impact:

- ✓ **25,600 hours of National Guard intelligence support**
- ✓ **68,440 hours of law enforcement time saved**
- ✓ **Increased staff and law enforcement agency training, resulting in overall safety and effectiveness**
- ✓ **The intelligence team created a Wisconsin Drug Threat Assessment. This assessment is updated quarterly and contains regional drug trends**

▼ Training

Our Volk Field office, located in central Wisconsin, supports federal, state and local law enforcement agents. The Drug Control Program provides law enforcement with firing ranges, a training village for realistic scenarios, classrooms and other facilities for training.

Impact:

- ✓ **Supported 314 law enforcement officers in 1998**
- ✓ **Cost effective training provided at Volk Field and the Wisconsin Military Academy**

ADDING VALUE TO WISCONSIN

DRUG SUPPLY REDUCTION

▼ C-26 Aircraft

Wisconsin is one of eleven states designated to fly the C-26. This specialized aircraft flew 475 hours supporting law enforcement in Wisconsin and other states. The C-26 has capabilities that far exceed those of conventional aircraft. Dedicated to law enforcement with a highly skilled aircrew, it serves as an intelligence and operational tool.

Impact:

- ✓ Supported 90 operations for law enforcement agencies
- ✓ Increased range of operations and ability to fly multiple targets

Our Customers

Federal, state and local law enforcement agencies, community-based organizations and the Wisconsin National Guard.

DRUG CONTROL PROGRAM OVERVIEW

▼ Impact

- ✓ \$1.75 million federal funds dedicated to Wisconsin
- ✓ 425 separate operations supported throughout the state
- ✓ 112,132 people reached through our Drug Demand Reduction efforts
- ✓ 96 Law enforcement agencies supported
- ✓ Case support to law enforcement resulted in seizures of drugs and assets valued at \$198 million and 1,028 arrests

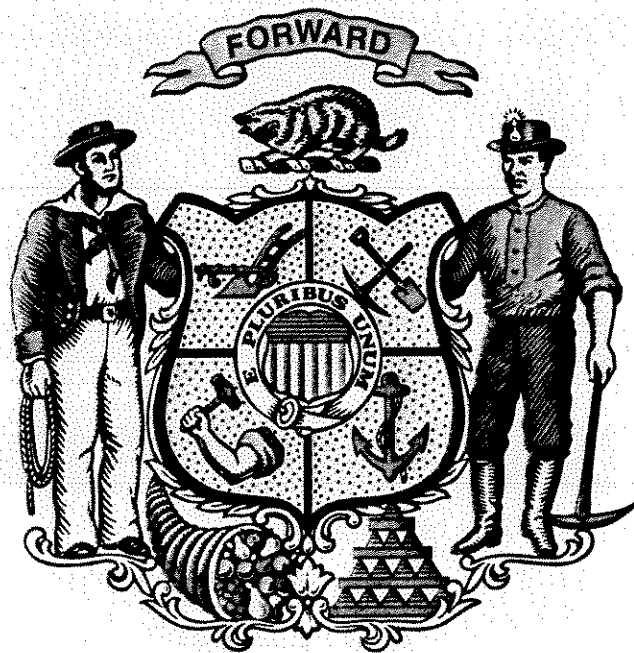
For Further Information

**Department of Military Affairs
Drug Control Program
2400 Wright Street
Madison, WI 53704**

**Phone: (608) 242-3540
Fax: (608) 242-3546**

*We wish to thank our
community-based
and
law enforcement
customers for allowing us
to share in their tireless efforts to
combat
illegal drugs; and we
pledge that our
Drug Control Program
team will not
quit the fight!*

**The Drug Control Program
1998 Annual Business Report**





Wisconsin Department of Veterans Affairs Guide for Legislators

Wisconsin Department of Veterans Affairs
30 W. Mifflin St., PO Box 7843
Madison, WI 53707-7843
(608) 266-1311
Web site: <http://badger.state.wi.us/agencies/dva>

History of Wisconsin veterans' benefits

Wisconsin has earned a distinguished reputation nationally for instituting programs and services that meet the needs of its residents who served in the U.S. armed forces and their families. *[see page 6 for comparison with other states]*

The state's proud tradition of providing assistance to veterans and their families began soon after the Civil War. Most of this early assistance was intended to alleviate the suffering of destitute veterans and their families.

In 1887, the Grand Army of the Republic (GAR), a prominent organization representing Civil War veterans, founded the Grand Army Home at King. This facility near Waupaca was eventually turned over to the State of Wisconsin and became the Wisconsin Veterans Home at King.

In 1901, the state honored Civil War veterans by establishing a GAR headquarters and museum in the State Capitol. In 1989, the Legislature authorized the Wisconsin Department of Veterans Affairs to build a new museum, honoring veterans from all wars, across the street from the Capitol. The award-winning Wisconsin Veterans Museum opened in 1993.

In 1919, the state issued its only wartime bonus to Wisconsin veterans of World War I. In 1945, rather than issue a wartime bonus with little lasting value, the Legislature created programs that offered long-term benefits for state veterans and their families.

To administer state veterans programs, the Legislature created the Wisconsin Department of Veterans Affairs in 1945. The department was given the administrative responsibility for the Grand Army Home at King, the GAR Memorial Hall in the Capitol, the state's economic and education assistance benefits for veterans, and other programs. It also assumed responsibility for segregated funds for veterans that were combined in 1961 to form the Veterans Trust Fund.

Today, WDVA provides an array of benefits and services to eligible state veterans, and in some instances, veterans' family members. *[Eligibility information is available on the WDVA web site and in WDVA brochure #135].*

To deliver these benefits and services, WDVA works closely with county veterans service officers (CVSOs). Each county has a veterans service officer who offers outreach, counseling and processing of benefit applications for both state and federal programs.

Loans, grants and other direct services to veterans and their families

WDVA's loans and grant programs are financed through two separate sources --- the **Veterans Trust Fund** and the **Veterans Mortgage Loan Repayment Fund**. The **Veterans Trust Fund** currently finances the following programs:

- **Personal Loan Program** provides loans of up to \$10,000 with 10 years to repay at interest rates starting as low as 6%. The Personal Loan Program may be used to pay for education expenses (of the veteran, veteran's spouse, veteran's children), debt consolidation, medical expenses, business purchases, purchase of a mobile home, medical expenses or funeral expenses.
- **Tuition and Fee Reimbursement Grants** reimburse a portion of the cost of tuition and fees for recently discharged veterans who are enrolled in undergraduate courses at schools in the UW System or the state's technical college system. During the 1995-1997 biennium, the reimbursement rate increased from 35% to 50%. To qualify, the veteran plus spouse's annual income may not exceed \$47,500 plus \$500 for each dependent in excess of two. Beginning with the 1997-1999 biennium, qualified veterans can obtain grants for up to 10 years after separating from military service. During the 1995-1997 biennium, this period was six years.
- **Part-Time Study Grants** provide reimbursement for successfully completed courses when veterans are enrolled part-time or in summer sessions at accredited schools in Wisconsin. The combined veteran plus spouse income limit is the same as the Tuition and Fee Reimbursement Grant.
- **Retraining Grants** provide up to \$3,000 to recently unemployed or under-employed veterans who demonstrate financial need while enrolled in a training program that is expected to lead to employment. To qualify, the veteran plus spouse's annual income may not exceed \$36,600 plus \$500 for each dependent in excess of two.
- **Subsistence Aid Grants** provide temporary, emergency financial aid to veterans and their dependents in the event of an illness, disability or death that causes a loss in income.
- **Health Care Aid Grants** provide assistance for medical treatment or hospitalization when the veteran is unable to pay these expenses.
- **Veterans Assistance Program** helps homeless veterans and those at-risk of becoming homeless get the services they need to obtain steady employment and affordable housing.
- **CVSO Grants** help support the operations of county veterans service officers. During the 1995-1997 biennium, all 72 Wisconsin counties received either a \$5,000 grant for maintaining a full-time CVSO or \$500 for a part-time CVSO. The grant amounts increased in the 1997-1999 biennium.
- **Grants to veterans' organizations** provide financial assistance to veterans' organizations that represent veterans who are filing for federal VA benefits.

The **Veterans Mortgage Loan Repayment Fund**, formed in 1975, is the funding authority for the Home Loan Program. It derives funding from the sale of general obligation bonds, repayment of existing loans and interest on investments. The Home Loan Program is completely self-supporting and requires no general purpose revenue support.

The **Veterans Mortgage Loan Repayment Fund** financed the following programs during the 1995-1997 biennium.

- **Primary Mortgage Home Loans** provide 30-year, fixed rate mortgages for the purchase or construction of a veteran's principal residence. The interest rates are consistently lower than prevailing market rates.
- **Home Improvement Loan Program** provides low-interest rate loans for repairs, alternations, construction, and renovation of a veteran's principal residence. Qualified veterans may borrow up to \$15,000 with up to 15 years to repay.

Other services for veterans and their families

WDVA Claims Bureau assists state veterans and their dependents with claims for federal VA compensation, pension, education, medical care and death benefits. The bureau is located at the U.S. Department of Veterans Affairs (VA) Regional Office in Milwaukee.

State Veterans Cemeteries provide interments for veterans and their family members at the Southern Wisconsin Veterans Cemetery near Union Grove and at the Wisconsin Veterans Memorial Cemetery at King. In addition, WDVA has been authorized to create a state veterans cemetery in northwest Wisconsin.

