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To: Joint Committee on Finance
From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Payments for Municipal Services -- Garbage and Trash Disposal and Collection (Shared Revenue -- Direct Aid Payments)

CURRENT LAW

The payments for municipal services program (PMS) provides state aid payments to reimburse municipalities for all or a portion of the property tax-supported expenses incurred in providing services to state facilities, which are exempt from property taxation. Payments are made for fire and police protection, garbage and trash disposal and collection, and other approved direct services. The Department of Administration administers the program. Base funding of \$16,828,800 GPR is provided for the program.

GOVERNOR

No provision.

DISCUSSION POINTS

1. The purpose of the PMS program is to aid in the reduction of local property taxes by making an equitable contribution toward the cost of certain municipally provided services.
2. The estimated tax-supported cost of providing services to state buildings is determined through a formula that produces an entitlement for each affected municipality. If the state aid appropriation is not sufficient to fund total municipal entitlements, payments are

prorated by a percentage equal to the appropriation divided by total entitlements. Funding equaled entitlements in 1982, but has since ranged from 94.8% (1990-91) to 84.4% (1995-96).

3. Funding for the program has been set at \$16,828,800 annually since 1994-95. Since then, entitlements have increased from \$19,353,228 (1994-95) to \$19,840,991 (1996-97), or by 2.5%. During that period, the proration factor has declined from 87.0% to 84.8%. Under the bill, program funding would remain at \$16,828,800 annually. At that funding level, the proration factor is estimated to decline to 81% in 1997-98 and 78% in 1998-99.

4. The following table reports entitlement amounts and the number of municipalities receiving entitlements by service category for 1996-97. Fire services comprise the largest share of total entitlements. All 251 municipalities receiving a 1996-97 aid payment generated an entitlement for fire services.

	<u>1996-97 Entitlements</u>	<u>Percent of Total</u>	<u>Number of Municipalities</u>
Fire	\$9,714,572	49.0%	251
Police	9,471,691	47.7	139
Solid Waste	<u>654,728</u>	<u>3.3</u>	<u>49</u>
State Total	\$19,840,991	100.0%	251

5. Municipalities fund police and fire service costs with the property tax and other general revenues, rather than through service charges to individual properties. Recovering the costs of those services to state facilities through service charges is not a viable option for municipalities. However, state law authorizes municipalities to fund solid waste services through service fees or charges. Over half of all municipalities providing solid waste services impose a fee or charge for the service, although some municipalities fund those activities entirely through the property tax. State facilities are not exempt from those fees or charges. The statutes direct state agencies to pay any fees imposed for services directly provided by municipalities, including garbage and trash disposal and collection. These payments are made from the affected agency's appropriations, rather than the PMS appropriation.

6. Due to certain municipal-specific conditions, the entitlement formula may not accurately calculate the tax-supported cost of providing services to state buildings in all instances. In recognition, state law authorizes the cost of those services to be negotiated and entitlements adjusted accordingly.

7. Solid waste service entitlements for 1996 were adjusted for five municipalities under the provision allowing entitlements to be negotiated. Each of the municipalities contains a University of Wisconsin system campus. None of the municipalities directly provide solid

waste services to the campuses or to most commercial buildings. In four of the five municipalities, private solid waste disposal firms provide the service and bill the municipalities. In the fifth municipality, university vehicles haul the waste to the county landfill, and the county bills the municipality for the tipping fees and the required vehicle permits. In each instance, the negotiated entitlement equaled the service costs billed to the municipality. The negotiated entitlements for the five municipalities totaled \$293,152 in 1996-97.

8. In 1996-97, the largest solid waste entitlements were generated by the Cities of Oshkosh (\$142,228) and Stevens Point (\$110,540). These entitlements were generated through the entitlement formula, rather than through the negotiation process. Officials in Oshkosh report that collection services are provided to small businesses, including some state facilities, but properties that generate more than four cubic yards of waste per week must arrange and pay for that service. In Stevens Point, collection services are not provided to business property. However, both cities have agreed to pay for solid waste services to university facilities because those costs are reimbursed through the PMS program. Neither city directly provides solid waste services to the facilities, but contracts with a third party for the services.

9. Among the seven identified municipalities that incur solid waste costs for university facilities, entitlements for garbage and trash disposal and collection totaled \$545,920 in 1996-97. Those entitlements comprise 83% of the \$654,728 in total solid waste entitlements for 1996-97. In the absence of the PMS program, it does not appear that any of the seven municipalities would provide solid waste services to university facilities or incur the resulting costs for those services. Therefore, making payments for the solid waste services does not aid in the reduction of property taxes and contribute to the program's purpose.

10. By using the PMS program to pay for solid waste services that otherwise would likely be billed directly to the affected campuses, the ability of the PMS program to fund entitlements for police and fire protection is diminished. For example, excluding solid waste services from the entitlement formula in 1996-97 would have increased the proration factor from 84.8% to 87.7%.

11. If solid waste services are removed from coverage under the program, municipal solid waste service costs through 1997 should continue to be recognized under the entitlement formula or through negotiation. Otherwise, the municipalities would bear this year's cost of solid waste services to state buildings. Removing solid waste costs effective with 1998 services would allow municipalities to adopt service fees or direct the affected university campuses to make arrangements with private service providers.

ALTERNATIVES TO BILL

1. Remove garbage and trash disposal and collection from the municipal services eligible for reimbursement under the PMS aid program, effective with municipal costs reported for 1998.
2. Remove garbage and trash disposal and collection from the municipal services eligible for reimbursement under the PMS aid program unless the municipality provides the same service to business properties, effective with municipal costs reported for 1998.
3. Retain current law.

Prepared by: Rick Olin

MO# AIH#2

WENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	Y	X	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	Y	X	A
GEORGE	X	N	A
JAUCH	Y	N	A
WINEKE	X	N	A
SHIBILSKI	Y	X	A
COWLES	X	N	A
PANZER	X	N	A

AYE 12 NO 4 ABS

<p>To: Joint Committee on Finance</p> <p>From: Bob Lang, Director Legislative Fiscal Bureau</p>

ISSUE

Payments for Municipal Services -- Agency Chargebacks (Shared Revenue -- Direct Aid Payments)

GOVERNOR

Estimate GPR-Earned from agency chargebacks at \$7,239,100 annually. These amounts are equal to the amount estimated for 1996-97 under 1995 Act 27.

MODIFICATION TO BILL

Reestimate the GPR-Earned amounts at \$7,618,800 annually for 1997-98 and 1998-99.

