

20a

STATE OF WISCONSIN

SENATE CHAIR
BRIAN B. BURKE

ASSEMBLY CHAIR
BEN BRANCEL

100 North Hamilton Street
Room 302
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535

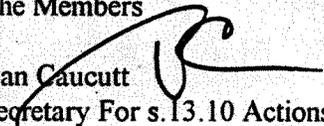


119 Martin Luther King, Jr. Blvd
Suite LL2
P.O. Box 8952
Madison, WI 53707-8952
Phone: (608) 266-7746

JOINT COMMITTEE ON FINANCE

Date: June 20, 1996

To: The Members

From: Dan Caucutt 
Secretary For s.13.10 Actions

Re: Materials For Next s.13.10 Meeting (the postponed June meeting)

The co-chairs have determined that the next meeting of the Committee under s.13.10 will convene at 8:30 a.m., June 27 (Thursday) until 11:00 a.m. What is not finished then will be continued on Wednesday, July 10, at 8:30 a.m.

Enclosed as preparation for the meeting are copies of the agenda, agency requests and Department of Administration analyses. The Legislative Fiscal Bureau papers will be separately distributed by LFB.

cc: Bob Lang

SEN. BRIAN B. BURKE, CO-CHAIR
JOINT COMMITTEE ON FINANCE
100 N. HAMILTON STREET
ROOM 302

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JOINT COMMITTEE ON FINANCE

AGENDA

8:30 a.m., Thursday, June 27, 1996
and continued on 8:30 a.m., Wednesday, July 10, 1996
s. 13.10 Meeting
on the First Floor of 119 Martin Luther King, Jr. Blvd.

- I. Consideration of the Governor's Partial Vetoes of the Joint Committee on Finance Actions Adopted at its April 16, 1996, s. 13.10 Meeting.
- II. Ethics Board -- WITHDRAWN
- III. Department of Employee Trust Funds -- Tom Korpady, Administrator, Division of Insurance Services
- IV. Department of Employee Trust Funds -- Dave Hinrichs, Executive Assistant to the Secretary and Joanne Cullen, Budget Director
- V. Department of Administration (DOA) -- Christopher Mohrman, Executive Assistant
- VI. Department of Health and Social Services -- Dick Lorang, Deputy Secretary
Department of Industry, Labor and Human Relations -- Jean Rogers, Administrator, Division of Economic Support
- VII. Department of Industry, Labor and Human Relations -- Jean Rogers, Division Administrator, Division of Economic Support
- VIII. Department of Industry, Labor and Human Relations -- Jean Rogers, Division Administrator, Division of Economic Support

- IX. Department of Health and Social Services -- Gerry Born, Division Administrator, Division of Community Services
- X. Higher Educational Aids Board (HEAB) -- Valorie T. Olson, Executive Secretary
- XI. University of Wisconsin-Madison -- John Torphy, Vice Chancellor for Administration
- XII. University of Wisconsin System -- Margaret Lewis, Associate Vice President for Government Relations
- XIII. Public Service Commission -- Cheryl L. Parrino, Chairman
- XIV. State of Wisconsin Investment Board -- Patricia Lipton, Executive Director.
- XV. Department of Development -- Thomas H. Taylor, Deputy Secretary
- XVI. Wisconsin Conservation Corps -- Randall Radtke, Executive Director
- XVII. Supreme Court -- J. Denis Moran, Director of State Courts
- XVIII. Supreme Court -- Justice Shirley Abrahamson and J. Denis Moran, Director of State Courts
- XIX. Office of the State Public Defender -- Nicholas L. Chiarkas, State Public Defender
- XX. Department of Administration -- Dan Caucutt, Division of Executive Budget and Finance
- XXI. Department of Administration (DOA) -- Frank Hoadley, Director, Capital Finance
- XXII. Department of Administration -- Richard G. Chandler, State Budget Director
Department of Public Instruction -- Steve Dold, Deputy Superintendent
Legislative Fiscal Bureau -- Robert Wm. Lang, Director

Reports

- R-1 Department of Administration Position Reports Required under s. 16.50.

JOINT COMMITTEE ON FINANCE APPROPRIATION SUMMARY

[reflecting Committee actions through April 17, 1996]

	1995-96	1996-97	1995-97 Biennium
Biennial Appropriation Amount [s. 20.865(4)(a)]	\$11,368,000	\$29,993,100	\$41,361,100
<u>Reserved For:</u>			
H&SS -- CARES Computer System for Econ. Support Progs.	\$1,587,000	\$1,796,600	\$3,383,600
H&SS -- KIDS Computer System for Child Support Enforcement	5,759,200	7,522,100	13,281,300
H&SS -- AFDC Consolidated Child Care	870,900	885,700	1,756,600
H&SS -- Child Care Administration	60,300	65,800	126,100
H&SS -- AFDC Self-Initiated Child Care	76,400	63,600	140,000
WCC -- Minimum Wage Increases	150,000	0	150,000
WI Institute for School Executives Payments	125,000	125,000	250,000
H&SS -- Community Options Program Data Collection	50,000	0	50,000
H&SS -- Self Suffic. First/Pay for Performance Waiver Progs. (Act 12)	2,337,000	2,986,600	5,323,600
H&SS -- W2 Implementation (Act 289)	0	13,000,000	13,000,000
DOC -- Intergovernmental Corrections (Act 416)	0	2,073,800	2,073,800
DOC -- Intensive Sanctions (Act 416)	0	937,900	937,900
DOC -- Secure Work Program (Act 416)	0	183,800	183,800
Sub-total Reserved Balance	<u>\$11,015,800</u>	<u>\$29,640,900</u>	<u>\$40,656,700</u>
<u>Releases from Reserved Balance</u>			
KIDS Computer System for Child Support Enforcement (10/26/95)	\$2,316,400	\$0	\$2,316,400
Self Sufficiency First/Pay For Performance Waiver Program (12/12/95)	2,274,300	2,986,600	5,260,900
H&SS -- Community Options Program Data Collection (4/16/96)	0	50,000	50,000
H&SS -- Self Suffic. First/Pay for Perf Waiver Progs. (Act 12) (4/16/96)	0	62,700	62,700
WI Institute for School Executives Payments (4/16/96)	250,000	0	250,000
Total Releases	<u>\$4,840,700</u>	<u>\$3,099,300</u>	<u>\$7,940,000</u>
Remaining Reserved Balance	\$6,175,100	\$26,541,600	\$32,716,700
Net Unreserved Balance Available	\$352,200	\$352,200	\$704,400
<u>Releases from Unreserved Balance</u>			
Judicial Commission-Judicial Council Meeting Expense (12/12/95)	\$10,000	\$10,000	\$20,000
UW System/UW-Extension Pay Plan Funding (12/12/95)	56,900	0	56,900
H&SS -- COP Data Collection (4/16/96)	0	137,300	137,300
HEAB -- Academic Excellence Scholarships (4/16/96)	85,400	0	85,400
Total Releases	<u>\$152,300</u>	<u>\$147,300</u>	<u>\$299,600</u>
Net Unreserved Balance Remaining	\$199,900	\$204,900	\$404,800
TOTAL AVAILABLE			
(Net Reserved & Unreserved Balance Remaining)	\$6,375,000	\$26,746,500	\$33,121,500

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- I. **Consideration of the Governor's Partial Vetoes of the Joint Committee on Finance Actions Adopted at its April 16, 1996, s. 13.10 Meeting.**



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

June 27, 1996

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Consideration of the Governor's Partial Vetoes of the Joint Committee on Finance Actions Adopted at its April 16, 1996, s. 13.10 Meeting -- Agenda Item I

On May 8, 1996, the Joint Committee on Finance received the signed minutes from the Governor for the Committee's April 16, 1996, meeting under s. 13.10 of the statutes. In forwarding the signed minutes, the Governor indicated that he had partially vetoed: (1) Agenda Item II, as it related to the authorization for 5.0 SEG project positions in 1996-97 for implementation of the Department of Justice's TIME system; and (2) Agenda Item XVII-E, as it related to the requirement that the Educational Technology Board seek a statutory change as part of its next biennial budget request to permit the waiver of the 25% local match requirement for Pioneering Partners grants.