Legislative accomplishments

The 1997-1999 State Biennial Budget, enacted last October, contains some of the most significant improvements in Wisconsin Department of Veterans Affairs' (WDVA) benefits and programs in the last 25 years. These improvements include the following provisions:

- **Peacetime veterans eligibility for WDVA benefits** Approximately 100,000 additional Wisconsin veterans who served two or more years on active duty during peacetime are now eligible for benefits. Wartime veterans who meet the statutory requirements are still eligible for benefits.
- **WDVA Personal Loan Program** This new loan program allows veterans (and in some instances members of their families) to borrow up to \$10,000 with 10 years to repay at interest rates as low as 6%.

- **WDVA Tuition and Fee Reimbursement Grant (TFRG)** Veterans now have up to 10 years after separation from active-duty service to qualify for 50% reimbursement of tuition and fees at eligible schools. Previously, they had only six years after active-duty service to use the TFRG. Veterans with disabilities rated 30% or higher by the VA may now receive 100% reimbursement of tuition and fees.
- **Increased WDVA support for veterans' education and job training** WDVA's budget for education and job training grants for the biennium is \$6.2 million, which is \$2.75 million more than WDVA disbursed in the previous biennium.
- **Increased funding for home loans** For the first time in many years, WDVA has sufficient funds to provide Primary Mortgage Home Loans to eligible veterans who have been out of service more than 30 years or who entered service after 1976. All maximum income limits have been removed from both the Primary Mortgage Home Loan and Home Improvement Loan Program.
- **Increased WDVA support for County Veterans Service Offices** To help County Veterans Service Officers provide benefits counseling and assist in the application process, WDVA provides an annual grant to counties. Those counties with a full-time CVSO now may receive an annual grant ranging from \$8,500 (for counties with a population of less than 20,000) up to \$13,000 (for counties with a population of 75,000 or more). Previously, the grant amount was \$5,000 for counties with a full-time CVSO regardless of size. Counties with a part-time CVSO continue to receive \$500.

The recent improvements in WDVA benefits and services contained in the state biennial budget continue a trend of increased support for veterans. Here are some more examples of progress during the past 10 years:

The **Home Improvement Loan Program** was created in 1989 to provide low-interest loans of up to \$15,000 with 10 years to repay.

The **Retraining Grant Program** began in 1989 to assist recently unemployed veterans who have a financial need while being retrained for employment.

The asset base of the **Veterans Trust Fund** was stabilized in 1993 through a plan to transfer surplus insurance reserves from the Home Loan Program to the trust fund. This funding was used to start the Consumer Loan Program, which continues to bring money into the trust fund. In 1994, the trust fund received repayment of \$4.2 million in loans used for operational expenses at the Wisconsin Veterans Home.

Ainsworth Hall, at the Wisconsin Veterans Home, opened in 1993. This state-of-the-art, 205-bed, skilled nursing care facility includes special features to accommodate members with Alzheimer's disease and other dementia.

Also in 1993, the **Wisconsin Veterans Museum** opened on the Capitol Square.

The **Veterans Assistance Program** for homeless veterans and those at-risk of becoming homeless began operating in 1994. The program will expand with the opening of a fourth veterans assistance center this year at Southern Wisconsin Center, near Union Grove.

The **Persian Gulf War** was designated a wartime period in 1994, making all Gulf War veterans who served on active duty for at least 90 days eligible for WDVA benefits.

Most **income limits on the Home Loan Program** were canceled in 1994. And in 1997, a new funding source for the Home Loan Program allowed WDVA to remove all income limits on its Primary Mortgage Home Loan Program.

To commemorate the 50th anniversary of the end of World War II, an array of communities and organizations around the state participated in the Department of Defense's **World War II Commemorative Communities Program** in 1995. Wisconsin was sixth in the nation in participation with nearly 250 commemorative communities.

In 1996, the **state residency requirement** for receiving WDVA benefits was reduced from 10 years to five years for those veterans who were not state residents when they joined the military.

The **Southern Wisconsin Veterans Memorial Cemetery** began burials in 1996 on the same day that the Wood National VA Cemetery in Milwaukee reached its capacity.

To serve a part of the state that contains approximately 200,000 veterans, WDVA in 1998 received authorization to begin planning for a **second state veterans home** to be located in southeast Wisconsin.

Comparison with other states

Wisconsin is a national leader in offering comprehensive benefits and services to veterans and their families.

Wisconsin is one of only five states that provide home mortgage loans, according to the directory of the National Association of State Directors of Veterans Affairs. The others are Alaska, California, Texas and Oregon. Mississippi's program is no longer active. Only Wisconsin and Texas offer home improvement loans to veterans.

Wisconsin is one of only four states offering personal loans. The others are Maine, South Dakota and North Dakota.

Fifteen states offer education benefits to veterans. Many others provide education benefits for the children of veterans killed or disabled in wartime action. Wisconsin provides education benefits that directly assist veterans, such as grants that pay up to 50 percent of full-time and part-time students' tuition and fees.

Wisconsin has two state veterans cemeteries in addition to the federally operated Wood National VA Cemetery in Milwaukee. The new Southern Wisconsin Veterans Memorial Cemetery near Union Grove is one of the finest facilities of its kind and will be officially dedicated on May 31, 1998. WDVA has received authorization to build a state veterans cemetery in northwest Wisconsin.

The Veterans Assistance Program for homeless and at-risk veterans has attracted national attention and is becoming a prototype for other states.

The Wisconsin Veterans Home at King offers high-quality skilled nursing care and retirement options for veterans and their spouses. A second veterans home is being planned for southeast Wisconsin.

The Wisconsin Veterans Museum in Madison attracts visitors from around the world and has earned national awards for its portrayal of veterans' history.

Thirteen states provided a World War II bonus, but most of these states do not have long-term benefits for veterans.

STATE VETERANS' BENEFITS COMPARISON

STATE	BONUS	HOME LOANS	PERSONAL LOANS	GRANTS	VETERAN EDUCATION BENEFITS	FAMILY* EDUCATION BENEFITS	NURSING CARE
ALABAMA	NONE	NONE	NONE	NONE	NONE	YES	YES
ALASKA	NONE	YES	NONE	NONE	NONE	YES	NONE
ARIZONA	NONE	NONE	NONE	NO	NONE	NONE	YES
ARKANSAS	NONE	NONE	NONE	NONE	NONE	YES	YES
CALIFORNIA	NONE	YES	NONE	NONE	NONE	YES	YES
COLORADO	NONE	NONE	NONE	NONE	NONE	NONE	YES
CONNECTICUT	NONE	NONE	NONE	YES	NONE	NONE	YES
DELAWARE	NONE	NONE	NONE	NONE	NONE	YES	NONE
DIST. OF COLUMBIA	NONE	NONE	NONE	NONE	NONE	YES	NONE
FLORIDA	NONE	NONE	NONE	NONE	NONE	YES	YES
GEORGIA	NONE	NONE	NONE	NONE	NONE	NONE	YES
HAWAII	NONE	NONE	NONE	YES	NONE	NONE	NONE
IDAHO	NONE	NONE	NONE	YES	NONE	YES	YES
ILLINOIS	2,K,VN,D.S	NONE	NONE	YES	YES	YES	YES
INDIANA	2,K,VN	NONE	NONE	NONE	NONE	YES	YES
IOWA	1,2,K,VN	NONE	NONE	NONE	NONE	YES	YES
KANSAS	1	NONE	NONE	NONE	NONE	YES	YES
KENTUCKY	1,2,K,VN	NONE	NONE	NONE	NONE	YES	YES
LOUISIANA	2	NONE	NONE	NONE	NONE	YES	YES
MAINE	NONE	NONE	YES	YES	NONE	YES	YES
MARYLAND	NONE	NONE	NONE	NONE	NONE	YES	YES
MASSACHUSETTS	2,K,VN,D.S.	NONE	NONE	NONE	YES	YES	YES
MICHIGAN	1,2,K,VN	NONE	NONE	YES	NONE	YES	YES
MINNESOTA	D.S	NONE	NONE	YES	YES	YES	YES
MISSISSIPPI	NONE	YES**	NONE	NONE	NONE	NONE	YES
MISSOURI	1	NONE	NONE	NONE	NONE	YES	YES
MONTANA	1,2,K,VN	NONE	NONE	NONE	YES	YES	YES
NEBRASKA	NONE	NONE	NONE	YES	YES	YES	YES
NEVADA	NONE	NONE	NONE	NONE	NONE	NONE	NONE
NEW HAMPSHIRE	1,2,K,VN,DS	NONE	NONE	NONE	NONE	YES	YES
NEW JERSEY	NONE	NONE	NONE	YES	YES	YES	YES
NEW MEXICO	NONE	NONE	NONE	NONE	YES	YES	NONE
NEW YORK	2	NONE	NONE	YES	YES	YES	YES
NORTH CAROLINA	NONE	NONE	NONE	NONE	NONE	YES	NONE
NORTH DAKOTA	NONE	NONE	YES	YES	NONE	NONE	YES
OHIO	NONE	NONE	NONE	NONE	NONE	YES	YES
OKLAHOMA	NONE	NONE	NONE	YES	NONE	NONE	YES
OREGON	NONE	YES	NONE	NONE	YES	NONE	YES
PENNSYLVANIA	NONE	NONE	NONE	YES	NONE	YES	YES
RHODE ISLAND	2,K,VN	NONE	NONE	NONE	NONE	NONE	YES
SOUTH CAROLINA	NONE	NONE	NONE	NONE	NONE	YES	YES
SOUTH DAKOTA	1,2,K,VN,D.S.	NONE	YES	NONE	YES	YES	YES
TENNESSEE	NONE	NONE	NONE	NONE	NONE	YES	NONE
TEXAS	NONE	YES	NONE	NONE	YES	NONE	NONE
UTAH	NONE	NONE	NONE	NONE	NONE	NONE	YES
VERMONT	VN	NONE	NONE	NONE	YES	NONE	YES
VIRGINIA	NONE	NONE	NONE	NONE	NONE	YES	YES
WASHINGTON	NONE	NONE	NONE	YES	YES	NONE	YES
WEST VIRGINIA	1,2,K,VN,D.S.	NONE	NONE	NONE	NONE	YES	YES
WISCONSIN	1	YES	YES	YES	YES	YES	YES
WYOMING	NONE	NONE	NONE	NONE	YES	NONE	YES

1 = WW1

2 = WW11

K = KOREA

VN = VIET NAM

D.S = DESERT STORM

* BENEFITS PRIMARILY FOR DEPENDENTS OF DECEASED OR DISABLED VETERANS

** HOME LOAN PROGRAM CURRENTLY IS INACTIVE

Source: National Association of State Directors of Veterans Affairs, 1987 Directory

Demographic information

The U.S. Department of Veterans Affairs (VA) estimates that there are approximately 495,900 veterans living in Wisconsin as of July 1, 1997. Of that total approximately 39,000 are disabled veterans.