<u>Modification</u>	<u>GPR</u>
1997-99 REVENUE (Change to Bill)	\$759,400

Explanation: The actual GPR-Earned amount for 1996-97 equals \$7,618,841, or \$379,741 more than the amount estimated in 1995 Act 27. Because the proposed PMS aid level of \$16,828,800 annually is unchanged from 1996-97, agency chargebacks should be similar to the amount generated in 1996-97. GPR-Earned is generated through a procedure where program revenue (PR), program revenue-service (PR-S) and segregated revenue (SEG) appropriations are charged for municipal services to facilities funded through these appropriations. Aid payments to municipalities are made from the state's general fund through a general purpose revenue appropriation. However, after aid payments are made, DOA transfers amounts from the PR, PR-S and SEG appropriations that fund state facilities to the general fund. As a result, the general fund is charged only for services to facilities associated with programs financed through the general fund. The 1997-98 and 1998-99 reestimates are equal to the actual GPR-Earned amount for 1996-97.

Prepared by: Rick Olin

MO# Modification

in paper 743

2 JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A
1 BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS

Shared Revenue and Property Tax Relief

Property Tax Credits

(LFB Budget Summary Document: Page 543)

LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
2	Transfers from Property Tax Relief Fund to General Fund (Paper #745)
6	Homestead Tax Credit Reestimate (Paper #746)
7	Homestead Tax Credit -- Definition of Household Income (Paper #747)

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Transfers from Property Tax Relief Fund to General Fund (Shared Revenue -- Property Tax Credits)

[LFB Summary: Page 543, #2]

CURRENT LAW

The property tax relief fund was created in the 1995-97 biennium to provide monies for state property tax relief during the 1997-99 biennium. The fund consists of monies that otherwise would have become part of the general fund's balance and would have been available for appropriation during 1995-97. Thus, the property tax relief fund is a formal mechanism to ensure that monies will be carried over from one biennium to the next. Provisions in 1995 Acts 213, 351 and 417 require \$257,755,900 to be transferred from the general fund to the property tax relief fund on June 30, 1997.

GOVERNOR

Repeal the requirement that monies in the property tax relief fund be used for property tax relief in 1997-99. This would have the effect of allowing the property tax relief fund to be used to accumulate and provide funding for property tax relief in future biennia.

Require the DOA Secretary to annually transfer from the property tax relief fund to the general fund either the amount in the fund or an amount equal to the combined increase in expenditures under the general equalization aids and school levy tax credit programs, whichever is less. Transfers would not be made if the Secretary estimates that aids and credit expenditures will not increase.

Require the amount of the transfer to be adjusted if the transfer in the previous year was either greater or less than the increase in aids and credit expenditures. If the transfer exceeded the increase, the adjustment would reduce the current year transfer by the amount of the excess. If the transfer was less than the increase, the adjustment would increase the current year transfer by the amount of the deficiency, but the adjusted transfer could not exceed the amount in the property tax relief fund.

DISCUSSION POINTS

1. In 1995 Act 27 (the 1995-97 budget), a commitment was made for the state to provide 66.7% of partial school revenues on an ongoing basis, beginning with the 1996-97 school year. During 1996, the cost of maintaining that commitment was estimated at an additional \$910 million during the 1997-99 biennium. The property tax relief fund was created to assist in funding those commitments.

2. The bill would require transferring either the amount in the property tax relief fund or the amount of the combined increase in general equalization aid and school levy tax credit expenditures, whichever is less. Because the bill proposes to increase total 1997-98 expenditures under the general equalization aids and school levy tax credit programs by \$341,945,400, the entire \$257,755,900 in the property tax relief fund would be transferred to the general fund in that year.

3. There are no future revenues specified for the property tax relief fund under either current law or the bill. Thus far, the property tax relief fund has consisted of monies transferred from the general fund. Subsequently, those monies will be transferred back to the general fund. An identical effect could be achieved by allowing the monies to accumulate as part of the general fund's unencumbered balance. An alternative to the proposal in the bill would be to eliminate the property tax relief fund after transferring the \$257,755,900 to the general fund.

4. Other provisions in the bill would continue the requirement for the state to provide two-thirds of partial school revenues on an ongoing basis, although the procedure for determining that amount would be modified. Also, the bill would increase the school levy tax credit funding level by \$100 million, effective in 1999-2000. Therefore, the conditions that prompted the 1995 Legislature to create the property tax relief fund will continue to influence future Legislatures.

5. Up to \$158,430,100 in future balances in the property tax relief fund could be transferred to the general fund in 1998-99 to reflect the increase in aids and credit expenditures in 1998-99 under the bill (\$74,240,600) and the amount by which the 1997-98 transfer would be deficient (\$84,189,500). If the Legislature appropriates monies to the fund during the 1997-99 biennium without reserving those monies for future biennia, provisions in the bill would require the Secretary of DOA to transfer monies from the fund during the 1997-99 biennium, even if a balance is estimated for the general fund.

6. The proposed language would give DOA flexibility on when to withdraw monies from the fund. DOA has indicated that this may be desirable when determining the size of the state's operating note. Each year, the state issues an operating note to address its cash flow needs. In general, transferring funds back to the general fund early in the fiscal year would have the effect of reducing the operating note's size.

7. Under current law, depositing monies into the property tax relief fund and transferring monies from the fund both require legislative action. If the Legislature decides that continuing the fund serves a useful purpose, should the Legislature continue to be involved in removing monies from the fund?

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation.

2. Modify the Governor's recommendation by removing the provisions requiring the Secretary of the Department of Administration to automatically transfer monies from the fund. Provide for the transfer of \$257,755,900 from the property tax relief fund to the general fund, effective upon passage of the bill.

3. Delete the Governor's recommendation and instead provide for the transfer of \$257,755,900 from the property tax relief fund to general fund and repeal the property tax relief fund, both effective upon passage of the bill.

Prepared by: Rick Olin

MO# ALT #2

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
ZGARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 14 NO 2 ABS

To: Joint Committee on Finance
From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Homestead Tax Credit Reestimate (Shared Revenue -- Property Tax Credits)

[LFB Summary: Page 545, #6]

CURRENT LAW

Tax Credit Computation. The homestead tax credit program provides property tax relief to low-income homeowners and renters through an income tax credit or as a cash refund if the credit exceeds income tax liability.