Pursuant to s. 13.10(4) of the statutes, the Co-chairs called this meeting of the Joint Committee on Finance to determine whether the positions of the Committee on these two agenda items should be upheld, notwithstanding the objections of the Governor.

On the matter of the Governor's partial veto of Agenda Item II, the question before the Committee at this time is as follows:

- Shall the April 16, 1996, action of the Joint Committee on Finance on Agenda Item II authorizing 5.0 SEG project positions in 1996-97 for implementation of the Department of Justice's TIME system be upheld, notwithstanding the objection of the Governor?

On the matter of the Governor's partial veto of Agenda Item XVII-E, the question before the Committee at this time is as follows:

• Shall the April 16, 1996, action of the Joint Committee on Finance on Agenda Item XVII-E directing the Educational Technology Board to seek a statutory change as part of its next biennial budget request to permit the waiver of the 25% local match requirement for Pioneering Partners grants be upheld, notwithstanding the objection of the Governor?

To uphold the original actions of the Committee, eleven affirmative votes are required.

In order to assist the Committee members in deciding these two questions, copies of the following documents are attached to this memorandum: (1) the Governor's veto message to the Committee; (2) those portions of the minutes of Committee's April 16, 1996, actions showing the vetoed language along with the signature page of those minutes; and (3) the Legislative Fiscal Bureau's April 16, 1996, papers originally prepared on both Agenda Item II and Agenda Item XVII.

Attachments

MO# aye - merriid

BURKE	(Y)	N	A
ANDREA	(Y)	N	A
GEORGE	Y	N	A
DECKER	(Y)	N	A
JAUCH	(Y)	N	A
WINEKE	(Y)	N	A
WEEDEN	Y	(N)	A
COWLES	Y	(N)	A
BRANCEL	Y	(N)	A
FOTI	Y	(N)	A
SCHNEIDERS	Y	(N)	A
OURADA	(Y)	N	A
HARSDORF	(Y)	N	A
PORTER	Y	(N)	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

AYE 9 NO 6 ABS 1
failed

MO# aye - merriid

BURKE	(Y)	N	A
ANDREA	(Y)	N	A
GEORGE	Y	N	A
DECKER	(Y)	N	A
JAUCH	(Y)	N	A
WINEKE	(Y)	N	A
WEEDEN	Y	(N)	A
COWLES	Y	(N)	A
BRANCEL	Y	(N)	A
FOTI	Y	(N)	A
SCHNEIDERS	Y	(N)	A
OURADA	Y	(N)	A
HARSDORF	(Y)	N	A
PORTER	(Y)	N	A
LINTON	(Y)	N	A
COGGS	(Y)	N	A

AYE 10 NO 5 ABS 1



TOMMY G. THOMPSON

**Governor
State of Wisconsin**

May 7, 1996

**The Honorable Tim Weeden, Co-Chair
The Honorable Ben Brancel, Co-Chair
Members, Joint Committee on Finance
119 Martin Luther King, Jr. Blvd.
P.O. Box 7882
Madison, WI 53707-7882**

Dear Senator Weeden, Representative Brancel and Members:

Attached are the signed minutes of the April 16, 1996 s.13.10 meeting, completed on April 17, 1996.

Pursuant to the provisions of s.13.10(4), I am objecting to the Committee's action under Items II and XVII-E of the minutes.

Regarding Item II, the Joint Committee on Finance allocated \$48,000 SEG for 3.0 SEG four-year project positions in 1995-96 and \$267,300 SEG for 5.0 SEG four-year project positions in 1996-97 to implement the redesign of the TIME system. In addition, the Joint Committee on Finance deleted \$37,500 PR in 1995-96 and \$107,100 PR in 1996-97 from the TIME system user fees appropriation to reflect the transfer of 2.0 PR project positions to SEG funding. Further, \$21,800 remained in unallotted reserve in 1995-96 that would be released for vendor contracts.

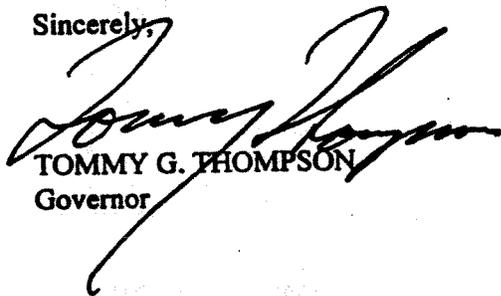
I did not recommend any new positions for the Department of Justice (DOJ) for the redesign of the TIME system because I believe the redesign of the TIME system will be more efficiently implemented through outsourcing, rather than an increase in state staff. Therefore, I am vetoing the 5.0 SEG four-year project positions in 1996-97. However, I am leaving intact the 3.0 SEG four-year project positions in 1995-96 and the SEG funding in both 1995-96 and 1996-97. My veto implements the transfer of the 2.0 PR positions to SEG funding and provides an additional 1.0 SEG four-year project position in 1995-96 and 1996-97, resulting in an increase of 3.0 SEG four-year project positions and a decrease of 2.0 PR project positions in both 1995-96 and 1996-97 compared to current staffing. The additional SEG funding provided in 1996-1997 in this s. 13.10 action beyond that required to fund the 3.0 four-year project positions can be used to contract for additional resources, if needed. Any requests for more project positions or resources for the TIME system, if needed, should be reviewed in the context of the 1997-1999 biennial budget process.

Regarding Item XVII-E, the Joint Committee on Finance added a provision requiring the Educational Technology Board (ETB) to propose in its 1997-99 biennial budget request, statutory changes to provide the ETB with the authority to waive the 25% local match requirement for grants awarded by the Pioneering Partners Program, for school districts unable to meet the match requirement due to fiscal constraints.

The Honorable Tim Weeden, Co-Chair
The Honorable Ben Brancel, Co-Chair
Members, Joint Committee on Finance
May 7, 1996
Page Two

I am vetoing this provision because current law already permits Pioneering Partners applicants to fulfill the program's match requirements through the use of in-kind contributions. Furthermore, eliminating the match requirement for certain school districts limits the state's ability to leverage available funds to provide as much local investment in educational technology projects as possible. Finally, I am vetoing this item because the legislative branch should not mandate what specific initiatives executive branch agencies must include in their biennial budget requests.

Sincerely,



TOMMY G. THOMPSON
Governor

Secretary's Note: The request was for 1.0 assistant district attorney position for Milwaukee County.

II. Department of Justice

Moved by Senator Panzer and seconded by Representative Brancel to allocate \$48,000 SEG for 3.0 SEG project positions in 1995-96 and \$267,300 SEG for 7.0 SEG project positions in 1996-97 to implement the redesign of the TIME system. In addition, delete \$37,500 PR in 1995-96 and \$107,100 PR in 1996-97 with 2.0 project positions from the TIME system user fees appropriation to reflect the transfer of these positions to SEG funding. Further, \$21,800 remaining in unallotted reserve in 1995-96 would be released for vendor contracts.

Ayes, 16; Noes 0

Secretary's Note: The SEG appropriation involved is under s. 20.455(2)(q) and the PR appropriation is under s. 20.455(2)(h). The \$21,800 in unallotted reserve is in s. 20.455(2)(q).

III. Department of Tourism

Moved by Senator Weeden and seconded by Representative Brancel to approve the Department's request to (a) decrease s. 20.143(2)(a) by \$40,000 GPR and correspondingly increase s. 20.380(1)(a); (b) decrease s. 20.143(2)(b) by \$895,100 GPR and correspondingly increase s. 20.380(1)(b); and (c) decrease s.20.143(2)(bm) by \$3,400 GPR in 1995-96 and correspondingly increase s. 20.380(1)(bm).

Ayes, 16; Noes, 0

IV. Department of Development

Moved by Senator Decker and seconded by Representative Linton to modify the GPR expenditure reductions recommended by the Secretary of the Department of Development (DOD) to eliminate the recommended funding reduction of \$50,000 GPR in 1996-97 for the Rural Economic Development Program (REDP) and, instead, increase the reduction in funding for the Wisconsin Development Fund (WDF) by \$50,000 GPR in 1996-97. Also, require DOD to increase its planned base level funding reduction for the WDF by \$50,000 GPR and to eliminate its planned base level funding reduction for the REDP for the 1997-99 biennium.