Contact Lana Carter, WDVA Office of Budget & Planning, at 267-0783, for a breakdown by county of Wisconsin veterans' population.

Approximate number of Wisconsinites participating in military conflicts

[Published in Wisconsin Blue Book]

Conflict	Number served	Died
Civil War	91,379	12,216
Spanish-American War	5,469	134
Mexican Border Service	4,168	0
World War I	122,215	3,932
World War II	332,200	8,390
Korean War	132,000	729
Vietnam War	165,400	1,239
Lebanon & Grenada	400	1
Panama	520	1
Desert Shield/Storm	10,400	11
Somalia	426	2

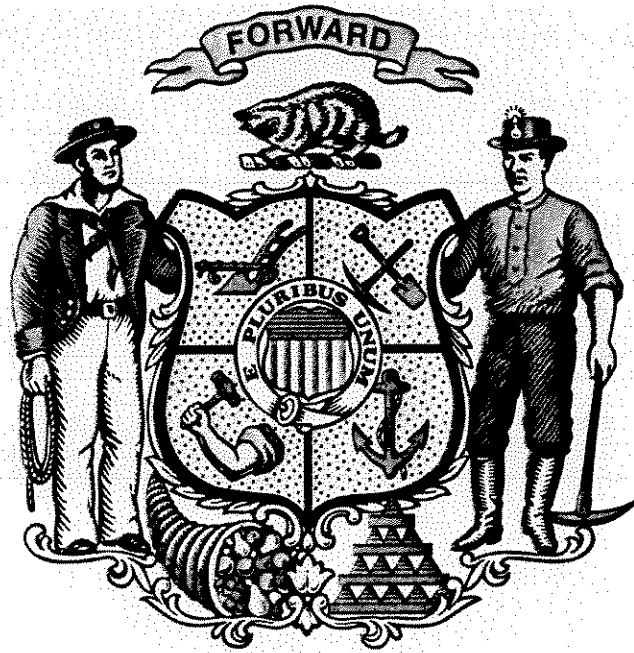
For more information

County veterans service officers can help veterans apply for state and federal benefits. The CVSOs are listed in the phone book under "County Government."

The WDVA web site has information about eligibility for benefits, loan and grant programs, state veterans cemeteries, the Wisconsin Veterans Home at King, and the Wisconsin Veterans Museum in Madison. The WDVA web site address is <http://badger.state.wi.us/agencies/dva>

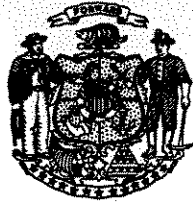
For legislative questions, contact: John Scocos, WDVA Executive Assistant, at 266-3081. Other sources of information are:

- WDVA receptionist and general information 266-1311
- Wisconsin Veterans Museum Research Center 267-1799
- Wisconsin Veterans Museum programs and hours of operation (recorded) 264-6086
- Southern Wisconsin Veterans Memorial Cemetery 414-878-5660
- Wisconsin Veterans Home at King 715-258-5586
- U.S. Department of Veterans Affairs (VA) Milwaukee Regional Office 1-800-827-1000
- Fort McCoy operator 608-388-2222



Department of Military Affairs

1997-99 Biennial Budget Overview



A Briefing Prepared for:

Assembly Committee on Veterans & Military Affairs

March 5, 1997

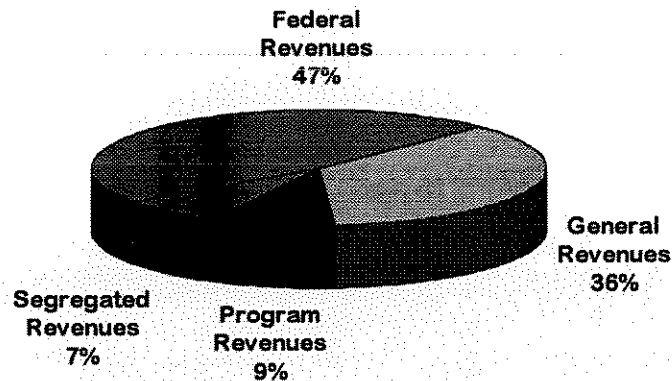
**Department of Military Affairs
Summary of Changes from Base Level
(Governor's Budget Recommendation)**

	<u>1997-98</u>	<u>1998-99</u>	<u>FTE</u>
Base Level	35,519,800	35,519,800	334.500
Agency Requests	+542,900	+1,454,100	+7.750
<u>Governor's Actions:</u>			
Modify Agency Requests	-276,800	-416,400	-1.000
Governor's Initiatives	<u>+2,290,700</u>	<u>+2,365,500</u>	<u>0.000</u>
Proposed Funding	38,076,600	38,923,000	341.250

**Department of Military Affairs
Governor's Budget Recommendations
By Funding Source**

	<u>1997-98</u>	<u>1998-99</u>	<u>FTE</u>
General Revenues	13,946,700	14,030,900	106.575
Program Revenues	3,408,700	3,465,900	26.250
Segregated Revenues	2,835,100	2,835,100	1.500
Federal Revenues	<u>17,886,100</u>	<u>18,591,100</u>	<u>206.925</u>
Totals	38,076,600	38,923,000	341.250

**Department of Military Affairs
1997-99 Biennial Budget by Source**



**Wisconsin Army National Guard
1997-99 Base Level Funding**

	<u>Base Level \$</u>	<u>% of Total</u>	<u>FTE</u>
General Revenues	9,338,700	65.8%	88.200
Program Revenues	500,700	3.5%	0.00
Segregated Revenues	0	0.0%	0.00
Federal Revenues	<u>4,360,800</u>	<u>30.7%</u>	<u>33.800</u>
Total-Army Guard	\$14,200,200	100.0%	122.000



Wisconsin Air National Guard 1997-99 Base Level Funding

	<u>Base Level \$</u>	<u>% of Total</u>	<u>FTE</u>
General Revenues	903,100	9.8%	9.000
Program Revenues	179,000	2.0%	4.000
Segregated Revenues	0	0.0%	0.000
Federal Revenues	<u>8,079,800</u>	<u>88.2%</u>	<u>153.000</u>
Total-Air Guard	\$9,161,900	100.0%	166.000



Wisconsin Emergency Management 1997-99 Base Funding Levels

	<u>Base Level \$</u>	<u>% of Total</u>	<u>FTE</u>
General Revenues	1,412,400	11.6%	8.625
Program Revenue	2,509,200	20.6%	21.500
Segregated Revenue	2,829,900	23.3%	1.500
Federal Revenues	<u>5,406,200</u>	<u>44.5%</u>	<u>14.875</u>
Total-Emergency Mgmt	\$12,157,700	100.0%	46.500



**DEPARTMENT OF MILITARY AFFAIRS
1997-99 EXECUTIVE BUDGET BILL
SUMMARY OF MAJOR PROVISIONS**

The Governor's recommendations include the following changes from our original 1997-99 request.

- ◆ **Increases** the National Guard Tuition Grant program from 50% of tuition costs to 100%, and provides \$2,000,000 annually for that purpose.
- ◆ **Approves** a .75 Custodial Position at the Wisconsin Military Academy.
- ◆ **Removes** funding for the Executive Assistant position, although the position authority is maintained.
- ◆ **Provides** additional funding for delayed pay adjustments awarded in 1996-97, which includes WEPAC and equity stratification adjustments.
- ◆ **Denies** the request for funds to support information technology costs. However, separate initiatives related to the Small Agency Support Initiative are supposed to provide some relief for anticipated cost increases.
- ◆ **Denies** the request for funding for LTE staff.
- ◆ **Denies** the request for funding for staff development.
- ◆ **Denies** the request to fully fund the cost of contracted custodial contracts at several locations.
- ◆ **Denies** the request to utilize the funds provided by the sale of the Whitefish Bay Armory for general maintenance, except that \$98,400 in "one-time" authority is provided in 1997-98.
- ◆ **Denies** the request for an adjustment to the on-going base level for municipal assessments.
- ◆ **Denies** the request for one-time GPR funding for street improvements in the Truax Air Park area.
- ◆ **Provides** one-time Program Revenue funding for the Truax area street improvements from the proceeds of the sale of the Whitefish Bay armory.
- ◆ **Approves** the request to add 6.00 FTE to authorize 2.00 positions to the Office on the Base Civil Engineer at each of the three Air National Guard bases, and provides the necessary 25% state match funding for the positions at Truax and Mitchell Fields. (Positions at Volk are 100% Federal).
- ◆ **Denies** the request for an additional Hazard Mitigation planner in the Division of Emergency Management.
- ◆ **Denies** the request for funding replacement of equipment within the Division of Emergency Management.
- ◆ **Provides** additional funding to meet anticipated GPR debt service requirements.
- ◆ **Provides** additional funding to offset anticipated increases in fuel & utility costs.
- ◆ **Shifts** 25% of the funding and position authority for the Administrator of the Division of Emergency Management from GPR to FED
- ◆ **Provides** program revenue and federal expenditure authority to offset the costs of the Small Agency Support Initiative and fund master lease payments for equipment purchased in FY 1997.
- ◆ **Directs** the Joint Legislative Committee on Audit to initiate an audit of the performance and funding of Level A Hazardous Response teams statewide.