The program is limited to claimants age 18 and older with annual household income of not more than \$19,154. The first \$1,450 of the property tax bill is considered in determining the amount of the credit for homeowners. For renters, 25% of rent (20% if heat is included) is considered, up to the same \$1,450 maximum. The amount of the credit is determined by the formula outlined below.

$$\text{Credit} = 80\% \times [\text{Property Tax} - 13\% \times (\text{Household Income} - \$8,000)]$$

The credit is paid through a GPR, sum sufficient appropriation. In 1996-97, \$89,400,000 is budgeted for the program.

Public Assistance Recipients. Under current law, a credit cannot be received for any month that the claimant received either \$400 or more of cash benefits under a county relief program or any amount of aid to families with dependent children (AFDC). Further, a credit cannot be received for any month that the claimant participated in a community service job or transitional placement under the Wisconsin Works (W-2) program. State law requires W-2 to be implemented by October 1, 1997. A claimant can receive a prorated credit for each month not affected by these restrictions.

GOVERNOR

Increase the sum sufficient appropriation by \$6,100,000 annually to reflect anticipated costs under the current law credit, including: (a) an increase of \$100,000 in 1997-98 and a reduction of \$1,900,000 in 1998-99 to reflect reestimated program costs for current claimants; and (b) increases of \$6,000,000 in 1997-98 and \$8,000,000 in 1998-99 for credits to Wisconsin Works (W-2) participants who become new claimants. With these adjustments, estimated total funding would be increased from the adjusted base level of \$89,400,000 to \$95,500,000 in each year of the biennium.

DISCUSSION POINTS

1. It is currently estimated that \$97,200,000 in credits will be provided under the program in 1996-97. This is an increase of \$7,800,000 from the 1996-97 base level funding of \$89,400,000. This increase is primarily due to: (a) lower estimated property tax reductions in 1996 for current claimants due to the October 29, 1996, Dane County Circuit Court decision that found the lottery credit unconstitutional and prohibited the distribution of lottery proceeds under the mechanism established for the 1996(97) tax year; and (b) increases for credits to former AFDC recipients who have become new claimants.

2. Under the bill, it is estimated that credits paid to current claimants would be \$89,500,000 in 1997-98 and \$87,500,000 in 1998-99. Based on reestimated changes in income and property taxes during the 1997-99 biennium, the cost of the homestead tax credit for current claimants is now estimated to be \$87,500,000 in 1997-98 and \$86,200,000 in 1998-99. Compared to the bill, these estimates represent decreases of \$2,000,000 in 1997-98 and \$1,300,000 in 1998-99.

3. The amounts for the homestead tax credit under the bill also include increases of \$6,000,000 in 1997-98 and \$8,000,000 in 1998-99 for credits to AFDC/W-2 participants who become new claimants. Based on a reestimate of the AFDC/W-2 caseload in the 1997-99 biennium, the cost of the homestead tax credit for AFDC/W-2 participants who become new claimants is now estimated to be \$6,600,000 in 1997-98 and \$7,300,000 in 1998-99. Compared to the bill, these estimates represent an increase of \$600,000 in 1997-98 and a decrease of \$700,000 in 1998-99.

4. In total, costs for the homestead tax credit are reestimated to be \$94,100,000 in 1997-98 and \$93,500,000 in 1998-99. Compared to the bill, these estimates represent reductions of \$1,400,000 in 1997-98 and \$2,000,000 in 1998-99.

MODIFICATION TO BILL

Reestimate the sum sufficient amount for the homestead tax credit at \$94,100,000 GPR in 1997-98 and \$93,500,000 GPR in 1998-99.

<u>Modification</u>	<u>GPR</u>
1997-99 FUNDING (Change to Bill)	- \$3,400,000

Prepared by: Cheryl McIlquham

MO# Modification to paper 746

ZJENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS _____

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Homestead Tax Credit -- Definition of Household Income (Shared Revenue -- Property Tax Credits)

[LFB Summary: Page 545, #7]

CURRENT LAW

Current state law defines income for the homestead credit as the sum of Wisconsin adjusted gross income and other amounts, including scholarship and fellowship gifts or income received in the tax year for which the homestead credit is being claimed.

Under federal law, federal adjusted gross income includes scholarship and fellowship income other than amounts used for tuition and fees required for enrollment or attendance, as well as for books, supplies and equipment required for courses of instruction. Federal regulations provide that the taxable portion of such income is determined at the end of the academic period to which the scholarship or fellowship pertains.

Federal adjusted gross income is the starting point for determining Wisconsin adjusted gross income.

GOVERNOR

Modify the definition of household income for purposes of determining the amount of the credit by deleting, as an addition to Wisconsin adjusted gross income, those amounts from a qualified scholarship or qualified tuition reduction that are includable in the calculation of federal adjusted gross income, as defined by the internal revenue code.

This provision would become effective on the effective date of the bill. Specify that, if the provision becomes effective between January 1 and July 31, the provision would first apply to tax years beginning on January 1 of that year. If the provision becomes effective on or after August 1, it would first apply beginning on January 1 of the following tax year.

MODIFICATION TO BILL

Delete the change to the household income definition in the bill and instead specify that scholarship and fellowship income included in Wisconsin adjusted gross income, but added to household income for purposes of determining the homestead credit in a previous year, may be subtracted from income for the current year in determining the homestead tax credit.

Explanation: Since Wisconsin adjusted gross income is derived from federal adjusted gross income, for persons that receive scholarship or fellowship income and claim the homestead credit in two consecutive years certain scholarship and fellowship income may be counted twice -- once in the year it is received and again in the following year. The Governor's recommendation is intended to remedy this situation. However, a modification to the statutory provisions in the bill would be necessary to accomplish this.

Prepared by: Cheryl McIlquham

MO# Modifications
to paper #747

JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A

BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS _____

SHARED REVENUE AND PROPERTY TAX RELIEF

Property Tax Credits

LFB Summary Items for Which No Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
8	Farmland Preservation Credit -- Reestimate Cost
9	Farmland Tax Relief Credit -- Reestimate Cost

LFB Summary Items to be Addressed in Subsequent Papers

<u>Item #</u>	<u>Title</u>
1	School Levy Tax Credit
3	Lottery Credit -- Funding Level
4	Lottery Credit -- Distribution Formula
5	Lottery Credit -- Precertification

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Legislative Fiscal Bureau

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May 5, 1997

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Budget Issue Papers

Attached are budget issue papers, prepared by this office, on the following agencies:

- Department of Administration -- Departmentwide
- Office of the Commissioner of Insurance
- Department of Health and Family Services -- Departmentwide and Management and Technology
- Department of Health and Family Services -- Care and Treatment Facilities

These agencies have been scheduled for executive action by the Joint Committee on Finance. The meeting will be held at 9:00 a.m. on Wednesday, May 7, in 119 MLK Building, Joint Finance (back of Senate Chambers).