Ayes, 9; Noes, 7 [Foti, Schneiders, Weeden, Schultz, Panzer, Petak, Rosenzweig]

Moved by Senator Cowles and seconded by Senator Panzer to modify the GPR expenditure reductions recommended by the Secretary of DOD to reduce the recommended funding reduction of \$200,000 GPR in 1995-96 for Technology and Pollution Control and Abatement Grants and Loans to \$100,000 GPR and, instead, increase the reduction in funding for the WDF by \$100,000 GPR in 1995-96.

XVII. Educational Technology Board

A. Board Staff

Moved by Senator Weeden and seconded by Senator Cowles to deny the Board's staffing request. Instead, permit ETB and the Department of Administration to recommend specific positions and funding to be transferred to ETB from other state agencies or to propose interagency staffing agreements, any of which recommendations are subject to a 14 day passive review and approval by the Joint Committee on Finance. In addition, delete 1.0 GPR project position from ETB to reflect its intent to contract for the services of the teacher consultants.

Ayes, 15; Noes, 0; Absent, 1 [Brancel]

Secretary's Note: The above item relates to the Pioneering Partners program.

B. Board Budget

Moved by Senator Weeden and seconded by Senator Schultz to deny ETB's request.

Ayes, 15; Noes, 0; Absent, 1 [Brancel]

C. Transfer Funds Between Fiscal Years

Moved by Senator Weeden and seconded by Senator Cowles to approve the ETB/DOA request to transfer \$17,500 GPR in the appropriation for the administrative expenses of ETB from fiscal year 1995-96 to fiscal year 1996-97, increasing the amount appropriated in 1996-97 from \$75,000 GPR to \$92,500 GPR. In addition, provide that of the amount appropriated for the administrative expenses of ETB in 1996-97, \$19,200 GPR are one-time monies which will not be included in the Board's base budget for the 1997-99 biennium.

Ayes, 15; Noes, 0; Absent, 1 [Brancel]

D. Plan Approval

Moved by Senator Weeden and seconded by Senator Schultz to approve the plan (application guidelines) contained in the joint ETB/DOA report which sets forth the proposed applications deadlines, procedures and criteria for awarding grants and loans.

Ayes, 15; Noes, 0; Absent, 1 [Brancel]

E. Match Waiver

Moved by Senator Decker and seconded by Senator George to direct the Educational Technology Board to propose, as part of its 1997-99 biennial budget request, statutory changes to provide a waiver of the 25% local match requirement for Pioneering Partners grants for school districts which

[Handwritten initials/signature]

due to fiscal constraints are unable to meet the match requirement. Direct that the Board's proposal include specific criteria which would be used to determine a school district's eligibility for the waiver.

Ayes, 8; Noes, 7; Absent, 1 [Brancel]

XVIII. Department of Public Instruction

Moved by Senator Weeden and seconded by Representative Brancel to approve the agency's 1996-97 recommendations regarding the allocation of the budget reductions by appropriation. In addition, approve the deletion of 52.29 GPR positions in 1996-97 from the Department's authorized position count (which includes 14.94 GPR positions deleted in 1995-96 under the Committee's action in October, 1995).

Ayes, 16; Noes, 0

Secretary's Note: The motion approves the following reallocations in 1996-97:

20.255(1)(a)	\$1,485,700
20.255(1)(b)	-1,135,700
20.255(1)(d)	-250,000
20.255(3)(fz)	<u>-100,000</u>
	\$ - 0 -

XIX. Wisconsin Institute for School Executives

Moved by Senator Weeden and seconded by Representative Brancel to approve the report of the Wisconsin Institute for School Executives and transfer \$250,000 GPR in 1995-96 from the Committee's supplemental appropriation to the DPI appropriation for payments to WISE. In addition, direct that the Institute submit a report to the Committee and to the Governor by August 1, 1997, on the activities of the Institute and the expenditure of the GPR funds. Require that the report include: (a) a detailed explanation of how the funds were spent by the Institute; (b) a description of the activities and accomplishments of the Institute (including any continuing education courses or programs developed or implemented by the Institute) beginning in May, 1996; and (c) the progress made by the Institute in achieving its objectives.

Ayes, 12; Noes, 3 [Foti, Cowles, George]; Absent 1 [Linton]

Moved by Representative Schneiders and seconded by Representative Foti to provide that, as a condition for receiving any state funds, the Wisconsin Institute for School Executives (WISE) Board of Trustees shall amend its articles of incorporation to reflect the addition of the following board members who shall remain on the Board at least through June 30, 1997: one member appointed by the Governor; one member appointed by the Speaker of the Assembly; and one member appointed by the Majority Leader of the Senate. Once the articles of incorporation have been amended, the Department of Administration shall transfer funds from the Committee's supplemental appropriation to the Department of Public Instruction appropriation for payments to WISE.

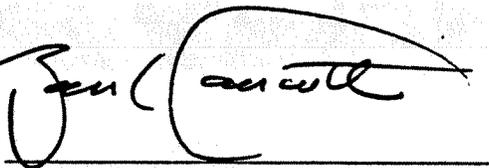
XXIV. Investment Board

Moved by Senator Weeden and seconded by Representative Brancel to approve the Investment Board's "Incentive Awards Policy" as submitted. Further, direct the Investment Board to submit a report to the Co-chairs of the Joint Committee on Finance by January 1, 1997, detailing the specific policies which have been adopted by the Board and the actions that have been taken by the Board to address the concern raised by the Legislative Audit Bureau recommendation that the Board's investment guidelines provide the specific policy direction needed to establish meaningful portfolio performance benchmarks.

Ayes, 14; Noes, 2 [Schultz, Decker]

The presiding Co-chair made a unanimous consent request that the Committee receive all reports. Without objection, it was so ordered.

Reports received: (1) report required under s. 16.50 on the number of federally funded positions approved and changes in positions approved by the UW System and the Legislature during the October - December, 1995 quarter; and (2) report from the Governor on amounts released for committees created by law or executive order for fiscal year 1995-96.



Daniel Caucutt, Secretary

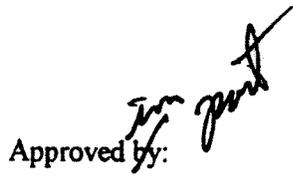
Date: 1 May 96

Minutes Approved by:

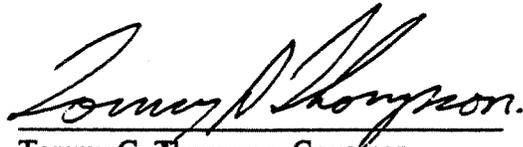


Ben Brancel, Co-Chair

Date: 5-1-96



Approved by:



Tommy G. Thompson, Governor

Date: May 7, 1996



Legislative Fiscal Bureau

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April 16, 1996

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Justice--Section 13.10 Request Relating to the Redesign of the Transaction Information for the Management of Enforcement (TIME) System--Agenda Item II

The Department of Justice requests the allocation of \$69,800 SEG for 5.0 SEG project positions in 1995-96 and \$360,600 SEG for 7.0 SEG project positions in 1996-97 to implement its plan to redesign the TIME system. In addition, delete \$37,500 PR in 1995-96 and \$107,100 PR in 1996-97 with 2.0 PR project positions from the TIME system user fees appropriation to reflect the transfer of these positions to SEG funding. The requested project positions would be authorized for a four-year period.

BACKGROUND

The Department of Justice operates and maintains the Transaction Information for the Management of Enforcement (TIME) system. The system is the telecommunications network that links, via DOJ mainframe computers, local law enforcement agencies with state and national criminal history records, wanted and missing person information and stolen vehicle information. Annual funding of \$1,048,500 SEG is provided from the transportation fund. In addition, \$2,242,700 PR in 1995-96 and \$2,256,100 PR in 1996-97 is appropriated for operations, training and law enforcement services relating to the TIME system, funded from user fees paid by the law enforcement agencies accessing the system.