				1997-98	1998-99	FTE
GOVERNOR'S RECOMMENDED CHANGES (CONTD):						
PRO	PROGRAM REVENUES					
331	Fund Delayed Pay Adjustments			500	500	
335	Fund Delayed Pay Adjustments			1,400	1,400	
134	Deny Request for Staff Development			(800)	(800)	
331	Deny Request for Staff Development			(1,400)	(1,400)	
335	Deny Request for Staff Development			(2,400)	(2,400)	
131	Deny use of WFB Sale for Maintenance			(51,600)	(150,000)	
131	Fund One Time Assessment from WFB			35,300	196,300	
331	Small Agency Support Initiative			14,700	14,700	
335	Small Agency Support Initiative			19,600	19,600	
	TOTAL PRO ADJUSTMENTS			15,300	77,900	0.000
FED	FEDERAL REVENUES					
141	Fund Delayed Pay Adjustments			26,100	26,100	
150	Fund Delayed Pay Adjustments			500	500	
341	Fund Delayed Pay Adjustments			2,000	2,000	
141	Deny Request for Staff Development			(15,500)	(15,500)	
341	Deny Request for Staff Development			(3,000)	(3,000)	
141	Deny Request for Custodial Contracts			(44,300)	(44,300)	
341	Deny Addl Hazard Mitigation Planner			(46,800)	(50,000)	-0.750
341	Shift .25 EM Administrator to FED			18,600	18,600	0.250
341	Small Agency Support Initiative			38,800	38,800	
	TOTAL FED ADJUSTMENTS			(23,600)	(26,800)	-0.500
SEG	SEGREGATED FUNDS					
366	Deny Request for Staff Development			(300)	(300)	
366	Small Agency Support Initiative			3,900	3,900	
	TOTAL SEG ADJUSTMENTS			3,600	3,600	0.000
TOTAL GOVERNOR'S RECOMMENDED FUNDING LEVEL						
GPR	GENERAL PURPOSE REVENUES			13,946,700	14,030,900	106.575
PRO	PROGRAM REVENUES			3,408,700	3,465,900	26.250
FED	FEDERAL REVENUES			17,886,100	18,591,100	206.925
SEG	SEGREGATED REVENUES			2,835,100	2,835,100	1.500
				38,076,600	38,923,000	341.250

**WISCONSIN DEPARTMENT OF MILITARY AFFAIRS
GOVERNOR'S RECOMMENDED CHAPTER 20 LEVELS
1997-99 BIENNIAL BUDGET**

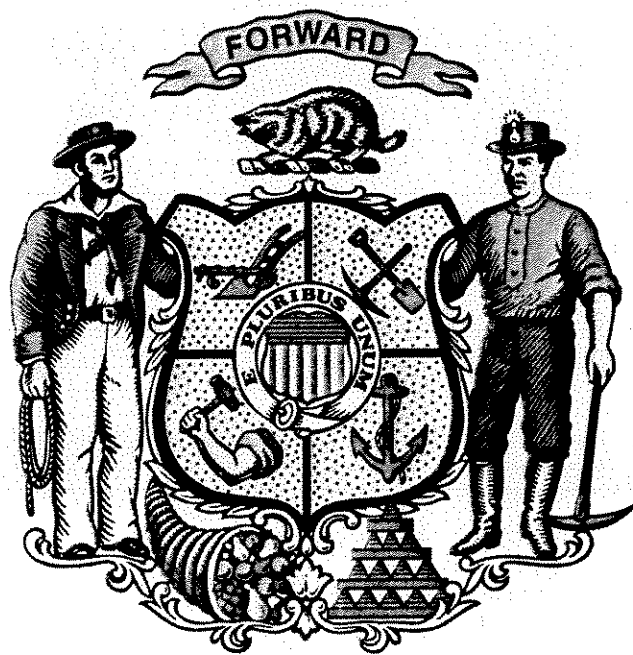
			20.465()	1997-98	1998-99	FTE
GENERAL PURPOSE REVENUES						
101	General Program Operations		(1)a	4,291,000	4,300,400	98.200
102	Repair & Maintenance		(1)b	644,800	644,800	
103	Public Emergencies		(1)c	48,500	48,500	
104	Principal Repayment & Interest		(1)d	2,493,400	2,524,800	
105	State Service Flags		(1)e	400	400	
106	Fuel & Utilities		(1)f	1,494,100	1,537,500	
201	Tuition Grants		(2)a	3,578,700	3,578,700	
301	Emer Mgmt General Program Operations		(3)a	514,600	514,600	8.375
305	Disaster Recovery Aids		(3)e	881,200	881,200	
TOTAL-GENERAL PURPOSE REVENUES				13,946,700	14,030,900	106.575
PROGRAM REVENUES						
125	Information Technology Projects		(1)(kn)	-	-	
131	Military Property		(1)g	160,000	222,600	
132	Billeting Services		(1)g	220,100	222,400	0.750
133	Gifts & Grants		(1)li	-	-	
134	Intergovernmental Services		(1)(h)	186,300	186,300	4.000
135	Agency Stores		(1)(k)	202,400	202,400	
136	Agency Services		(1)(km)	68,200	68,200	
331	Program Services		(3)g	1,026,500	1,018,800	9.500
335	Emergency Plan & Report; Admin		(3)(j)	710,500	710,500	12.000
336	SERB Gifts and Grants		(3)(j)	-	-	
337	Emergency Planning Grants		(3)(jm)	834,700	834,700	
TOTAL-PROGRAM REVENUES				3,408,700	3,465,900	26.250
FEDERAL REVENUES						
141	Federal Aid-Service Agreements		(1)(m)	11,473,700	12,178,700	189.550
142	Federal Aid-Special Projects		(1)(m)	745,400	745,400	
150	Federal Aid-Indirect Costs		(1)(pz)	135,400	135,400	2.250
341	Federal Aid-State Operations		(3)(m)	1,307,400	1,307,400	15.125
342	Federal Aid-Local Operations		(3)(n)	4,182,200	4,182,200	
343	Federal Aid-Indiv & Organizations		(3)(o)	42,000	42,000	
TOTAL-FEDERAL REVENUES				17,886,100	18,591,100	206.925
SEGREGATED REVENUES						
361	Civil Air Patrol		(3)(q)	19,000	19,000	
362	Emergency Response-Trans Fund		(3)(s)	75,500	75,500	
363	Emergency Response-Envir Fund		(3)(t)	75,300	75,300	
364	LEPC Grants-PECFA		(3)r	465,700	465,700	
365	Hazardous Reponse Teams		(3)(rg)	1,400,000	1,400,000	
366	Hazardous Transportation Administration		(3)(rk)	79,600	79,600	1.500
367	Emergency Response Equipment		(3)(rp)	720,000	720,000	
368	Emergency Response Supplement		(3)(rt)	-	-	
TOTAL-SEGREGATED REVENUES				2,835,100	2,835,100	1.500
TOTAL-DEPARTMENT OF MILITARY AFFAIRS				\$ 38,076,600	\$ 38,923,000	341.250