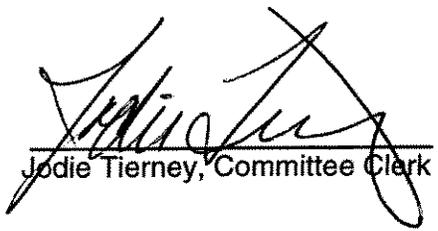
BL/sas
Attachments

Joint Committee on Finance Attendance Sheet

Place: MLK

Date: 5/7/97

	Present	Absent
Rep. Jensen	✓	
Rep. Ourada	✓	
Rep. Harsdorf	✓	
Rep. Albers	✓	
Rep. Gard	✓	
Rep. Kaufert	✓	
Rep. Linton	✓	
Rep. Coggs	✓	
Sen. Burke	✓	
Sen. Decker	✓	
Sen. George	✓	
Sen. Jauch	✓	
Sen. Wineke	✓	
Sen. Shibilski	✓	
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Jodie Tierney, Committee Clerk

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May 7, 1997

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- 509 Increase Travel Costs Funding
- 510 Expansion of Information Technology Internship Program
- 511 Increased Funding for Actuarial Services

Health and Family Services -- Departmentwide and Management and Technology

- 410 Miscellaneous Adjustments -- Care and Treatment Facilities Fuel and Utility Costs
- 411 Program Revenue and Segregated Funding Reestimates
- 412 Milwaukee Child Welfare and W-2 Liaison Position
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Health and Family Services -- Care and Treatment Facilities

- 455 Wisconsin Resource Center Staffing
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- 459 Variable Nonfood Costs
- 460 Deficits at the State Mental Health Institutes
- 461 Funding for Services Director at the Mendota Mental Health Institute

Administration

Departmentwide

(LFB Budget Summary Document: Page 35)

LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
4	State Budget System Redesign (Paper #120)
5	Contract Compliance Officer (Paper #121)
6 & 10	Demographics Services (Paper #122)
9 f	Shift of Positions Between Appropriations (Paper #123)

Senator Burke
Senator Panzer
Representative Jensen

Why aren't we paying for this? 10/15/98

ADMINISTRATION, NATURAL RESOURCES AND BUILDING PROGRAM

Black Point Estate

Motion:

Move to enumerate a project financed by general fund supported bonding in the amount of \$1,600,000 BR to allow the Department of Administration to adapt the property commonly known as Black Point estate on Lake Geneva for public use. Create a sum sufficient GPR appropriation in the Department of Administration for debt service payments. Provide \$143,000 GPR in 1998-99 for the debt service payments related to this bonding.

Require the Department of Natural Resources to make a grant of \$1,800,000 SEG from the recreational boating aids appropriation to a nonprofit conservation organization (NCO) that meets the following requirements: (a) the purposes of the NCO consist primarily of the preservation of Black Point estate; (b) the NCO Board consists of representatives of the donor family, the state of Wisconsin and local units of government and civic organizations with an interest in Black Point; (c) the NCO acquires and holds a conservation easement to preserve Black Point; and (d) the NCO makes a commitment to use the grant and any additional funds donated to the NCO to fund an endowment for the operation and maintenance of Black Point.

Note:

The Black Point Estate is a parcel of land in Walworth County which includes approximately 300 feet of frontage on the south shore of Lake Geneva and a 13-bedroom Queen Anne style residence constructed in 1888. The estate is listed on the National Register of Historic Places and the Wisconsin State Register for its architectural significance and contains a significant collection of late-Victorian furniture. The current owners of the property wish to donate the property to the state.

This motion would enumerate the Black Point project at \$1,600,000 BR. This bonding would fund construction of a visitor center and various improvements to the grounds and buildings to make them suitable for public use. Debt service costs, funded from a new sum sufficient appropriation in DOA, are estimated to be \$143,000 GPR in 1998-99.

This motion would also require DNR to provide a grant to an NCO to acquire a conservation easement on Black Point. The grant would be funded with \$1,800,000 SEG from the continuing balance in the recreational boating aids appropriation. These funds would be used to establish a privately funded endowment for the operation and maintenance of Black Point.

It is expected that, DOA would take title to the site (subject to the NCO's conservation easement) and to enter into a memorandum of agreement with DNR for the management of the site. DNR is expected to maintain the property using existing staff and equipment at Big Foot Beach State Park. The operation and maintenance of the house and visitor center, and the management of visitors to the site (including any public dock facilities) would be the responsibility of the NCO. DNR has also agreed to improve the public lake shore path and to make other improvements for a total cost of up to \$100,000.

[Change to Bill: \$1,600,000 BR and \$143,000 GPR]

MO# 1067

<input checked="" type="checkbox"/> JENSEN	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> OURADA	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> HARSDORF	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> ALBERS	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> GARD	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> KAUFERT	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> LINTON	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> COGGS	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> BURKE	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> DECKER	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> GEORGE	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> JAUCH	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> WINEKE	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> SHIBILSKI	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> COWLES	<input checked="" type="checkbox"/>	N	A
<input checked="" type="checkbox"/> PANZER	<input checked="" type="checkbox"/>	N	A

AYE 15 NO 1 ABS

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

State Budget System Redesign (Administration -- Departmentwide)

[LFB Summary: Page 36, #4]

CURRENT LAW

The current executive budget system relies entirely on mainframe computer technology and is a system that was created during the 1981-83 biennium.

GOVERNOR

Provide \$125,000 GPR in 1997-98 and \$200,000 GPR in 1998-99 for a "reengineering" of the state executive budget system. The funds would be used for an evaluation of the current computer system used for the development of the state executive budget and an examination of advanced information technology methodology which could be used to upgrade the present system.

DISCUSSION POINTS

1. The current executive budget system is used primarily by state agencies and DOA's executive budget office in the development of the Governor's biennial budget recommendations and the execution of the budget when it is approved by the Legislature and signed into law by the Governor. The system is also used by Legislative Fiscal Bureau staff and others to obtain detailed information about agency budget requests and the Governor's budget recommendations. The budget system is separate from, but related to, the state's accounting system (WisMart) and personnel management information system (PMIS). The budget computer

system provides detailed appropriation information on a line item basis and is directly related to the totals in the Chapter 20 appropriation schedule in the statutes. The separate WisMart and PMIS systems are even more detailed tracking systems for all daily agency financial transactions and position related activities.