Under 1995 Act 27, \$93,700 PR in 1995-96 and \$107,100 PR in 1996-97 (from the TIME system user fee appropriation) with 2.0 PR four-year project positions was provided for a TIME system redesign project. The budget act also required DOJ and DOA to jointly and cooperatively develop a TIME system plan to convert the TIME system to a client/server system and to meet federal crime information standards. A report on the system plan was required to be submitted

for approval by the Joint Committee on Finance, under a 14-day passive review process, no later than January 1, 1996. The plan could include a request for necessary position authority relating to system maintenance, technical support and development.

On January 26, 1996, the Departments of Justice and Administration submitted the TIME plan to the Committee. The two agencies reached a consensus on the redesign of the system. However, while DOJ maintained that additional staff resources (from SEG funding) were needed for the implementation of the plan, DOA indicated that the need for new state positions was unclear. According to DOA officials, the feasibility of contracting for redesign services and reallocating base positions for the plan's implementation needed further evaluation. The Committee approved the portions of the plan agreed upon by the two agencies for redesigning the TIME system (and the release of \$533,200 SEG annually from unallotted reserve for the project) and indicated that by law additional SEG position authority, if necessary, would require separate approval by the Committee under s. 13.10 of the statutes.

ANALYSIS

The TIME system, and similar systems in other states, are subject to the policy requirements of the National Crime Information Center (NCIC). New NCIC standards (referred to as NCIC 2000) require major revisions and improvements to these systems in the coming years. All states will be required to upgrade systems and rewrite software in order to provide mug shot and fingerprint image storage and retrieval capability and other data quality and system security improvements. The January, 1996, redesign plan for the TIME system addresses these federal requirements.

The overall TIME system redesign plan has been agreed to by DOJ and DOA and approved by the Committee. Further, DOA information technology officials indicate that the overall level of resources proposed by DOJ (under the s. 13.10 request) to implement the plan is not in question. The issue that remains concerns whether these resources should be used for hiring state positions to implement the plan or for contracting with private providers for most of the redesign work.

The DOJ request, in part, would transfer the 2.0 PR project positions authorized for the TIME system redesign under Act 27 to SEG funding. The Department argues that this transfer would be appropriate in that both the PR user fee appropriation and the SEG appropriation are solely for the support of the TIME system and the transfer would help to address a potential deficit in the user fee appropriation. The request also includes 5.0 additional SEG project positions for the implementation of the TIME plan. Under the request, 7.0 SEG project positions would be devoted to the TIME system redesign project, as follows: (a) three positions, including one transferred from PR, would be allocated for applications development; (b) three positions, including one transferred from PR, would be allocated for technical support; and (c) one position for management of the programmatic, administrative and policy issues relating to the project.

The Department is also authorized two permanent positions, funded from the TIME user fee appropriation, for programming and operating functions relating to the current TIME system, which must be maintained until the new system is operational. These two positions would remain following the implementation of the new system.

DOJ officials indicate that the implementation of the TIME system plan requires a core staff of DOJ employees, available on a daily basis, to ensure that the design work efficiently meets the needs of the law enforcement community and that the subsequent operation and maintenance of the system is effectively managed. The Department indicates that not all design work must be done with state employees. Rather, officials indicate, certain basic structural designs, particularly relating to the data bases utilized by the system, should be performed in-house in order to efficiently achieve a system that fully meets law enforcement needs and NCIC 2000 standards. This basic structural work should, according to DOJ, be performed by DOJ employees who are attuned to these needs and standards. Once these basic structural designs are in place, additional programming to implement the structure could be contracted for.

Justice also argues that the continuing operation and maintenance of the TIME system would benefit from this core group with in-house knowledge of the system. According to DOJ officials, the complexity of the TIME system and its movement to the NCIC 2000 standards and the critical nature of its function in supporting the daily work of law enforcement, require a sufficient level of staff support. It should be noted, however, that the DOJ s. 13.10 request is for four-year project positions. Following the termination of these positions, the Department would still be authorized two permanent PR positions for on-going TIME system technical support and maintenance.

The allotment of the TIME system SEG appropriation in 1995 Act 27, after the Committee's approval of the TIME redesign plan in February, 1996, and under the current DOJ request is shown in the following table:

<u>Line Item</u>	<u>Act 27 (Annual)</u>	<u>JFC (Annual)</u>	<u>DOJ Request 1995-96</u>	<u>DOJ Request 1996-97</u>
Salary and fringe	\$0	\$0	\$29,400	\$305,800
Supplies and services	328,800	525,400	565,800	520,900
Permanent property	0	453,300	453,300	221,800
Unallotted reserve	<u>719,700</u>	<u>69,800</u>	<u>0</u>	<u>0</u>
	\$1,048,500	\$1,048,500	\$1,048,500	\$1,048,500

DOA information technology officials indicate that the TIME system plan could be implemented without additional position authorization, if private vendors are effectively utilized. These officials argue that the current market makes contracting a more attractive option. For example, DOA officials note that recruiting and retaining personnel for state management

information specialist positions is becoming more difficult because of competition for these employees from the private sector. Qualified state MIS employees are sometimes recruited by private firms willing to pay higher salaries. Further, these officials indicate that qualified vendors are available to perform design and implementation work. While some state personnel are viewed as necessary to oversee and maintain control of contracted work, DOA officials indicate that the 4.0 positions currently authorized for DOJ (two of which were authorized under Act 27) should be sufficient for this role. Contracting could also be done, according to DOA, to partially maintain the current TIME system, freeing up, at least partially, two of the existing permanent staff members to work on the development of the new system. While DOA supports contracting for the system development work, no estimate is made of the actual costs of these contracts.

Under this approach, the Committee could approve the allocation of \$37,500 SEG in 1995-96 and \$100,800 SEG in 1996-97 (and a decrease in PR expenditure authority as reflected in the request) with 2.0 project positions transferring from user fees to SEG funding. No additional state positions would be authorized. The remaining funds in unallotted reserve (\$32,300) would be released for vendor contracts in 1995-96.

The arguments made by DOJ and DOA, with respect to the need for additional positions, each have merit. DOJ argues that it has greater expertise to efficiently design system structures that meet law enforcement needs compared to a private firm without this expertise. Further, they argue that the private firm may be able to complete the job, but perhaps with more time, effort and cost. DOA information technology officials have experience in system development projects and believe that private vendors have the capacity to perform this work efficiently. Finally, both agencies appear to agree that some level of core staffing at DOJ is essential, although there is disagreement on the number of staff necessary.

The TIME system is a critical tool for law enforcement work and the safety of law enforcement personnel. The system is also a very complex data processing operation that is moving to a more sophisticated operations platform. Given both the importance and the complexity of the system, the Committee may wish to partially address the concerns of both agencies. Scaling back the staff request would require DOJ to make greater use of private vendors in the redesign of the system, but still provide some additional project positions to ensure that DOJ staff can play a central role in the applications development and technical support of the new system. In addition to the transfer of the two current project positions from user fees to SEG funding (one for applications development and one for technical support), one alternative would be to authorize two additional project positions: one for technical support (in 1996-97) and one for project management (in 1995-96). This alternative would allocate \$48,000 SEG in 1995-96 for a total of 3.0 SEG project positions and \$206,100 SEG in 1996-97 for a total of 4.0 SEG project positions. Again, the remaining funds in unallotted reserve (\$21,800) would be released for vendor contracts for 1995-96.

It could also be argued that DOA and DOJ have not met the requirement specified under Act 27 to jointly and cooperatively develop a TIME system plan to convert the TIME system to a client/server system and to meet federal crime information standards. The staff resources (state

positions or contract staff) required to implement the redesign may be viewed as integral to the required plan. The Committee could direct the two agencies to develop an agreement regarding staff resources prior to Committee action on any staffing request.

ALTERNATIVES

1. Approve the DOJ request to allocate \$69,800 SEG for 5.0 SEG project positions in 1995-96 and \$360,600 SEG for 7.0 SEG project positions in 1996-97 to implement the redesign of the TIME system. In addition, delete \$37,500 PR in 1995-96 and \$107,100 PR in 1996-97 with 2.0 PR project positions from the TIME system user fees appropriation to reflect the transfer of these positions to SEG funding.