**WISCONSIN DEPARTMENT OF MILITARY AFFAIRS
SUMMARY OF GOVERNOR'S BUDGET RECOMMENDATIONS FOR 1997-99**

		1997-98	1998-99	FTE	
ADJUSTED BASE LEVEL:					
	GPR	GENERAL PURPOSE REVENUES	\$ 11,654,200	\$ 11,654,200	105.825
	PRO	PROGRAM REVENUES	3,188,900	3,188,900	25.500
	FED	FEDERAL REVENUES	17,846,800	17,846,800	201.675
	SEG	SEGREGATED REVENUES	2,829,900	2,829,900	1.500
		TOTAL ADJUSTED BASE LEVEL	\$35,519,800	\$35,519,800	334.500
AGENCY REQUESTED CHANGES FROM BASE:					
	GPR	GENERAL PURPOSE REVENUES	273,900	482,300	1.250
	PRO	PROGRAM REVENUES	204,500	199,100	0.750
	FED	FEDERAL REVENUES	62,900	771,100	5.750
	SEG	SEGREGATED REVENUES	1,600	1,600	0.000
		TOTAL AGENCY REQUESTED CHANGE	\$ 542,900	\$ 1,454,100	7.750
TOTAL AGENCY REQUESTED FUNDING:					
	GPR	GENERAL PURPOSE REVENUES	\$ 11,928,100	\$ 12,136,500	107.075
	PRO	PROGRAM REVENUES	\$ 3,393,400	\$ 3,388,000	26.250
	FED	FEDERAL REVENUES	\$ 17,909,700	\$ 18,617,900	207.425
	SEG	SEGREGATED REVENUES	\$ 2,831,500	\$ 2,831,500	1.500
		TOTAL AGENCY REQUEST	\$36,062,700	\$36,973,900	342.250
GOVERNOR'S RECOMMENDED CHANGES					
	GPR	GENERAL PURPOSE REVENUES	2,018,600	1,894,400	-0.500
	PRO	PROGRAM REVENUES	15,300	77,900	
	FED	FEDERAL REVENUES	(23,600)	(26,800)	-0.500
	SEG	SEGREGATED REVENUES	3,600	3,600	
		TOTAL GOVERNOR'S CHANGES	\$ 2,013,900	\$ 1,949,100	-1.000
TOTAL GOVERNOR'S RECOMMENDED FUNDING LEVEL					
	GPR	GENERAL PURPOSE REVENUES	\$ 13,946,700	\$ 14,030,900	106.575
	PRO	PROGRAM REVENUES	\$ 3,408,700	\$ 3,465,900	26.250
	FED	FEDERAL REVENUES	\$ 17,886,100	\$ 18,591,100	206.925
	SEG	SEGREGATED REVENUES	\$ 2,835,100	\$ 2,835,100	1.500
		RECOMMENDED BUDGET LEVEL	\$ 38,076,600	\$ 38,923,000	341.250
TOTAL CHANGES FROM BASE LEVEL					
	GPR	GENERAL PURPOSE REVENUES	2,292,500	2,376,700	0.750
	PRO	PROGRAM REVENUES	219,800	277,000	0.750
	FED	FEDERAL REVENUES	39,300	744,300	5.250
	SEG	SEGREGATED REVENUES	5,200	5,200	0.000
		TOTAL CHANGES FROM BASE	\$2,556,800.00	\$ 3,403,200.00	6.750
PERCENT CHANGE FROM BASE LEVEL					
	GPR	GENERAL PURPOSE REVENUES	19.67%	20.39%	0.71%
	PRO	PROGRAM REVENUES	6.89%	8.69%	2.94%
	FED	FEDERAL REVENUES	0.22%	4.17%	2.60%
	SEG	SEGREGATED REVENUES	0.18%	0.18%	0.00%
		TOTAL PERCENT OVER BASE LEVEL	7.20%	9.58%	2.02%

**WISCONSIN DEPARTMENT OF MILITARY AFFAIRS
SUMMARY OF GOVERNOR'S 1997-99 BUDGET RECOMMENDATIONS
BY DECISION ITEM
(CHANGES FROM AGENCY REQUEST)**

DI #	DESCRIPTION	1997-98	1998-99	FTE
	AGENCY REQUEST (ALL SOURCES)	36,062,700	36,973,900	342.250
	ADJUST AGENCY INITIATIVES			
3000	STANDARD BUDGET ADJUSTMENTS			
	Funding for Executive Assistant	(82,300)	(82,300)	
	Full Fund Delayed Pay Adjustments	72,900	72,900	
6000	MILITARY ACADEMY CUSTODIAN			
	Approve .75 PRO Position	-	-	
6010	COMPUTER NETWORK SUPPORT			
	Deny Request for IT Support Funding	(20,000)	(25,000)	
6020	TEMPORARY STAFF & TRAINING			
	Deny Request for LTE Staff	(18,100)	(27,800)	
	Deny Request for Training	(38,500)	(38,500)	
6030	REPAIR, MAINT & OPER OF FACILITIES			
	Deny Request to Full Fund Custodial Costs	(70,700)	(70,700)	
	Deny use of WFB sale \$ for maintenance	(51,600)	(150,000)	
6040	MUNICIPAL ASSESSMENTS - STREETS			
	Deny Base Adjust for Assessments	(8,100)	(8,100)	
	Deny One Time GPR for Truax Streets	(35,300)	(196,300)	
	Fund Truax Streets from WFB Sale \$	35,300	196,300	
6050	SUPPORT TO AIR GUARD BASES			
	Approve New Positions	-	-	
6060	DIVISION OF EMERGENCY MGMT			
	Approve PRO Reestimates	-	-	
	Deny Hazard Mitigation Position	(60,400)	(64,300)	(1.000)
	Deny Equipment Replacement Funds	-	(22,600)	
	TOTAL ADJUSTMENT TO REQUESTS	\$ (276,800)	\$ (416,400)	(1.000)
	GOVERNOR'S INITIATIVES			
6100	Increase Tuition Reimburse to 100%	2,000,000	2,000,000	
8101	Debt Service Reestimates	210,000	241,400	
8102	Fuel & Utility Reestimates	3,700	47,100	
8901	Shift Funding for EM Administrator	-	-	
8909	Small Agency IT Support Initiative	77,000	77,000	
	TOTAL GOVERNOR'S INITIATIVES	\$ 2,290,700	\$ 2,365,500	0
	PROPOSED CHAPTER 20 LEVEL	\$ 38,076,600	\$ 38,923,000	341.250



28. COUNCIL ON VETERANS PROGRAMS

The Legislative Committee at its July, 1997 meeting recommended that the Department once again be seated on the Council for Veterans Programs. In separate action, the Executive Committee rejected the recommendation to join the Council on Veterans program based on the fact that this would be in violation of National policy which states "The American Legion shall not be a member or affiliated with, an organization committed to policy contrary to that adopted by The American Legion." It was also suggested at that time that a letter be written to Raymond Boland, Secretary of the Department of Veterans Affairs either informing that the Legion wished its name removed from the Advisory Council, or, send a representative to the meetings. Since then more information has been received.

Judge Advocate Gorst read a letter received by the State Adjutant from Ray Boland informing that the American Legion seat on the Council has been vacant since November of 1990. The letter stated that the Council is an integral part in establishing a unified front among state veterans organizations in support of the legislative agenda and it deserves the attention and participation by the largest veterans organization.

Further, the Council on Veterans programs created under S.15.497 shall advise the Board of Veterans Affairs and the Department of Veterans Affairs on solutions and policy alternatives relating to the problems of veterans. The function is advisory in nature and does not have decision making authority. All policy, including budget, is decided by the Board of Veterans Affairs. Council activity is the interaction and exchange of information regarding state and federal issues of general interest to all veterans.

The letter appealed to the American Legion to reconsider its place on the Council.

MOVED BY DAVID KORTH AND SECONDED BY DAVID WEGENER THAT THE EXECUTIVE COMMITTEE AUTHORIZE THE STATE COMMANDER TO APPOINT A LEGIONNAIRE TO REPRESENT THE AMERICAN LEGION ON THE COUNCIL ON VETERANS PROGRAMS SO LONG AS IT REMAINS AN ADVISORY COUNCIL AND DOES NOT VOTE IN REGARD TO EXPENDITURES OF LEGION MONEY, AND FURTHER, IF THERE IS ANY ACTION IN THE POLITICAL ARENA ON THIS COUNCIL, THE DEPARTMENT REPRESENTATIVE MUST INFORM THE COMMANDER AND ADJUTANT IMMEDIATELY AND WE WILL IMMEDIATELY WITHDRAW FROM THE COUNCIL. MOTION CARRIED WITH NECMAN BOB ZUKOWSKI ABSTAINING FROM VOTE.

NECman Bob Zukowski stated that the National Executive Committee resolution # 6 adopted in 1952 addresses the issue on the American Legion and has precluded the involvement in any organization by the American Legion wherein it does not have a controlling vote. They can attend, can receive minutes and correspondence and act in an advisory capacity but must make it clear on an annual basis in writing, that the representative does not speak for the American Legion nor give Council the use of the name of the American Legion.

(Secretary's Note: Past State Commander John Schurrer has been appointed to serve as the Department's representative to the Advisory Council on Veterans Programs.)