2. DOA indicates that because of the design of the current budget system, interaction between WisMart or PMIS is difficult. The current system is based entirely on mainframe computer technology and programming for operations. Changes in budget system appropriation amounts or in authorized position counts require mainframe processing and then subsequent data transfers to Wismart or PMIS.

3. In considering a redesign of the executive budget system, DOA indicates that the following areas are ones that could be reviewed for possible change: (a) budget instructions; (b) base budget reconciliation; (c) budget back-up detail residing on the DOA mainframe system; (d) agency budget development systems; (e) executive budget briefing development; (f) preparation of executive budget documents; (g) the Chapter 20 appropriation schedule operating on the DOA mainframe computer; (h) interaction of state budget computer system with WisMart and PMIS; (i) access to the system by various staffs and agencies; and (j) preparation of debt service estimates.

4. In addition to redesigning the technical budget computer system, DOA indicates that the budget process would also be evaluated. Process items that might be examined include: (a) statutory budget features and requirements; (b) budget targets; (c) information presented to budget decision makers; (d) information presented to the public; (e) budget stabilization activities; (f) budgetary controls; (g) possible new budgeting approaches, such as performance measurement; (h) the link between generally accepted accounting principles and the budget; and (i) state debt capacity.

5. DOA anticipates that the funds recommended by the Governor would be used as follows: (a) \$30,000 GPR annually for consulting service costs; (b) \$87,500 GPR in 1997-98 and \$112,200 GPR in 1998-99 to support the acquisition of hardware; and (c) \$7,500 GPR in 1997-98 and \$57,800 GPR in 1998-99 for the development and acquisition of software. The Department indicates that the total project would likely not be completed until the 1999-2001 biennium.

6. By redesigning the budget system and process, DOA hopes to: (a) reduce paperwork associated with the budget; (b) automate other budget procedures that are currently done manually; (c) eliminate duplicate data entry; (d) reduce staff training time and overall effort in executive budget preparation; (e) provide improved access to budgetary information; (f) shift the emphasis of the overall budget process from budget control to outcomes evaluation (measurement of program performance); (g) present more useful information to decision makers; (h) eliminate budgetary procedures determined to be of little or no value; and (i) provide budgetary flexibility to state agencies, but require improved performance.

7. It is indicated that any new system would be accessible through personal computer technology. In redesigning the system, DOA indicates that "stakeholders" in the system and process (state agencies, the Governor's Office and the Legislature) would be involved in evaluating the current system and any system or process redesign, although additional specification of how they would be involved is not provided.

8. The Department indicates that funding provided in the budget is an estimate of costs to begin the acquisition and development of a new budget system. No bids have been taken on consulting contracts and no specific hardware or software purchases have yet been identified. According to DOA, the total length of time to complete the project will depend on how many areas are redesigned, how many statutory modifications are necessary and the number of people participating in the project. Given that the specific design of any new system or possible modification to the process is not known, it could be argued that providing funding for hardware and software is premature. If the Committee concurs with the view that the budget computer system and the budget process needs to be changed, at this time it could provide only funding for a consultant's study on needed changes and a design for how to undertake those changes. Funding for actual implementation could then be considered later.

9. If funds for a consultant are provided, it may be noted that DOA intends that the consultant or consultants hired for the budget system redesign would lead focus groups that would provide input to DOA on needed/desired changes to the current budget system and then develop an implementation plan. The consultant(s) would therefore have a significant role in the redesign process. In any redesign of the budget system, and especially the budget process, questions of the separation of powers and the Legislature's role in the "power of the purse" can be raised. Given the potential importance of any such redesign, it could be argued that the results of the consultant recommendation/plan should be provided to the Legislature before any implementation of such a redesign is undertaken. If funding is provided for the project, the Committee could add a session law requirement that the results of the consultant study and any recommendations be provided to the Joint Committee on Finance before any system redesign is begun to be implemented.

10. The question can also be raised, however, whether there is a clear definition of what exactly needs to be redesigned in the current budget process and technical computer system. For example, although the existing budget computer system is aging, it is still functioning and many of the items outlined by DOA as areas for possible change relate primarily to the development of the executive budget recommendations. It could be argued that the Legislature, particularly the Joint Committee on Finance and the Legislative Fiscal Bureau in its budget support role to the Legislature, need to ensure that the information and procedural interests of the Legislature are not adversely affected by any budget system computer changes.

11. More importantly, the budget redesign request from DOA envisions more than just the technical redesign of the budget computer system. As previously noted, DOA anticipates that this effort could include an examination of such areas as: (a) statutory budget provisions; (b)

information presented to budget decision-makers which presumably includes the Joint Committee on Finance and the Legislature; (c) budgetary controls; and (d) possible new budgeting approaches. These aspects of the budget system definitely are of concern to the Finance Committee and the Legislature as well as the Governor and DOA. It can be questioned therefore, whether these areas should even be part of any redesign effort by DOA before all the parties with an interest in these questions have both identified what concerns there are, what changes might be made, and how any such changes would impact on the powers and duties of the respective parties. Further, it would seem that a decision on any changes in this area (including statutory changes if necessary) should be made before proceeding with any technical computer system redesign which would logically follow any process changes.

12. These type of concerns lead to the argument that providing any funds for a redesign effort (including funds to employ a consultant), are premature and that DOA first needs to do further staff work to define what the specific problems with the existing system are and what types of changes, either in budget process and/or technical budget computer systems, are needed. Further, it could be argued that consideration of legislative concerns and needs related to both the state budget process and the technical budget computer system should be reviewed and addressed before proceeding with any consultant study and implementation plan. The Committee could choose to not provide any funding for this project and instead, the Secretary of DOA could establish a working group composed of representatives of the Department, the State Budget Office and the Legislative Fiscal Bureau to review any issues related to the budget process and the technical budget system.

ALTERNATIVES TO BILL

1. Provide \$125,000 GPR in 1997-98 and \$200,000 GPR in 1998-99 for an evaluation of the current state budget computer system and an examination of advanced information technology methodology which would be used to upgrade the present system.

2. Provide funding of \$60,000 GPR in 1997-98 for consultant services in connection with the development of an implementation plan for redesign of the budget system and process.

Alternative 2	GPR
1997-99 FUNDING (Change to Bill)	- \$265,000

3. *In addition to Alternative 1 or 2*, create nonstatutory language requiring the Department of Administration to submit to the Joint Committee on Finance the results of any consultant's study associated with the planning and redesign of the budget system and process, including the consultant's recommendations and implementation plan.