2. Allocate \$37,500 SEG in 1995-96 and \$100,800 SEG in 1996-97 for 2.0 SEG project positions in each year to implement the redesign of the TIME system. In addition, delete \$37,500 PR in 1995-96 and \$107,100 PR in 1996-97 with 2.0 PR project positions from the TIME system user fees appropriation to reflect the transfer of these positions to SEG funding. Further, \$32,300 remaining in unallotted reserve in 1995-96 would be released for vendor contracts.

3. Allocate \$48,000 SEG for 3.0 SEG project positions in 1995-96 and \$206,100 SEG for 4.0 SEG project positions in 1996-97 to implement the redesign of the TIME system. In addition, delete \$37,500 PR in 1995-96 and \$107,100 PR in 1996-97 with 2.0 PR project positions from the TIME system user fees appropriation to reflect the transfer of these positions to SEG funding. Further, \$21,800 remaining in unallotted reserve in 1995-96 would be released for vendor contracts.

4. Deny the request and direct DOA and DOJ to develop an agreement on the staffing requirement for implementation of the TIME system redesign.

Prepared by: Art Zimmerman



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April 16, 1996

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Educational Technology Board and Department of Administration--Joint Report on the Proposed Staffing and Procedure for Approving Pioneering Partners Grants and Loans--Agenda Item XVII

BACKGROUND

Provisions in 1995 Act 27 (the 1995-97 state budget) created the Pioneering Partners program to provide grants and/or loans to school districts, municipal library boards or county library boards, or any combination thereof, for the purpose of implementing, expanding or participating in educational technology or distance education projects. Beginning in 1996-97, \$10,000,000 GPR annually is provided through a continuing appropriation for Pioneering Partners grants. The Board of Commissioners of Public Lands is required, to the extent practicable, to reserve \$15,000,000 annually in 1996-97 through 1999-2000, for state trust fund loans under the Pioneering Partners program.

Act 27 created a nine-member Educational Technology Board (ETB), attached to the Department of Administration (DOA), to administer the Pioneering Partners program. The Board consists of the following members:

- An employe of the Division for Libraries and Community Learning within the Department of Public Instruction (DPI).
- An employe of DOA.
- A representative of public libraries.
- A member of the Wisconsin Advanced Telecommunications Foundation (WATF).

- An employe of the Public Service Commission.
- A representative of a local or regional distance education network.
- A school board member or employe.
- A technical college district board member or employe.
- An employe of a UW System institution or center.

The following provisions related to the Pioneering Partners program are included in Act 27.

Types of Assistance. Eligible applicants may apply to ETB for one or more of the following:

- A grant to directly fund the cost (or a portion of the cost) of a project.
- A trust fund loan and a grant to subsidize the interest costs generated by the first two points of the annual interest rate on the loan.
- A trust fund loan (not subsidized) to fund the cost (or a portion of the cost) of a project.

Eligible Projects. Grants or loans may be used for any of the following purposes:

- Training teachers, librarians and other staff members in the use and integration of technology for educational purposes.
- Purchasing or upgrading technology including computer hardware and software, distance education equipment and other equipment, materials or resources related to the project and wiring within a school or library building or to connect school buildings within a school district if the wiring is directly related to the project.
- Integrating the use of educational technology and distance education throughout the curriculum.
- Implementation of technologies to enhance administrative efficiencies.
- Offering community educational opportunities through distance education or educational technologies to residents of the school district, municipality or county.

Program Requirements. For grants awarded to directly fund a project, a match (in cash or in-kind services) equal to at least 25% of the project's cost is required. Grant funds cannot be used to supplant or replace funds otherwise available for the project.

Criteria for Awarding Grants/Loans. ETB may award a grant or loan for a project if it determines that the project would do any of the following:

- Enhance the educational opportunities for elementary and secondary students or other residents of the state, or both.
- Improve the administrative efficiency of elementary and secondary educational institutions.
- Enhance the training and continuing education opportunities of elementary and secondary teachers in the state.

In addition, ETB is required to ensure that grants and loans are approved for eligible applicants from the territory of all of the cooperative educational service agencies (CESAs) from which applications are received.

ETB may require grant and loan recipients to report to ETB on the distance education and educational technology used in the school district, municipality or county for the purpose of assisting the state in educational technology planning if ETB finds that complying with the requirement will not impose a substantial burden on the grant or loan recipients.

Technology Plan. An application for a grant and/or loan must include a technology plan for the proposed project. The plan must include: (a) an assessment of needs to be met by the project; (b) a detailed description of the technologies to be employed in the project; (c) itemized cost estimates of the project; (d) a narrative description of the project, including the manner in which the project meets any of the criteria (described above) to be used by ETB in determining to award a grant and the purposes for which the grant will be used; (e) a description of the process that the applicant will use to evaluate the project; (f) a plan for continuing the project beyond the funding period, if appropriate; and (g) any other information ETB determines to be necessary to assist it in awarding a grant.

Consultative Services. ETB is required to: (a) provide consultative services to assist school districts and library boards in developing and implementing distance education and educational technology projects and in writing applications for grants and loans; and (b) consult and coordinate its activities with CESAs.

Administrative Budget. Act 27 provided \$45,000 GPR in 1995-96 and \$75,000 GPR in 1996-97 through an annual, state operations appropriation for the administrative expenses of ETB and to fund 1.0 GPR project position beginning January 1, 1996. The project position was intended to be filled by one or more elementary or secondary school teachers to provide consultative services.

Reporting Requirement. Act 27 required DOA and ETB, no later than November 1, 1995, to jointly submit to the Joint Committee on Finance for its approval under s. 13.10 all of the following:

- A request to transfer not more than 4.0 FTE positions and the funding for those positions from other state agencies to ETB (including recommendations on whether the incumbents in such positions would be transferred).

- A plan which sets forth the deadlines, procedures and criteria that ETB will use in reviewing and approving grants and loans. No portion of the plan may be implemented until the plan is approved by the Joint Committee on Finance.

On October 30, 1995, DOA requested that the deadline for the submission of the report be extended for an unspecified period of time. DOA's request was granted by the Committee's co-chairs and the report was submitted on March 18, 1996.

REQUEST

DOA and ETB request the Committee's approval of their joint report which includes recommendations regarding: (a) ETB staff (including the transfer of positions and funding from other state agencies); (b) a proposed budget for ETB; and (c) a plan for the review and approval of Pioneering Partners grant and loan applications. The specific recommendations of ETB and DOA are described in the "analysis" section of this memorandum.

ANALYSIS

A. ETB Staff

ETB and DOA have proposed that the staffing needs of ETB be met as follows.

Use of DOA Staff Services. Since ETB is attached for administrative purposes to DOA, DOA provides certain services to ETB including legal counsel and budget, accounting and personnel services.

Use of Educational Communications Board Staff Services. Staff of the Educational Communications Board (ECB) would provide assistance to ETB, effective immediately, in implementing the Pioneering Partners program and reviewing grant/loan applications. Such services would be provided as needed. There would be no formal agreement between ECB and ETB and no actual funding or position authority would be transferred between the two agencies.

According to ETB and DOA staff, using ECB staff would allow the program to begin awarding grants and approving loans in July, 1996, prior to hiring permanent staff. It has also been argued that this arrangement would allow ETB to draw upon the experience and skills of any number of ECB staff members depending on the specific needs of ETB.

Executive Director and Administrative Assistant. An integral aspect of the ETB/DOA recommendations is a proposed shared services and resources agreement between ETB and the Wisconsin Advanced Telecommunications Foundation (WATF). The WATF was established in 1993 Act 496 to administer two funds (the Endowment Fund and the Fast Start Fund) from which grants are made to educational institutions and libraries (among other entities) for purposes related to telecommunications. Due to the similar needs of both entities, they have proposed sharing the costs of staff and office space.

ETB is currently staffed on a half-time basis by the executive director of the WATF. While the director is employed by WATF, under the agreement between ETB and WATF, 50% of the cost of the position is allocated to ETB. The agreement would also provide for ETB and WATF to share (on a 50%-50% basis) an administrative assistant. ETB and WATF intend to hire this position in May, 1996.