Special Investment Performance Dividend

Remedy Discussion

Department of Employee Trust Funds

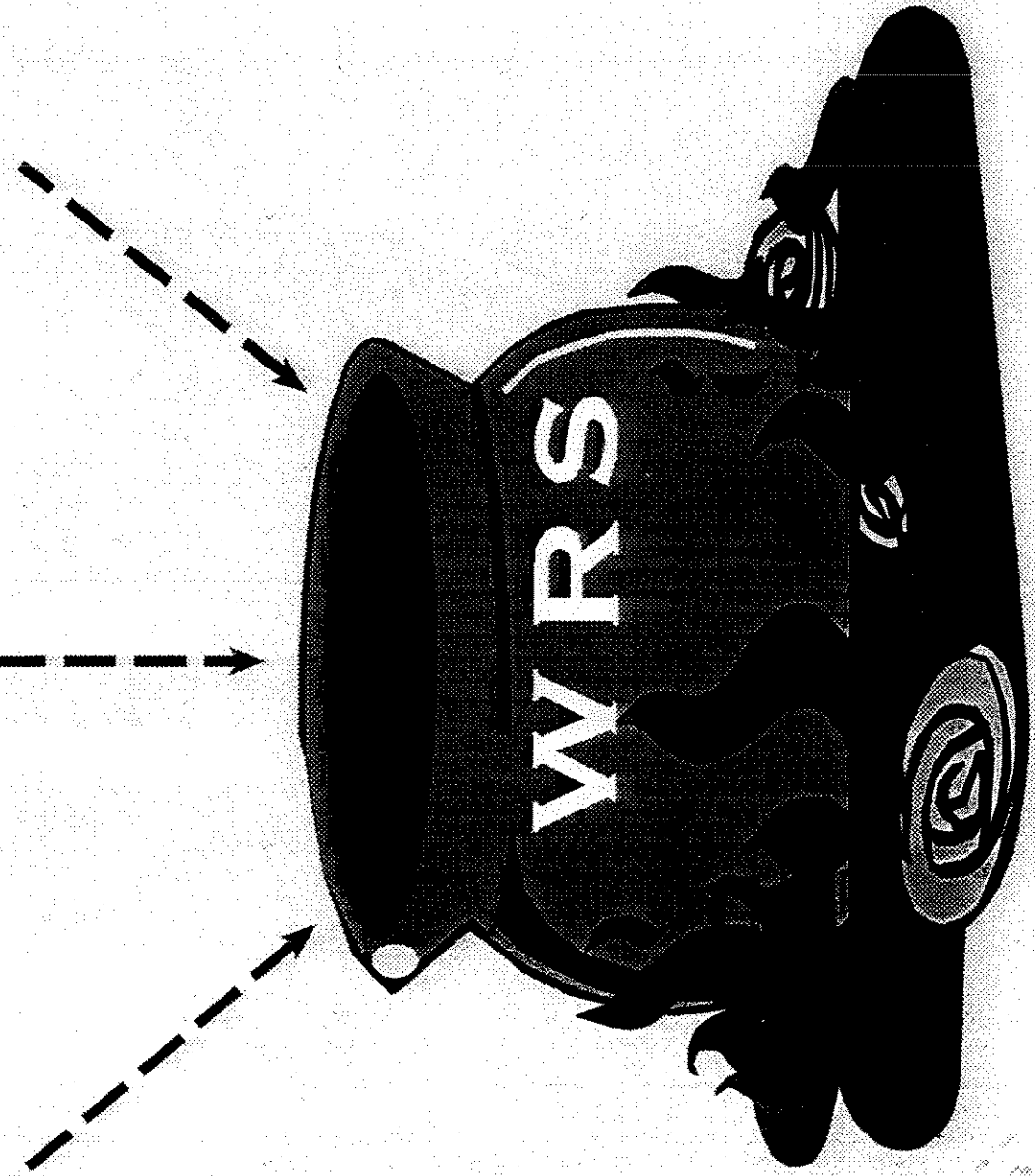
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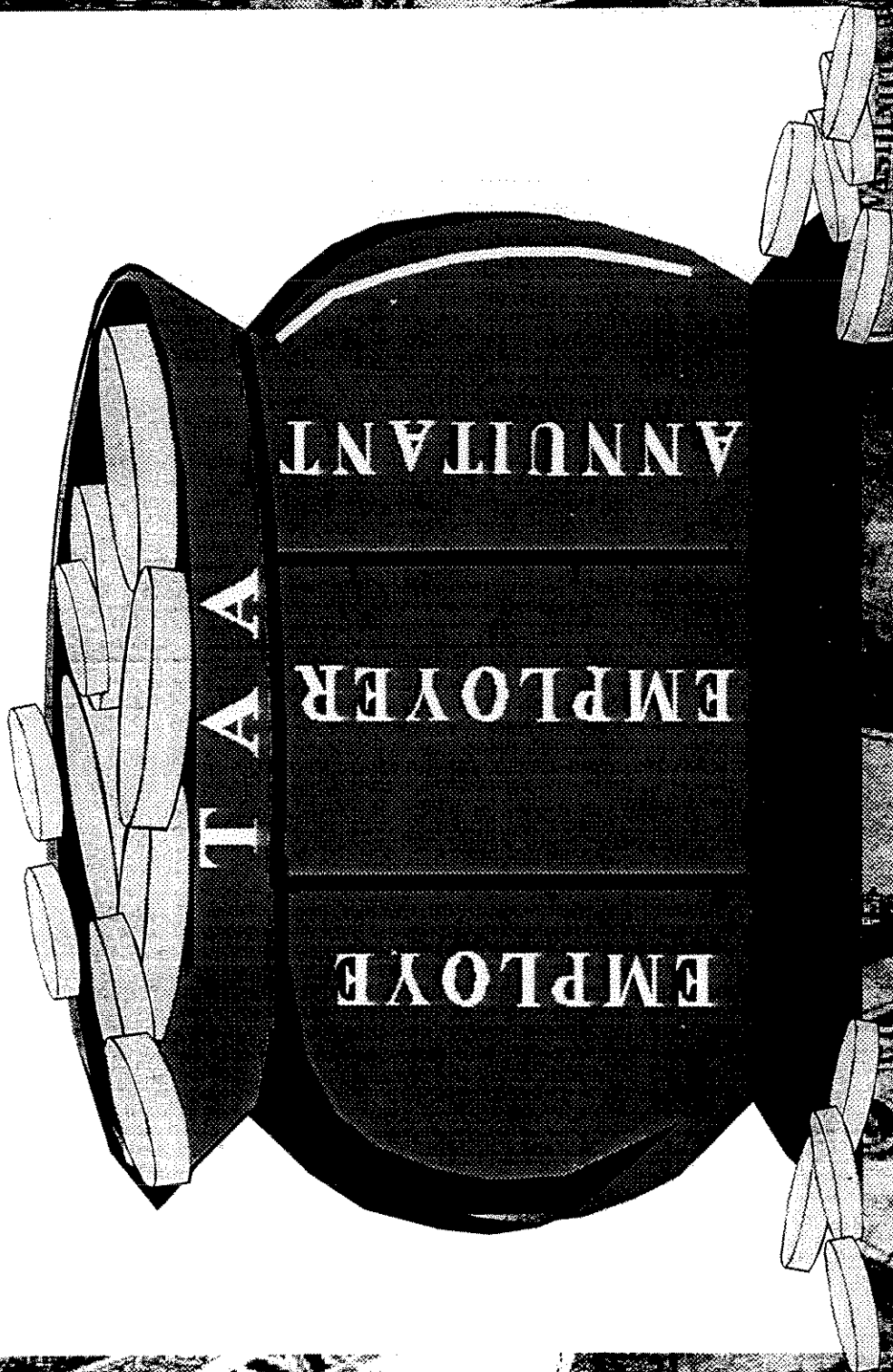
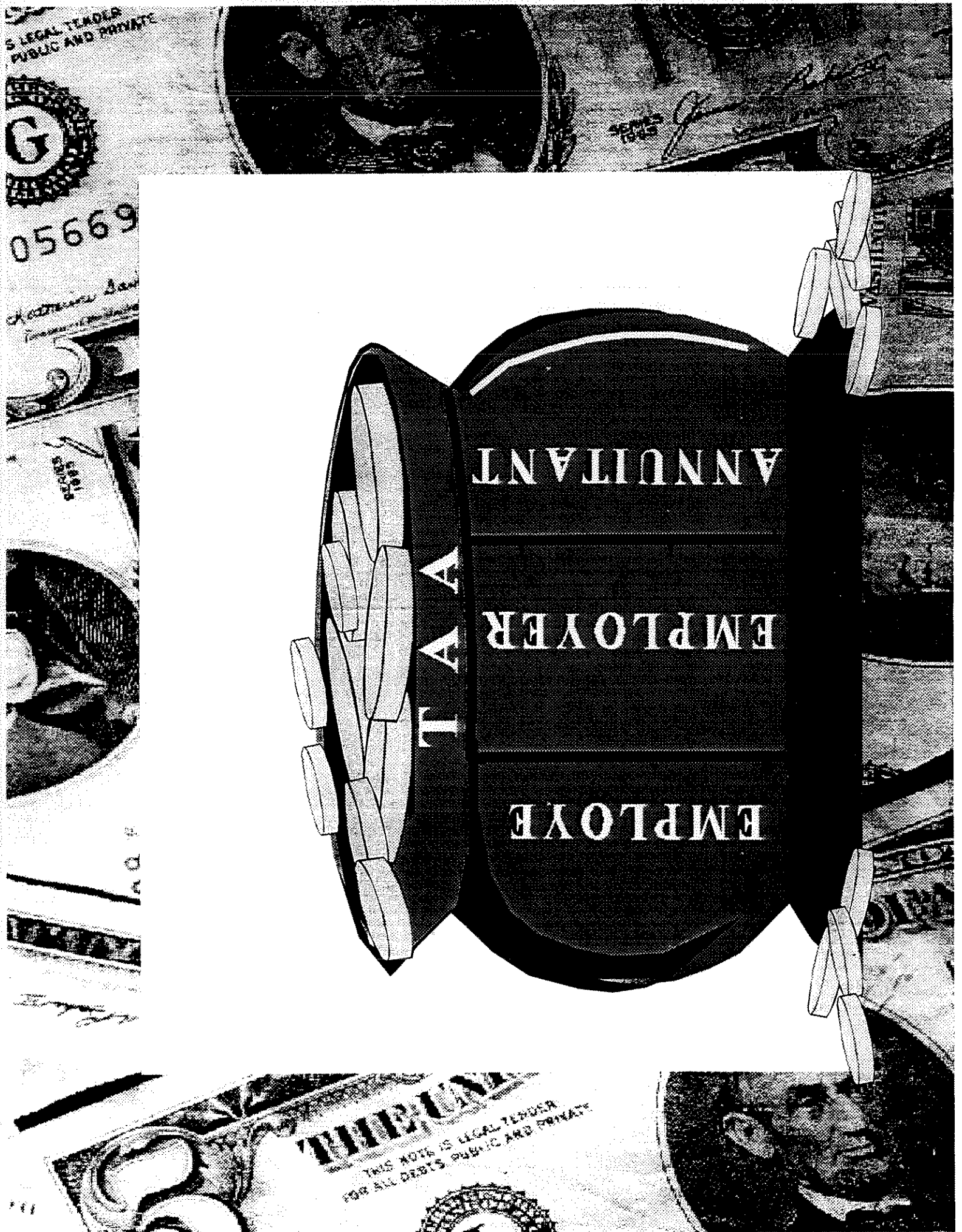
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**Investment
Earnings**