ADMINISTRATION

State Budget System Redesign
Substitute to Alternative 2 (Paper #120)

Motion:

Move to place \$60,000 GPR in 1997-98 in the Committee's supplemental appropriation for consulting services related to the redesign of the state budget system. Specify that funding would be released upon approval of a joint report from the Department of Administration and the Legislative Fiscal Bureau defining the parameters of the consultant's study.

Note:

This motion would place \$60,000 GPR in the Committee's supplemental appropriation for consulting services related to redesigning the state budget system. The motion would also require that funding could not be released until the Committee had approved a report from DOA and the Legislative Fiscal Bureau defining the parameters of the consultant's study.

[Change to Bill: \$0]

MO# 1555

/ JENSEN	X	N	A
OURADA	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A
Z BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS _____

4. Maintain current law.

<u>Alternative 4</u>	<u>GPR</u>
1997-99 FUNDING (Change to Bill)	- \$325,000

Prepared by: Jere Bauer

<u>MO#</u>			
JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JÄUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
AYE	NO	ABS	

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Contract Compliance Officer (Administration -- Departmentwide)

[LFB Summary: Page 37, #5]

CURRENT LAW

The Department of Administration's Division of Buildings and Police Services (DBPS) is responsible for managing state office buildings and is responsible for all state real estate leasing. Leases are subject to the approval of the Governor.

The Division of Facilities Development (DFD) develops and administers the state building program. The Division may issue change orders to construction projects if it deems this in the best interest of the state. Most building construction contracts and change orders must be approved by the Secretary of DOA. Contracts and change orders over \$30,000 must also be approved by the Governor.

GOVERNOR

Provide \$44,400 PR in 1997-98 and \$51,100 PR in 1998-99 for 1.0 contract compliance officer position to monitor and review construction and change orders, lease agreements and contracts for DFD and DBPS.

DISCUSSION POINTS

1. The cost of the contract compliance officer position would be divided between the two divisions as follows: (a) DFD -- \$21,900 in 1997-98 and \$25,500 in 1998-99 and 0.5

position; and (b) DBPS -- \$22,500 in 1997-98 and \$25,600 in 1998-99 and 0.5 position. Funding for the DFD portion would be provided from a dedicated percentage of the total cost of state building projects which would be transferred to DFD's program revenue budget. Funding for the DBPS portion would be provided from charges assessed against state agencies for rent of space in state office buildings.

2. The Department argues that the position is necessary to assist DBPS, DFD and the Governor, in the review and analysis of space leases, and building construction contracts and change orders.

3. This position was not requested by the Department of Administration in its 1997-99 budget request but was added as a Governor's budget initiative. Since DBPS currently leases all property and DFD approves construction contracts and change orders, it could be argued that if this position were critical to the Department, a position request would have been identified by DOA in September, 1996, prior to submission of the agency's budget request to the Governor.

4. The Department currently has 1.0 PR position that has been vacant for more than 12 months and an additional 10.93 PR positions in various appropriations that have been vacant for more than six months. It could be argued that one of these positions could be utilized to offset the increase associated with the contract compliance officer position. This approach is identical to that used in the bill to offset increased staff in DOA's Bureau of Justice Information Systems. If the longest vacant position were deleted (1.0 program assistant position in DOA's Division of State Agency Services), funding under the bill could be reduced by \$29,300 PR annually. Under this alternative, there would be no net increase to the base number of PR positions in DOA.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide \$44,400 in 1997-98 and \$51,100 in 1998-99 and 1.0 position to support the costs of a contract compliance officer to monitor and review construction and change orders, lease agreements and contracts for DFD and DBPS.

2. Modify the Governor's recommendation to also delete \$29,300 PR annually and 1.0 PR position.

<u>Alternative 2</u>	<u>PR</u>
1997-99 FUNDING (Change to Bill)	- \$58,600
1998-99 POSITIONS (Change to Bill)	- 1.00

3. Maintain current law:

<u>Alternative 3</u>	<u>PR</u>
1997-99 FUNDING (Change to Bill)	- \$95,500
1998-99 POSITIONS (Change to Bill)	- 1.00

Prepared by: Jere Bauer

MO# AH#2

JENSEN	<input checked="" type="checkbox"/>	N	A
OURADA	<input checked="" type="checkbox"/>	N	A
HARSDORF	<input checked="" type="checkbox"/>	N	A
ALBERS	<input checked="" type="checkbox"/>	N	A
GARD	<input checked="" type="checkbox"/>	N	A
KAUFERT	<input checked="" type="checkbox"/>	N	A
LINTON	<input checked="" type="checkbox"/>	N	A
COGGS	<input checked="" type="checkbox"/>	N	A
<u>BURKE</u>	<input checked="" type="checkbox"/>	N	A
DECKER	<input checked="" type="checkbox"/>	N	A
GEORGE	<input checked="" type="checkbox"/>	N	A
JAUCH	<input checked="" type="checkbox"/>	N	A
WINEKE	<input checked="" type="checkbox"/>	N	A
SHIBILSKI	<input checked="" type="checkbox"/>	N	A
COWLES	<input checked="" type="checkbox"/>	N	A
PANZER	<input checked="" type="checkbox"/>	N	A
AYE <u>16</u>	NO <u>0</u>	ABS	

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Demographics Services (Administration -- Departmentwide)

[LFB Summary: Page 37, #6 and Page 38, #10]

CURRENT LAW

The Department of Administration's demographics services section is responsible for: (1) preparing the official state population estimates and projections; (2) preparing population estimates for shared revenue distributions; (3) calculating and distributing the payments for the state's payments for municipal services; (4) resolving challenges to county or municipal population determinations; (5) maintaining the demographics services center; and (6) serving as the state's liaison with the U.S. Census Bureau to facilitate an accurate federal decennial census count in Wisconsin. The demographics services section has a staff of 4.0 GPR positions (1.0 supervisor and 3.0 analysts).

GOVERNOR

Provide \$33,700 PR in 1997-98 and \$44,200 PR in 1998-99 and 1.0 PR four-year project position in the demographics services section to serve as the liaison with the Census Bureau during the decennial census, develop annual population estimates for the state's shared revenue formulas and formulate long-range population projections. Further, convert \$9,800 annually and 0.17 FTE of a demographics research analyst position in the section from GPR to PR. Funding to support the increased PR funding would be provided from charges assessed to state agencies in connection with the non-GPR share of the state's payments for municipal services.