Teacher Consultants. ETB would contract with two to four K-12 teachers (totalling 1.0 FTE) to provide consultative services to schools and libraries beginning in 1996-97. Although Act 27 authorized 1.0 project position for one or more teacher consultants, ETB intends to contract for the teachers' services rather than using this position authority. Given this intention, it could be argued that the project position should be eliminated.

Positions Transferred from Other Agencies. The report recommends that, effective July 1, 1996, 2.0 GPR positions and \$150,500 GPR be transferred to ETB from the Department of Public Instruction (DPI) and from the University of Wisconsin Extension (UWEX). From each of the agencies, 1.0 GPR position and \$75,250 GPR would be eliminated. The budgeted compensation amount (salary and fringe benefits) for each position is \$48,150. Thus, the transfer of \$75,250 from each agency would not only fund the cost of salary and fringe benefits for the positions, but would provide an additional \$27,100 (per agency) to balance ETB's proposed budget.

The 2.0 FTE positions would be classified as Administrative Officer 1 positions and would function as information technology consultants for ETB. The responsibilities of the consultants would include: (a) providing consultation and training to public schools and libraries in the areas of technology and distance education; (b) reviewing grant/loan applications and making funding recommendations to the Board; (c) assisting in the development of policies and procedures for ETB and the implementation of the Pioneering Partners program; and (d) collaborating with other education-related state agencies to identify technology needs among public schools and libraries and maximize use of resources.

The report specifies that the positions which would be transferred to ETB are intended to be vacant positions; no incumbent employees would be transferred. DOA and ETB staff indicate

that existing, technology education-related positions within certain agencies were considered for transfer to ETB, but that this option was rejected in favor of using vacant positions. It is argued that the use of vacant positions would be preferable because it would allow ETB to recruit individuals (from within or outside of state government) who have the specific skills and experience required for the position. In addition, the affected agencies would be able to select the position to be eliminated.

The use of vacant positions raises the issue of the original intent of the Act 27 provision regarding the transfer of positions and funding from other agencies. If the Legislature's intent was to bring together, at ETB, individuals whose current positions relate to educational technology and distance education, it would seem that transferring existing positions (and incumbent employees) would more effectively reflect this intent. If this is the case, the Committee could deny the request and direct ETB and DOA to recommend specific positions currently involved in educational technology or distance education and the funding associated with these positions to be transferred to ETB.

Conversely, if the intent of the provision was to expand the number of positions related to educational technology, transferring vacant positions (or creating new ones), would serve this purpose. However, it should be noted that the elimination of a position, whether or not that position is currently filled, may decrease an agency's ability to perform some other function or service.

According to ETB and DOA staff, DPI and UWEX were chosen to provide the positions for ETB because both agencies are currently involved in educational technology and distance education and both agencies have vacant positions. Other education-related agencies were considered and rejected. For example, ECB was rejected because the agency had no vacant positions. DOA was rejected because its staff is already providing some administrative support for ETB. As of April 1, 1996, UWEX had 19.96 GPR positions which were vacant and DPI had 19.85 GPR vacant positions. However, DPI staff indicate that most, if not all, of its vacant positions will be eliminated under budget reductions required for DPI in Act 27 as of July 1, 1996.

Other than the existence of vacant GPR positions in DPI and UWEX, there is no rationale to support taking the positions and funding from these agencies. If it is determined that the use of vacant positions is the preferable method of staffing ETB, the positions and funding could be transferred from any number of agencies which currently have vacant GPR positions. For example, UW System currently has 711.52 GPR positions vacant. Similarly, the Department of Agriculture, Trade and Consumer Protection has 33.50 GPR vacancies (11% of its GPR positions); the Department of Health and Social Services has 124.98 GPR vacancies; and the Department of Revenue has 55.50 GPR vacancies. However, many of these vacancies may be the result of special circumstances within an agency. Further, due to budget reductions required by Act 27, many agencies, like DPI, may be holding positions vacant because those positions will be deleted as of July 1, 1996.

If the Committee does not wish to transfer the positions and funding for ETB from other agencies, an alternative would be for the Committee to provide funds from its supplemental appropriation and to authorize 2.0 GPR positions for ETB.

Still another option for the staffing of ETB has been proposed to the Board by UWEX which recommended that the ETB positions be provided through one or more interagency agreements, rather than a permanent transfer of position authority and funding from other agencies. Under s. 230.047 of the statutes, any agency may enter into an agreement with another agency to provide for the temporary exchange of one or more employees. Such employees remain employed by the "sending agency" which also continues to pay for the employee's salary. Supervision of the employee's duties is governed by the agreement. No funding or position authority is transferred between the two agencies and upon the expiration date of the agreement, the employee returns to the "sending agency." Proponents of this recommendation argue that such an arrangement would provide temporary staff (potentially from a variety of agencies) for ETB while giving the Board the opportunity to examine its staffing needs and possibly request permanent staff in the 1997-99 biennial budget. According to DOA and ETB staff, the use of an interagency agreement to staff ETB was rejected because it was felt that ETB should have permanent employees who are clearly accountable to ETB.

B. Proposed ETB Budget for 1995-97

In Act 27, ETB was provided \$45,000 GPR in 1995-96 and \$75,000 GPR in 1996-97 through an annual, state operations appropriation for the administrative expenses of the Board and to fund the 1.0 GPR project position authorized beginning January 1, 1996. The following table shows the proposed 1995-97 budget for ETB.

	<u>1995-96</u>	<u>1996-97</u>
REVENUES		
Act 27 Appropriation	\$45,000	\$75,000
Transfer from DPI and UWEX	<u>0</u>	<u>150,500</u>
Total Revenues	\$45,000	\$225,500
EXPENDITURES		
Salaries and Fringe Benefits		
• 2.0 Information Technology Consultants	\$0	\$96,300
Contracted Staff		
• Executive Director	22,100	39,400
• Administrative Assistant	3,100	18,400
• Teacher Consultants	0	15,600
Supplies and Services		
• Staff Travel and Training	0	20,100
• Board Expenses	700	1,500
• Rent	0	12,000
• Postage and Printing	1,600	12,400
• Other ⁽¹⁾	0	8,100
Permanent Property ⁽²⁾	<u>0</u>	<u>19,200</u>
Total Expenditures	\$27,500	\$243,000
SURPLUS/DEFICIT	\$17,500	-\$17,500

⁽¹⁾Includes telecommunications, equipment repairs and maintenance and data processing services.

⁽²⁾ETB indicates that these would be one-time expenditures.

Some of the expenditure items shown in the table would be partially funded by WATF. For these items, the cost to ETB (rather than the total cost) is shown in the table. Specifically, WATF would support: 20% of the costs of the information technology consultants and the teacher consultant; 50% of the costs for the executive director and the administrative assistant; 20% of the office rental costs; and 50% of the postage and printing costs of the joint ETB/WATF grant application. In total, WATF would fund an estimated \$107,200 in costs related to these services and items in 1996-97.

As shown in the table, the proposed expenditures would result in surplus revenues of \$17,500 GPR in 1995-96. The report recommends that this amount be used to compensate for a shortage of \$17,500 in 1996-97. Since the appropriation for the administrative expenses of

ETB is an annual appropriation, the Committee's approval would be required to transfer these funds from 1995-96 to 1996-97. Such a transfer would increase the Board's 1996-97 base budget from \$75,000 GPR to \$92,500 GPR (in addition to funds transferred from other agencies) annually beginning in 1996-97. The 1996-97 base budget would then become the basis for determining the Board's 1997-99 budget.

An alternative to allowing ETB to carry over the funds from 1996-97 would be to transfer the \$17,500 GPR from the Committee's supplemental appropriation.

The report indicates that expenditures of \$19,200 in 1996-97 for permanent property (computer equipment and furniture) represent one-time costs. Therefore, it would seem appropriate to remove \$19,200 in funding from the Board's base budget after 1996-97. This action would also serve to offset the transfer of \$17,500 GPR from 1995-96 to 1996-97, if that recommendation is approved.