**Employer
Required
Contributions**

**Employee
Required
Contributions**





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AMERICAN SAVINGS

SAVINGS

ADP

FEDERAL RESERVE NOTE
THIS NOTE IS LEGAL TENDER
FOR ALL DEBTS, PUBLIC AND PRIVATE

SERIES 1943

James M. Smith



STATE OF WISCONSIN

Department of Employee Trust Funds

October 13, 1997

To: All Wisconsin Retirement System Annuitants

From: Department of Employee Trust Funds

Subject: Special Investment Performance Dividend (SIPD) Lawsuit

On September 3, 1997, Judge Angela Bartell signed a judgement ruling the 1987 "special investment performance dividend" (SIPD) legislation unconstitutional. On September 26, 1997, the Employee Trust Funds Board determined how it will equitably distribute the \$206.6 million reimbursement to the Wisconsin Retirement System (WRS) annuity reserve for the funds allocated from the unconstitutional legislation, plus interest. The Board's 1997 distribution will approximate what would have happened if the SIPD funds had been distributed as part of the April 1, 1988 dividend for WRS fixed annuities. The Board's actuary estimates that the full 1988 dividend would have increased by 2.4%.

While this notice is being sent to all WRS annuitants to inform them of the Board's actions, **receipt of this notice does not mean you are entitled to a payment.** The Department will send notices in November to all *eligible* annuitants currently receiving a WRS monthly annuity. The November notice will specify the amount and calculation of the payment to be issued to that person. Anyone eligible for a payment, but not currently receiving a WRS annuity, must submit a written claim to this Department by March 31, 1999. Any remaining unallocated portion of the \$206.6 million will be distributed to all annuitants in the following year as part of the annual dividend process.

Who is eligible for a 1997 distribution payment?

Only those WRS annuitants whose annuities were effective before November 2, 1987 and were in force through April 1988 are eligible for a share of this distribution. These annuitants were entitled to the April 1, 1988 dividend. Due to the proration of dividends in the first year after retirement, annuities which began after November 1, 1987 were **not** entitled to the April 1, 1988 dividend. Those *eligible* for a 1997 distribution payment include current and former WRS annuitants (including alternate payees in cases of divorce), joint survivors, beneficiaries or estates of *eligible* deceased annuitants.

How much will each eligible annuitant receive?

Eligible annuitants currently being paid a monthly WRS annuity will receive a 2.4% increase (or a prorated percentage) beginning with their December 1, 1997 payment. Due to the dividend proration requirements, *eligible* annuities with effective dates from January 2 through November 1, 1987 will receive a prorated increase ranging from 0.4% to 2.2%. Pre-October 1974 annuitants who received the invalid 1988 SIPD will lose a portion of their WRS monthly benefit beginning with their December 1, 1997 payments. However, **no reduction** in their monthly payment amount is expected due to the 2.4% increase, the restoration of their pre-SIPD supplemental benefit **and** an additional benefit supplement (already passed by the Legislature and expected to be soon signed into law by the Governor).

Each payee of an annuity paid from May 1, 1988 to the present is eligible for a lump sum payment if the original annuity was effective before November 2, 1987. Such payees include current and former annuitants (including the pre-October 1974 annuitants), joint survivors, beneficiaries and estates of deceased annuitants. These lump sum payments will approximate the amount that would have been paid had the April 1, 1988 dividend been 2.4% higher (this percentage is prorated for January 2 through November 1, 1987 annuities). The lump sum payments for former annuitants, beneficiaries or estates of deceased annuitants will be calculated to the date the original annuity ceased to be in force. Beneficiaries who received single sum payments for the remaining guaranteed payments at the annuitant's death are entitled to a benefit recalculation. To compensate for lost opportunity, interest will be added to the lump sum payments at a rate of 8.8%, compounded monthly, for each full month that has passed up to November 1, 1997. For payments not made by December 1, 1997, interest at 8% per year will be paid between December 1 and the date of the payment.

When will the distribution occur?

If you are an *eligible* annuitant receiving a WRS monthly annuity for November 1997, you will receive the 2.4% (or a prorated percentage) increase on your December 1, 1997 payment. Your separate lump sum payment is expected to be issued before December 31, 1997. You **do not** need to file a claim to receive this distribution.

Who must file a written claim?

Anyone whose claim is based on an *eligible* annuity that is **no longer being paid** must file a claim to receive payment. **Claims must be received by the Department no later than March 31, 1999.** When requesting claim information, please include your name, address, Social Security number and any other information that helps verify the eligibility of the WRS annuity on which your claim is based, such as the name, Social Security number and date of birth of the original annuitant.

For questions or for requesting claim information:

Write:	Employe Trust Funds	Call:	(608) 261-4444
	Attn: SIPD	Fax:	(608) 264-6621
	P.O. Box 7931	TTY:	(608) 267-0676
	Madison, WI 53707-7931		

For a history of the SIPD litigation, call the 24-hour Telephone Message Center (requires a touch-tone telephone) at 1-800-991-5540 or 264-6633 (local Madison). Once connected, enter "10975" to hear the pre-recorded SIPD message.

RIGHT TO APPEAL THE BOARD'S DETERMINATION

Pursuant to Wis. Stat. § 40.08 (12), the actions, decisions or determinations of the Employe Trust Fund Board are reviewable only by an action for certiorari in the circuit court for Dane County. The action for certiorari must be commenced within 30 days after this notice of the Board's determination is mailed to you.

Distribution of Recovered Funds by the Employe Trust Funds Board

As adopted by the ETF Board on September 26, 1997

The \$206,612,598 recovered to the fixed annuity reserve of the Public Employe Trust Fund as a result of the judgment in *Wisconsin Retired Teachers, Inc. v. Employe Trust Funds Board, et al.*, shall be distributed so as to closely approximate the adjustments to Wisconsin Retirement System fixed annuities in force during 1987 that would have occurred if the monies in (and transferred into) the annuity reserve had not been encumbered and distributed as a result of the "special investment performance dividend" (SIPD) legislation. This distribution shall have two components: (1) a prospective increase of annuities with an effective date before November 2, 1987; and, (2) a lump-sum payment based on the Board's approximation of what would have been paid in the absence of the SIPD legislation if the funds had been applied to increase the post-retirement annuity adjustment effective on April 1, 1988 ("the April 1, 1988, adjustment"). To the extent permitted by the available funds, an equitable award of interest shall also be added to the lump-sum payment due to an individual, to compensate for lost opportunity costs.

1. PROSPECTIVE ANNUITY INCREASE. (a) **Annuity Effective Dates Before 1987.** The monthly amount of annuities in force through November 1997, which have an effective date before November 2, 1987, (after first subtracting any portion of the annuity attributable to the SIPD legislation) shall be increased on a percentage basis. The increase shall be included with annuity payments beginning December 1, 1997, and shall be treated as an increase under Wis. Stat. § 40.27 (2)(a) and be subject to future post-retirement annuity adjustments. For annuities with effective dates before January 2, 1987, the increase shall be 2.4%. This figure is based on the advice of the actuary that it will, within a reasonable degree of actuarial accuracy, recognizing the limitations of the available historical data, approximate the effect on annuities, that would have resulted if the SIPD legislation had not limited the Board's ability to distribute annuity reserve funds in 1988. The Board also notes the administrative difficulty and delay that would result from basing the increase on any amount other than the current annuity, as well as the inherent limitation that the increase may only be expressed to a tenth of a percent.

(b) **Annuity Effective Dates During 1987.** Annuities effective between January 1, 1987 and November 2, 1987, shall be increased prospectively in the same manner except that the percentage increase will be adjusted to approximate the results of proration under Wis. Admin. Code § ETF 20.25 (1). The prorated percentage shall be determined by multiplying the number of full months during 1987 that the annuity was in force times 2.4%, dividing the result by 12 and rounding the answer to the nearest tenth of a percent. Annuities effective after November 1, 1987, did not receive any part of the April 1, 1988, adjustment, and would not have done so even if the adjustment for annuities in force for a full year had been 2.4% higher than the actual 6.7%. Therefore, annuities with effective dates after November 1, 1987, will not be adjusted.

2. LUMP-SUM PAYMENT. (a) **Monthly Annuity Payments.** The payee of each monthly annuity payment between May 1, 1988 and November 1, 1997, inclusive (for annuity benefits due for the months of April 1988 through October 1997), shall be entitled to a payment equal to

the amount by which the actual monthly payment (after subtracting any portion of the annuity attributable to the SIPD legislation) is exceeded by the Board's approximation of the monthly annuity amount that would have been payable if the April 1, 1988, adjustment had included the funds encumbered by the SIPD legislation.

(b) Annuitant Death Benefits. If an annuitant died while receiving an annuity which was increased by the April 1, 1988, adjustment, and there were remaining, unpaid guaranteed monthly annuity payments, then a beneficiary who elected to receive the then-present value of the annuity as a single sum is entitled to a payment under this distribution equal to the amount by which the single sum paid (after first subtracting any portion of the annuity attributable to the SIPD legislation) is exceeded by the Board's approximation of the amount that would have been payable if the April 1, 1988, adjustment had included the funds encumbered by the SIPD legislation. The beneficiary must file a written claim to receive payment under this distribution.