DISCUSSION POINTS

1. Every ten years, at the beginning of each decade, a national census is conducted in order to provide an estimate of the United States population and to obtain other basic demographic information. The demographic services section of DOA serves as the state's coordinating agency for the decennial census. Census data is used in Congressional and legislative district reapportionment, the distribution of some population-based federal aids, as a base for shared revenue distributions and in other state, local and business planning.

2. The U.S. Census Bureau has already begun to work and plan with state and local units of government on the 2000 Census by establishing address lists and maps, researching sources of and accessibility to governmental administrative records, establishing census blocks and maps and surveying boundary changes and annexations. In the future, the Census Bureau will complete the surveys, establish statistical areas, establish a census partnership program with state and local governments, acquire necessary administrative records from state and tribal governments and assist governments in establishing outreach and census promotion programs.

3. In order to coordinate the state's involvement in the 2000 Census, the Governor recommends that a 1.0 PR four-year project position [research analyst] be created. The additional staff position would coordinate or be responsible for the following: (a) developing and augmenting lists of citizen addresses; (b) annotating census maps; (c) certifying the most recent municipal boundaries; (d) coordinating and conducting outreach to local officials in an effort to prepare for participation in various census programs; (e) promoting census information collection; and (f) assisting with count problem resolution. In addition, the recommended position would assist in the development of methods to use the new census data for various state and local purposes.

4. The Department argues that the additional position is necessary because the decennial census requires work that is in addition to the section's current duties. Further, it is stated that the position will help ensure that Wisconsin has the most accurate census count possible in order to retain the state's nine Congressional seats and ensure the most favorable allocations of federal funding that is based on population. The Department indicates that the Census Bureau plans to reduce the number of follow-up contacts that will be made as a part of the 2000 Census and that this could lower the participation rate without additional state effort. Further, the Census Bureau will include estimates for nonresponses and statistical undercounts. By making these adjustments for "hard to enumerate" populations, DOA believes that Wisconsin will not benefit when compared to other more populous states. Additionally, the Census Bureau has indicated that counts in smaller areas (populations under 200,000) may be less accurate under its new method.

5. Given the importance of the 2000 Census to Wisconsin, it could be argued that the additional project position is appropriate. Under the bill, funding for the position would be provided from an assessment on state agencies associated with the non-GPR portion of payments

for municipal services (PMS). The Department indicates that the increased assessment would equal approximately 0.6% of total PMS billings.

6. The distribution of PMS payments to municipalities is not based on census data. It could be argued that since PMS is not associated with the census, assessing agencies the cost of this position as a part of the PMS program is not appropriate. The Committee may wish to note that prior to the 1980 and 1990 censuses the Legislature provided 1.0 GPR-funded project positions to assist in conducting those censuses. The Committee could, therefore, delete the PR funding and instead provide a GPR-funded four-year project position.

7. In addition to providing a position for assistance with the decennial census, the bill also converts \$9,800 and 0.17 position in the demographic services section from GPR to PR funding. The position for which a portion is being shifted to PR funding currently administers the PMS program among other duties. The reduction in funding represents a 2% reduction in GPR funding in the Division of Energy and Intergovernmental Relations and is not based on workload factors.

8. Currently, the section estimates that 0.5 full-time equivalent of the position is used to administer the PMS program. Given that 45% of PMS payments are made from PR sources, the Committee could shift a total of 0.23 FTE (rather than the 0.17 FTE recommended by the Governor) from GPR funding to PR funding and reduce GPR funding by a total of \$14,800 GPR annually. This modification would result in an additional GPR reduction to the bill of \$5,000 GPR annually and 0.06 position.

ALTERNATIVES TO BILL

A. Census Support Project Position

1. Approve the Governor's recommendation to provide \$33,700 PR in 1997-98 and \$44,200 PR in 1998-99 and 1.0 PR four-year project position in the demographics services section.

2. Delete PR funding for the four-year project position and instead provide GPR funding for the position.

<u>Alternative A2</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1997-99 FUNDING (Change to Bill)	\$77,900	- \$77,900	\$0
1998-99 POSITIONS (Change to Bill)	1.00	- 1.00	0.00

3. Maintain current law.

Alternative A3	PR
1997-99 FUNDING (Change to Bill)	- \$77,900
1998-99 POSITIONS (Change to Bill)	- 1.00

B. Demographics Service Section Position Funding

1. Approve the Governor's recommendation to convert \$9,800 annually and 0.17 research assistant position in the demographics services section from GPR to PR.
2. Convert \$14,800 annually and 0.23 position annually from GPR to PR to place the cost of the workload associated with the PR funded portion of the payments for municipal services program on PR funding.

Alternative B2	GPR	PR	TOTAL
1997-99 FUNDING (Change to Bill)	-\$10,000	\$10,000	\$0
1998-99 POSITIONS (Change to Bill)	-0.06	0.06	0.00

Prepared by: Jere Bauer

MO# AH#A1#B2

/ JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 16 NO 0 ABS _____

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Shift of Positions Between Appropriations (Administration -- Departmentwide)

[LFB Summary: Page 38, #9 f]

CURRENT LAW

Three positions in DOA's Bureau of Intergovernmental Relations are funded from the separate federal grants applications processing appropriation.

GOVERNOR

Transfer \$188,500 and 3.0 positions annually from the federal grants application appropriation to the DOA's appropriation for materials and services to state agencies appropriation.

DISCUSSION POINTS

1. In the 1995-97 biennial budget, the Governor recommended and the Legislature approved the creation of a separate program revenue appropriation for the Office of Federal-State Relations in DOA. In that budget, \$142,700 and 3.0 positions in DOA's Bureau of Intergovernmental Relations were converted from GPR to PR funding. As enacted by the Legislature, DOA was allowed to charge a fee to state agencies for that unit's cost of processing agency applications to the federal government at the request of the agencies. However, DOA is actually administering the fee collection by assessing all state agencies a proportionate fee based on actual prior year federal spending, excluding aids to individuals and organizations and federal

highway aids. Agencies that are charged the fee, however, may decide how the charges are allocated within the assessed agency.

2. The Governor proposes transferring expenditure authority and positions (\$188,500 and 3.0 positions) from the grant applications processing appropriation to DOA's appropriation for materials and services to state agencies. The Department indicates, however, that it will track revenues and expenditures for federal grant application processing separately, and will continue to assess a separate fee to recover the costs of this unit. However, there would be nothing in the language of the appropriation to which the staff is being transferred to require this.