Another view of ETB's proposed budget is that in 1996-97, it is \$54,200 higher than was anticipated in Act 27. That act appropriated \$75,000 GPR in 1996-97 and provided a mechanism for the transfer of up to 4.0 GPR positions and funding for those positions. The Board has chosen to fill two positions at a total cost of \$96,300 for salaries and fringe benefits, but proposes transferring \$150,500 from DPI and UWEX. Thus, the amount transferred would not only fund the positions, but would provide an additional \$54,200 for other administrative expenses. The Committee could approve the budget as presented, less the \$54,200. Such a decision would require ETB to adjust its proposed expenditures.

It could be argued that at least a portion of the proposed expenditures which would be funded with the additional \$54,200 transferred under ETB's recommendation are directly related to the two positions (staff travel and training, supplies and equipment). If the Committee does not wish to transfer these additional funds from other agencies, the Committee could provide the funds from its supplemental appropriation.

C. Deadlines, Procedures and Criteria for Reviewing and Approving Pioneering Partners Grants and Loans

The joint ETB/DOA report includes proposed Pioneering Partners grant/loan application guidelines which set forth the application deadlines, procedures and criteria to be used by ETB in reviewing and approving applications. The guidelines meet the Act 27 reporting requirements and the additional requirements described in the guidelines do not conflict with the statutes. The guidelines cannot be implemented (and therefore, no grants/loans can be approved) until they are approved by the Committee.

Selected portions of the application guidelines are described below. For the most part, those requirements contained in the guidelines which are statutory are not included in this discussion.

Joint ETB/WATF Application. A joint application would be used for Pioneering Partners grants and loans and WATF grants. The application has already been used for the first WATF funding cycle (approximately \$1 million is expected to be distributed in May, 1996 by WATF through cash and in-kind contributions from telecommunications providers). Applicants which are eligible for funding assistance under both programs would be considered for awards from either, or both, entities and would not be required to specify the type of award sought.

Application Deadlines and Funding Cycles. Applications for grants/loans would be accepted and awards would be made four times per year. For calendar year 1996, the application deadlines would be June 14, August 30 and November 29.

Approximately one-fourth of the grant and loan funds available would be awarded in each funding cycle. All applicants would be notified of initial award decisions approximately seven weeks after the application deadline and final notification would be made after an appeals process has been completed.

Application Procedure. An application for funding would consist of a project description and attachments. The project description would provide the information described below under "Evaluation Criteria." The attachments would have to include: (a) summarized resumes for all key staff involved in the proposed project; and (b) letters of support indicating the level of commitment and types of cooperation other organizations agree to provide for the project. Any additional information which would assist ETB could also be included in the attachments section.

Evaluation Criteria. Each grant/loan application received would be evaluated according to the following criteria. Each category would be weighted, as indicated, according to its relative importance.

a. **Applicant Overview (30%).** A description of the applicant, the proposed project for which funding is requested and a strategic plan for information technology and telecommunications for the applicant, including the components of the plan which have already been implemented and how the proposed project is an integral part of the plan. Additional required information would include why the project is needed, the goals of the project and how it will benefit its end users. In addition, a description of the project's design would be required including the project's components, responsible personnel and implementation date.

Applicants would be required to have knowledge of the existing telecommunications infrastructure in the area to be served by the project; if possible, the project should build on this infrastructure. Applicants would also have to show that the project design is cost effective and appropriate. How the proposed project would continue to be applicable would also have to be addressed.

b. **Applicant Qualifications (30%).** A description of the qualifications of the participating organization(s); identification of project staff requirements; how the project would

be managed; and proposed staff training. In addition, a plan for evaluating the effectiveness of the project in achieving its goals would be required.

c. Partnerships and Community Support (30%). A description of linkages or collaborations with other agencies or organizations involved in the project; evidence of community support for the project; and the potential of the project to be replicated by others. In addition, the applicant would have to describe how the project could be sustained or replicated beyond the one-year funding period.

d. Applicant Financial Resources and Project Budget (10%). A revenue and expense budget for the project would have to be submitted on a budget form provided in the guidelines. If the applicant is a consortium, a separate budget form would be submitted by each consortium member. The budget would include all costs and funding sources including matching funds. In addition, the applicant would be required to describe how financial records for the grant would be maintained including a statement of fiscal accountability.

Application Scoring. Each application would receive a score based on the above criteria and all applications would be ranked according to this score. Beginning with the applications with the highest scores and working down, applicants would be offered (in the following order) direct grants, grants to subsidize a state trust fund loan or loans (without grants).

Application Review and Award Procedures. ETB is required, by statute, to ensure that funds are awarded to eligible applicants from the territory of all CESAs from which applications are received. The proposed guidelines would also provide that the ETB would give preference to applications in which the amount of funding requested for each location (school or library) does not exceed \$100,000. For example, if a school district were to apply for funding on behalf of three schools, the district could request \$300,000.

Applications would be subject to three levels of review. First, ETB staff and "peer reviewers" (other state and/or non-state employees with experience in educational technology) would review the applications for compliance with format, content and eligibility requirements. Eligible applications would then be evaluated according to the above criteria by a review committee comprised of fewer than half of the Board members. The review committee would rank each application and make recommendations to the full Board which would then conduct a final review of the applications and determine the applications to be funded.

In determining the awards, the Board would consider the following:

- Statutory requirements.
- Applicant proposals and the recommendations of the review committee.
- The degree to which applications satisfy the purposes of ETB.

- The geographic distribution of the proposed grants.
- The diversity of the information and telecommunications technologies employed by the proposed grants.
- The variety of projects represented by the proposed grants.
- Avoidance of redundancy and conflicts with the initiatives of federal and state agencies.
- The availability of funds.

Receipt of Grants and Loans. One-half of the total amount of the grant would be provided to the recipient upon signing a grant award acceptance agreement. The remaining 50% would be paid after the project has been implemented and the grant recipient has notified ETB that the project components have been completed and submitted the project's final cost.

Applications approved by ETB for state trust fund loans would then have to be approved by the Board of Commissioners of Public Lands. It is estimated that this approval process would take an additional three months.

Restrictions on Use of Grant Funds. Grants could not be used for staff salaries, fringe benefits, any costs incurred prior to the grant award or expenditures not approved by ETB. These restrictions are not required by statute.

Required Match. The 25% match (required by statute for direct grants) could be in the form of cash or in-kind contributions. However, expenditure items (such as staff salaries) which are not eligible for funding cannot be included in the match. In-kind contributions would have to be one or more of the following:

- Fiber optic, copper or coaxial cable.
- Video conferencing or audio conferencing hardware and software.
- Video or audio conferencing room design, furniture, lighting and acoustical treatment.
- Personal computers and local or wide area network hardware, software or peripherals.
- Telecommunications network hardware.
- Local Internet nodal access (provided that no other telecommunications provider is available).
- Public telecommunications network infrastructure (provided that no other telecommunications provider is available).

- Consulting, engineering, installation and maintenance labor services on any of the above items.

Project Duration and Future Funding. Funded projects would have to begin within three months of award notification and could not exceed one year in duration. Once a project (or a portion of a project) is funded by ETB/WATF, there would be no obligation on the part of ETB/WATF to provide additional funding associated with that project in the future. However, an award recipient would not be prohibited from applying for funds in the future (including funds to support a previously-funded project).

Project Evaluation. Award recipients would be required to submit a letter or report to ETB one year after the project's implementation describing the effectiveness of the project in achieving its goals and objectives.

Revocation of Grant Funds. ETB could revoke a grant if the funded project does not comply with the guidelines or is not implemented in accordance with the application as submitted and accepted. In addition, ETB could impose other sanctions or take other action if a project is implemented in a manner inconsistent with the grant award.

Appeals Process. An applicant whose funding request is not approved could request an explanation of the reasons for the denial from the executive director of ETB. An applicant could appeal ETB's decision only on the grounds that ETB violated a provision of the statutes or administrative rules (while ETB is not required by statute to promulgate rules, the Board would have general rule-making authority under Chapter 227 of the statutes).

Technical Assistance From ETB Staff. ETB staff would hold regional workshops on the grant/loan application process and would provide technical assistance to all prospective applicants on a first-come, first-served basis until the applicant submits a funding request. Specific suggestions and advice related to a grant application would not be provided and staff would not review "draft" applications. A workshop for award recipients would be held for each funding cycle.