(c) Tax Withholding. For federal income tax purposes, the DETF shall report any lump-sum payment as paid in the year payment under this distribution is actually made and shall withhold 15% of the payment towards federal income tax liability.

3. INTEREST. One monthly interest rate shall be used to calculate an addition to be incorporated within lump-sum payments and increased annuitant death benefits under this distribution, calculated as accruing up to November 1, 1997, from the date of the single sum death benefit payment, or, for annuitants, from the date of each monthly annuity check to which the payee was entitled which would have been increased by a higher April 1, 1988, adjustment. If payment of the lump-sum is not made by December 1, 1997, interest at a second rate, based on anticipated earnings in the annuity reserve, shall be added to the November 1, 1997, balance due for the period from December 1, 1997, up to the date of the check (or other transfer) for payment of a lump-sum due under this distribution. The actuary shall determine what part of the \$206,612,598 to reserve to fund the annuity increases and lump-sum payments mandated by this distribution. The actuary shall then report to the Department the interest rates to apply, based on the remainder of the recovered monies and anticipated earnings.

4. CALCULATIONS. (a) "Annuities in Force." Notwithstanding the death of the annuitant, the annuity remains in force while being paid to a joint survivor. An annuity which provided a guaranteed number of payments remains in force if those monthly payments continue to be paid to a beneficiary; the annuity ceases to be in force as of the last day of the month for which the last monthly guaranteed payment was made. An annuity remains in force despite division by a qualified domestic relations order and, for this distribution, retains the original effective date.

(b) Effects of SIPD Legislation. No person shall be entitled to any benefit from this distribution stemming from the increase of an annuity by the SIPD legislation, including the compounding of that increase by later adjustments under Wis. Stat. § 40.27 (2). For this purpose, payments resulting from the SIPD legislation shall not be treated as WRS annuities.

(c) Amounts Encumbered by SIPD. For the purpose of computing the lump sum payments due under this distribution, the Board approximates the amounts that would have been payable if the April 1, 1988, adjustment had included the funds encumbered by the SIPD legislation, as follows:

(1) Effective Date of Annuity is Before January 1, 1987. If not for the allocation and distribution of fixed annuity reserve funds mandated by the SIPD legislation, the actuary advises that an additional \$85.5 million would have been identified by the actuarial valuation of December 31, 1987, as being unencumbered. Those funds would have been required to be distributed in the next post-retirement annuity adjustment made under Wis. Stat. § 40.27 (2) and Wis. Admin. Code § ETF 20.25 (1). That adjustment occurred effective April 1, 1988, and was first paid on the monthly annuity checks dated May 1, 1988. The \$85.5 million would have funded an estimated 2.4% increase in fixed annuities in force on December 31, 1987, if the effects of the SIPD on those annuities are ignored. Therefore, for these calculations, the "amount that would have been payable if the April 1, 1988, adjustment had included the funds encumbered by the SIPD legislation" is the amount resulting from excluding SIPD benefits and treating the April 1, 1988, adjustment to annuities effective for a full year or more as of December 31, 1987, as if it were an increase of 9.1% instead of 6.7%.

(2) Effective Date of Annuity Is During 1987. For the April 1, 1988, adjustment, the Board did not exercise its authority to apply different percentages to annuities with different effective dates, except the Board varied the percentage increase for fixed annuities in effect for less than one year as of December 31, 1987, as provided in Wis. Admin. Code § ETF 20.25 (1). For fixed annuities with effective dates during 1987, the increase was prorated, based on the number of full months the annuity was in effect during 1987. No increase of less than 1% applied. As a result, fixed annuities effective on or after November 2, 1987, were not increased by the April 1, 1988, adjustment. Lump sum payments under this distribution shall incorporate the proration of the April 1, 1988, adjustment on annuities with effective dates during 1987, except that the prorated increases shall be calculated as if the percentage applicable to fixed annuities effective before 1987 had been 9.1% rather than 6.7%.

5. EXCLUSIONS. (a) Annuities Effective after 1987 or Ended Before May 1988. Nothing is payable under this distribution with respect to any annuity with an effective date after December 31, 1987, or which ceased to be in force before May 1, 1988. Only annuities with an effective date on or before December 31, 1987, were potentially eligible for an April 1, 1988, adjustment. In addition, only such annuities which were still in force through April 30, 1988, were entitled to payment of that adjustment on May 1, 1988.

(b) Variable Annuities Not Affected. This distribution shall not affect, or result in any payment based upon, any variable annuity of the Wisconsin Retirement System.

6. CLAIMS PROCEDURE. (a) When Formal Claim Required For Payment. Any person or estate claiming entitlement to a payment under this distribution based upon an annuity which is no longer in force shall file a written claim with the DETF no later than 4:30 p.m. on March

31, 1999. Unless the Board acts before March 31, 1999, to extend this deadline, no late claims may be honored. The claim must provide information sufficient to identify the claimant and the annuity no longer in force, including the name and Social Security Number of the former annuitant and the claimant. The DETF may also require additional information, as necessary. With respect to deceased persons, any claim to an entitlement under this distribution must be filed by the personal representative or executor of the estate of the deceased, or by a special administrator appointed by a court of competent jurisdiction for the purpose. However, if the decedent left solely owned property in this state which does not exceed \$10,000, including the amount due under this distribution, any heir of the decedent may request transfer of the amount due under this distribution by affidavit as provided in Wis. Stat. § 867.03.

(b) When No Formal Claim Required. Without requiring the filing of any claim or request, the Department of Employee Trust Funds (DETF) shall increase annuities currently in force in accord with this distribution, with payments to begin on the December 1, 1997 annuity checks (if possible). The DETF shall also determine the lump-sum payments due to current annuitants receiving annuities from the Wisconsin Retirement System with effective dates before November 2, 1987, and make payment directly to those annuitants. Such payments will also include interest at the rate determined by the actuary.

7. UNCLAIMED MONIES. (a) Lapse into Annuity Reserve. Except as may be provided under par. (b), after the deadline for making claims has expired, any remaining, unclaimed portion of the \$206,612,598 reserved to fund lump-sum payments mandated by this distribution, as determined by the actuary in the actuarial valuation of December 31 of that year, shall lapse into the unencumbered funds in the annuity reserve, and shall then be distributed to annuitants as provided in Wis. Stat. § 40.27 (2) and Wis. Admin. Code § ETF 20.25 (1).

(b) Payment to Recipient of Continuation Annuity. If the Board so directs before March 31, 1999, then instead of reverting to the reserve, any unclaimed amount of this distribution payable as lump-sum to the estate of a deceased annuitant whose annuity continues to be in force on March 31, 1999, shall be paid to the joint survivor or beneficiary receiving the continuation of the annuity along with the next monthly annuity payment, or as soon thereafter as possible.

8. NOTICE. Notice of this decision shall be mailed to each current annuitant of the Wisconsin Retirement System before October 31, 1997. Each current annuitant whose annuity effective date is before November 2, 1987, shall be sent a calculation of any lump sum payment due.

9. CONDITION. This distribution is conditioned upon receipt, on or before November 1, 1997, of \$206,612,598 from general purpose revenues of the State of Wisconsin in payment of the portion of the judgment in *Wisconsin Retired Teachers, Inc., v. Employee Trust Funds Board*, 207 Wis. 2d 1, 558 N.W.2d 83 (1997) owed to the Trust Fund.

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Example One

Effect on Individuals Who Received No SIPD

(Fixed Annuities Only)

MONTHLY BENEFIT:

Began Annuity in 1985, Receiving \$687.47 in Fixed Annuity on 12/31/87	\$687.47
→ 1988 to 1997 Dividends Received (72.5%)	+ <u>\$497.69</u>
→ November 1, 1997 Monthly Check	\$1,184.16
→ 2.4% Prospective Equitable Distribution	+ <u>\$29.42</u>
→ Benefit Effective 11/1/97 to be paid on 12/1/97	\$1,212.58

LUMP SUM BENEFIT:

→ Lump Sum for Missed Payments (1988-97) (includes assumption of 8.8% compounded monthly interest)	\$3,629.84
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Example Two
Effect on Pre-October 1974 Annuitants
(Fixed Annuities Only)

Began annuity in 1950; receiving \$171.60 from WRS and \$115.70 GPR Supplement on 12/31/987 \$287.30

→ Supplement Removed on 4/1/88 - \$115.70
 SIPD added on 4/1/88 + \$154.07

→ WRS Annuity Plus SIPD Payment on 4/1/88 \$325.67

→ 1988 to 1997 Dividends (72.5%)
 (\$124.41 on WRS and \$111.70 on SIPD) + \$236.11

→ November 1, 1997 Monthly Check + \$561.78

MONTHLY BENEFIT

→ November 1, 1997 Monthly Check \$561.78

→ Removal of Original SIPD Plus Dividends
 (\$154.07 Original SIPD Plus \$111.70 Dividends) - \$265.77

→ Restoration of GPR Supplement from 1987 + \$115.70

→ 2.4% Equitable Distribution + \$7.10
 (\$561.788 - \$265.77 = \$296.01 x 2.4%)

→ December 1, 1997 Monthly Check \$418.81

"Gap" Supplement (1997 Act 26) +142.97

No Change in Monthly Benefit \$561.78

LUMP SUM BENEFIT

→ Lump Sum for Missed Payments (1988-97) \$906.00