3. The Department argues that transferring the positions to a larger appropriation (\$3,733,000 and 59.5 positions) would provide more flexibility for the agency by allowing expenditures to be made within a larger expenditure authority without requiring DOA to seek supplemental expenditure authority under s. 16.515. Most of the costs of this appropriation are financed through general overhead charges to other divisions or programs of the agency or to attached units. However, in many cases, these costs are ultimately passed on to all state agencies by charges assessed by those programs to their users (such as charges for agencies' use of state fleet services, state copying centers or the state telephone and data networks). Under the Governor's proposed change, there would be nothing to prevent DOA from including these costs in such overhead charges.

4. While costs for the unit could be still tracked through the accounting system, it would not be possible for the Legislature to separately limit costs of the program in the appropriation schedule because those costs would now be part of a larger appropriation. Further, by maintaining the separate appropriation, the costs of the Office of Federal-State Relations grant application review are kept separate and expenditure authority for this program cannot currently be utilized for other purposes. The Committee could delete the Governor's recommendation and keep the fee assessment and appropriation for the unit as a separate entity as originally intended.

5. However, if the Committee approves the Governor's recommendation, it should be noted that, under the bill, the current separate appropriation is not deleted. If the Committee approves the Governor's recommendation and the appropriation is no longer going to be utilized, it should be repealed.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to transfer \$188,500 and 3.0 positions annually from the federal grants application appropriation to the DOA's appropriation for materials and services to state agencies appropriation.

2. In addition to Alternative 1, repeal the current federal grants application processing appropriation.

3. Maintain current law.

Prepared by: Jere Bauer

MO# AH#3

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	X	N	A
DECKER	X	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	Y	N	A

AYE 8 NO 8 ABS _____
FAIL

MO# AH#1#2

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	Y	N	A

AYE 14 NO 2 ABS _____

ADMINISTRATION

Performance-Based Program Budgeting

Move to include session law language to require that the Departments of Transportation, Workforce Development, Natural Resources and Health and Family Services submit agency budget requests for the 1999-2001 biennium on a performance-based program budget basis. Require that each of these agencies, under the direction of the State Budget Office, develop program outcome measures and associated budget requests for its programs. Specify that the outcome measures selected must be ones which will allow the Governor and the Legislature to assess the performance results of each agency's programs in terms of the program outcome measures identified in the agency's performance-based program budget request. Provide that these agencies must submit their program outcome measures to DOA for approval by July 1, 1998.

This motion would require that the budgets submitted to the Department of Administration by DOT, DWD, DNR and DHFS for the 1999-2001 biennial budget would be performance-based program budgets. These agencies would be required to develop outcome measures for their programs and have those measures approved by DOA in connection with the biennial budget process. In addition, the budget requests would have to be organized in conformance with an agency's programs and the associated outcome measures as identified by the agency and approved by DOA. Performance-based program budgeting can generally be described as a budget decision process that is aimed at allocating budget resources to an agency based on the agency's goals and objectives and its performance results relative to the level of measured achievement of the agency in achieving program outcome goals from using its budget amounts allocated by the Legislature for such programs. Future budget decisions may then be made based on agency performance relative to the program outcome measures.

MO# 615

1 JENSEN	<input checked="" type="checkbox"/>	N	A
2 OURADA	<input checked="" type="checkbox"/>	N	A
HARSDORF	<input checked="" type="checkbox"/>	N	A
ALBERS	<input checked="" type="checkbox"/>	N	A
GARD	<input checked="" type="checkbox"/>	N	A
KAUFERT	<input checked="" type="checkbox"/>	N	A
LINTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	A
COGGS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	A

BURKE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	A
DECKER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A
GEORGE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	A
JAUCH	<input type="checkbox"/>	<input checked="" type="checkbox"/>	A
WINEKE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A
SHIBILSKI	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A
COWLES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A
PANZER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A
AYE	<u>11</u>	NO	<u>5</u> ABS

DEPARTMENT OF ADMINISTRATION

Contracting Out Governmental Services
Under Performance-Based Budgeting

Motion:

Move to include session law requiring that the performance-based budgets developed by the Departments of Transportation, Workforce Development, Natural Resources and Health and Family Services for the 1999-2001 biennium not be used to facilitate the contracting out of governmental services.

Note:

This motion would require the performance-based budgets [authorized in Motion #615] for DOT, DWD, DNR and H&FS in 1991-2001 not be utilized to facilitate the contracting out of governmental services.

MO# 710

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	X	N	A
COGGS	X	N	A
BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	Y	N	A
PANZER	Y	N	A
AYE	<u>9</u>	NO	<u>8</u> ABS

ADMINISTRATION

Aid to Wisconsin Lake Schooner Education Association

Motion:

Move, by incorporating the provisions of LRB b0043/1 into the budget, to create a continuing GPR appropriation in the Department of Administration, funded at \$397,000 GPR in 1998-99, to provide financial assistance to the Wisconsin Lake Schooner Education Association. Provide that the appropriation sunset on June 30, 1999. Specify that DOA shall provide financial assistance to the Association for personnel costs incurred in financing the construction of a tall sailing ship to represent the state as a part of the sesquicentennial of Wisconsin statehood in 1998. Require DOA to provide assistance under a written agreement with Association. Allow the Association to be reimbursed for qualified expenses incurred prior to the effective date of the budget bill. Require that the agreement authorize DOA and the Legislative Audit Bureau to verify compliance with its terms.

Note:

This motion incorporates provisions of LRB b0043/1 which would provide \$397,000 GPR in 1998-99 to the Wisconsin Lake Schooner Education Association, through DOA, for the construction of a tall sailing ship.

[Change to Bill: \$397,000 GPR]

MO# 635

JENSEN	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A
BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 4 NO 12 ABS _____

ADMINISTRATION

Departmentwide

LFB Summary Items for Which No Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
1	Standard Budget Adjustments
2	Lapse from Space Rental Account
3	Debt Service Reestimate
7	Division of Administrative Services Funding Reduction
8	State Prosecutors Office
9a-e	Shift of Positions Between Appropriations

Insurance

(LFB Budget Summary Document: Page 342)

LFB Summary Items for Which Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
5	Minor Policy and Technical Changes -- Create Administrative Services Unit and Appropriation (Paper #505)
6b	Information Technology Initiatives -- IT Contracting Costs (Paper #506)
6c	Information Technology Initiatives -- Records Imaging (Paper #507)
7	Increased Staffing (Paper #508)
8	Increase Travel Costs Funding (Paper #509)
9	Expansion of Information Technology Internship Program (Paper #510)
11	Increased Funding for Actuarial Services (Paper #511)