Additional services provided by ETB staff would include information technology consulting and professional conferences and meetings.

ALTERNATIVES

A. ETB Staff

1. Approve the ETB/DOA request to:

a. Provide \$48,150 GPR and 1.0 GPR position in 1996-97 to ETB. In addition, delete \$48,150 GPR and 1.0 GPR position in 1996-97 from DPI's general program operations appropriation.

b. Provide \$48,150 GPR and 1.0 GPR position in 1996-97 to ETB. In addition, delete \$48,150 GPR and 1.0 GPR position in 1996-97 from UW System's general program operations appropriation.

2. Deny the request and direct ETB and DOA to recommend specific positions and funding to be transferred to ETB from other state agencies.

3. Modify the request by deleting the transfer of positions from DPI and UWEX. Instead, transfer 2.0 GPR positions and \$96,300 GPR in 1996-97 from other agencies with position vacancies.

4. Deny the request. Instead, transfer \$96,300 GPR in 1996-97 from the Committee's supplemental appropriation and provide 2.0 GPR positions to ETB.

5. Deny the request. Instead, direct ETB to enter into an interagency agreement with one or more state agencies to provide for 2.0 full-time equivalent employees to be placed in ETB to serve as information technology consultants until the expiration date of the agreement(s). The employees would remain employees of the sending agency (or agencies) and their salaries would be paid that agency.

6. In addition to any of the above alternatives, delete 1.0 GPR project position from ETB to reflect its intent to contract for the services of the teacher consultants.

B. ETB Budget for 1996-97

1. Approve the ETB/DOA request to:

a. Provide \$27,100 GPR in 1996-97 to ETB. In addition, delete \$27,100 GPR in 1996-97 from DPI's general program operations appropriation.

b. Provide \$27,100 GPR in 1996-97 to ETB. In addition, delete \$27,100 GPR in 1996-97 from UW System's general program operations appropriation.

2. Modify the request by deleting the transfer of \$54,200 GPR from DPI and UWEX. Instead, transfer \$54,200 GPR in 1996-97 from other agencies.

3. Deny the request. Instead, transfer \$54,200 GPR in 1996-97 to ETB from the Committee's supplemental appropriation.

4. Deny the request. As a result, ETB would have to adjust its proposed budget.

C. Transfer of Funds Between Fiscal Years

1. Approve the ETB/DOA request to transfer \$17,500 GPR in the appropriation for the administrative expenses of ETB from fiscal year 1995-96 to fiscal year 1996-97. This would increase the amount appropriated in 1996-97 from \$75,000 GPR to \$92,500 GPR.
2. Deny the request to transfer \$17,500 GPR from 1995-96 to 1996-97; ETB would have to reduce its proposed budget for 1996-97 by \$17,500.
3. In addition to Alternative 2, transfer \$17,500 GPR to ETB from the Committee's supplemental appropriation in 1996-97.
4. In addition to any of the above alternatives, provide that of the amount appropriated for the administrative expenses of ETB in 1996-97, \$19,200 GPR would be one-time monies which would not be included in the Board's base budget for the 1997-99 biennium.

D. Deadlines, Procedures and Criteria for Reviewing and Approving Pioneering Partners Grants and Loans

1. Approve the plan (application guidelines) contained in the joint ETB/DOA report which sets forth the proposed application deadlines, procedures and criteria for awarding grants and loans.
2. Deny the request; as a result, no portion of the ETB/DOA plan may be implemented until the plan is approved by the Committee.

Prepared by: Merry Bukolt



TOMMY G. THOMPSON

Governor
State of Wisconsin

May 7, 1996

The Honorable Tim Weeden, Co-Chair
The Honorable Ben Brancel, Co-Chair
Members, Joint Committee on Finance
119 Martin Luther King, Jr. Blvd.
P.O. Box 7882
Madison, WI 53707-7882

Dear Senator Weeden, Representative Brancel and Members:

Attached are the signed minutes of the April 16, 1996 s.13.10 meeting, completed on April 17, 1996.

Pursuant to the provisions of s.13.10(4), I am objecting to the Committee's action under Items II and XVII-E of the minutes.

Regarding Item II, the Joint Committee on Finance allocated \$48,000 SEG for 3.0 SEG four-year project positions in 1995-96 and \$267,300 SEG for 5.0 SEG four-year project positions in 1996-97 to implement the redesign of the TIME system. In addition, the Joint Committee on Finance deleted \$37,500 PR in 1995-96 and \$107,100 PR in 1996-97 from the TIME system user fees appropriation to reflect the transfer of 2.0 PR project positions to SEG funding. Further, \$21,800 remained in unallotted reserve in 1995-96 that would be released for vendor contracts.

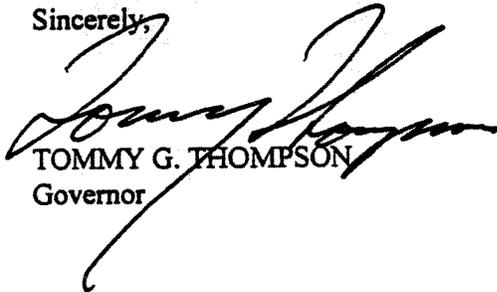
I did not recommend any new positions for the Department of Justice (DOJ) for the redesign of the TIME system because I believe the redesign of the TIME system will be more efficiently implemented through outsourcing, rather than an increase in state staff. Therefore, I am vetoing the 5.0 SEG four-year project positions in 1996-97. However, I am leaving intact the 3.0 SEG four-year project positions in 1995-96 and the SEG funding in both 1995-96 and 1996-97. My veto implements the transfer of the 2.0 PR positions to SEG funding and provides an additional 1.0 SEG four-year project position in 1995-96 and 1996-97, resulting in an increase of 3.0 SEG four-year project positions and a decrease of 2.0 PR project positions in both 1995-96 and 1996-97 compared to current staffing. The additional SEG funding provided in 1996-1997 in this s. 13.10 action beyond that required to fund the 3.0 four-year project positions can be used to contract for additional resources, if needed. Any requests for more project positions or resources for the TIME system, if needed, should be reviewed in the context of the 1997-1999 biennial budget process.

Regarding Item XVII-E, the Joint Committee on Finance added a provision requiring the Educational Technology Board (ETB) to propose in its 1997-99 biennial budget request, statutory changes to provide the ETB with the authority to waive the 25% local match requirement for grants awarded by the Pioneering Partners Program, for school districts unable to meet the match requirement due to fiscal constraints.

The Honorable Tim Weeden, Co-Chair
The Honorable Ben Brancel, Co-Chair
Members, Joint Committee on Finance
May 7, 1996
Page Two

I am vetoing this provision because current law already permits Pioneering Partners applicants to fulfill the program's match requirements through the use of in-kind contributions. Furthermore, eliminating the match requirement for certain school districts limits the state's ability to leverage available funds to provide as much local investment in educational technology projects as possible. Finally, I am vetoing this item because the legislative branch should not mandate what specific initiatives executive branch agencies must include in their biennial budget requests.

Sincerely,



TOMMY G. THOMPSON
Governor



STATE OF WISCONSIN \ ETHICS BOARD

James R. Morgan
Chairman
Paul M. Holzem
David L. McRoberts
Robert G. Borgwardt
Joanne R. Orr
Dorothy C. Johnson

On the capitol square at:
44 EAST MIFFLIN STREET
MADISON, WISCONSIN 53703-2800
608 266-8123

June 4, 1996

R. Roth Judd
Executive Director

Senator Tim Weeden
Co-Chair
Joint Committee on Finance
State Capitol
Madison, WI INTER-D

Representative Ben Brancel
Co-Chair
Joint Committee on Finance
State Capitol
Madison, WI INTER-D

Re: Supplemental appropriation under
§ 13.101(3), *Wisconsin Statutes*, for
costs of enforcement

Dear Senator Weeden and Representative Brancel:

I am withdrawing our 13.10 request, as we have been able to cover this request within our current operating budget due to salary and fringe benefit savings. Thank you for your considerations in the past.

Sincerely,

Roth Judd
Director

RRJ:hh

cc: Legislative Fiscal Bureau
Pam Henning, Dept. of Administration