1997-98 SESSION COMMITTEE HEARING RECORDS

Committee Name:

Joint Committee on Finance (JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR_RCP_pt01a
- 97hrAC-EdR_RCP_pt01b
- 97hrAC-EdR_RCP_pt02

- Appointments ... Appt
-
- Clearinghouse Rules ... CRule
-
- Committee Hearings ... CH
-
- Committee Reports ... CR
-
- Executive Sessions ... ES
-
- Hearing Records ... HR
-
- Miscellaneous ... Misc
- 97hr_JC-Fi_Misc_Sept 24,1998_pt06
- Record of Comm. Proceedings ... RCP
-

Sept. 24 1998 13.10 mtg.

THE STATE OF WISCON!

SEN. TIMOTHY WEEDEN, CO-CHAIR
JOINT COMMITTEE ON FINANCE
1 EAST MAIN STREET
ROOM 203

SENATE CHAIR
TIMOTHY WEEDEN

1 E. Main Street, Room 230
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-2253

ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

AGENDA

SEP 1 8 1998

Thursday, September 24, 1998, 1:30p.m.
s. 13.10 Meeting
on the First Floor of 119 Martin Luther King, Jr. Blvd.

I. Department of Health and Family Services -- John Kiesow, Executive Assistant

II. Department of Commerce -- Christopher Mohrman, Executive Assistant

III. Department of Commerce -- Christopher Mohrman, Executive Assistant

IV. Department of Transportation -- Charles H. Thompson, Secretary

V. Office of the Commissioner of Railroads -- Rodney Kruenen, Commissioner

VI. Department of Revenue -- Cate S. Zeuske, Secretary

VII. Legislative Reference Bureau -- Steve Miller, Chief

VIII. Wisconsin Sesquicentennial Commission -- Dean Amhaus, Executive Director

IX-a. Department of Administration -- Richard G. Chandler, State Budget Director

IX-b. Department of Administration and Legislative Fiscal Bureau -- Richard G. Chandler, State Budget Director

X. Department of Employment Relations -- Jon E. Litscher, Secretary

XI. Department of Veterans Affairs -- Raymond Boland, Secretary

XII. University of Wisconsin System, UW-Madison, Division of Intercollegiate Athletics -- John Torphy, Vice Chancellor, UW-Madison

XIII. State Historical Society of Wisconsin -- George Vogt, Director

XIV. Department of Workforce Development -- Linda Stewart, Secretary

XV. Department of Natural Resources – H. Stan Druckenmiller, Executive Assistant

Reports

R-1 Department of Administration Position Reports Required Under s. 16.50 (April 1 - June 30, 1998).

R-2 Ethics Board Likely Request for Supplemental Funding to Hire Special Investigative Assistance

R-3 PECFA Program

SUMMARY
JOINT COMMITTEE ON FINANCE
GPR APPROPRIATION STATUS
(Incorporating Committee Actions thru July 30, 1998)

	1997-98	1998-99	1997-99 Biennium	Releases to Date	Remaining Balance
Current Biennial Appropriation Amount [s. 20.865(4)(a)]	**$46,318,275**	**$58,132,600**	**$104,450,875**		
Reserved For:					
DOA -- Budget system redesign consultant's study	$60,000	$0	$60,000	$0	$60,000
DOC -- Probation and parole absconder unit	702,700	1,025,600	1,728,300	1,728,300	0
DOC -- St. John's Correctional Center expansion	0	991,800	991,800	0	991,800
ETF -- SIPD supplemental annuity payments	2,650,400	3,547,100	6,197,500	0	6,197,500
DOR -- Integrated computer system	1,257,100	203,500	1,460,600	1,460,600	0
DHFS -- Prevention grants	744,800	1,489,700	2,234,500	0	2,234,500
DHFS -- Adoption assistance	187,200	0	187,200	0	187,200
DHFS -- Medical assistance administration	468,300	0	468,300	468,300	0
DHFS -- Women's health initiative	2,200,000	1,300,000	3,500,000	2,900,000	600,000
DWD -- KIDS system	5,570,300	11,055,900	16,626,200	16,287,700	338,500
DWD -- Centralized receipt and disbursement for child support	0	117,100	117,100	117,100	0
DPI -- School for the Visually Handicapped maintenance funds	17,200	17,200	34,400	17,200	17,200
DPI -- School for the Deaf maintenance funds	74,000	74,000	148,000	74,000	74,000
ELECTIONS BD -- Electronic filing enhancement	102,800	0	102,800	102,800	0
DOA - Compensation reserves supplement	1,326,000	674,000	2,000,000	0	2,000,000
DOC -- Additional contract beds	7,431,496	10,100,000	17,531,496	16,749,200	782,296
DHFS -- Criminal background checks	0	1,920,000	1,920,000	274,400	1,645,600
DHFS -- BadgerCare	0	16,600,000	16,600,000	0	16,600,000
UW -- BadgerNet	1,470,000	1,470,000	2,940,000	2,940,000	0
UW -- Technology infrastructure and faculty technology	1,060,800	3,307,200	4,368,000	4,368,000	0
Public Land Sales Reserve (see attached summary sheet)	282,879	0	282,879	140,200	142,679
DOC -- Pay plan supplements reserve	0	1,729,600	1,729,600	0	1,729,600
DOC -- Racine food service costs	117,300	645,700	763,000	117,300	645,700
SPD -- Pay plan supplements reserve	242,800	524,400	767,200	0	767,200
SPD -- Restoration of budget reductions	0	987,600	987,600	0	987,600
DOA -- Compensation reserves supplement	20,000,000	0	20,000,000	0	20,000,000
Sub-total Reserved Balance	$45,966,075	$57,780,400	$103,746,475	$47,745,100	$56,001,375
Releases from Reserved Balance					
DHFS -- Women's health initiative (12/18/97)	$1,700,000	$1,200,000	$2,900,000		
DWD -- KIDS System (12/18/97)	5,231,800	0	5,231,800		
Elections Board -- Electronic filing enhancement (12/18/97)	102,800	0	102,800		
DOC -- Probation and parole absconder unit (12/18/97)	446,900	1,025,600	1,472,500		
DPI -- School for Visually Handicapped maintenance funds (12/18/97)	17,200	0	17,200		
DPI -- School for the Deaf maintenance funds (12/18/97)	74,000	0	74,000		
UW -- Technology infrastructure and faculty technology (12/18/97)	1,060,800	3,307,200	4,368,000		
UW -- BadgerNet (12/18/97)	1,470,000	1,470,000	2,940,000		
DOR -- Integrated computer system (6/4/98)	45,000	1,415,600	1,460,600		
DHFS -- Criminal background checks (6/4/98)	120,300	154,100	274,400		
DOC -- Release from KIDS reserve (6/23/98)	0	448,200	448,200		
DOC -- Release from probation & parole absconder unit reserve (6/23/98)	255,800	0	255,800		
DOC -- Release from contract beds (6/23/98)	6,649,200	10,100,000	16,749,200		
DOC -- Release from Racine food service costs (6/23/98)	117,300	0	117,300		
DHFS -- Medical assistance administration (6/23/98)	468,300	0	468,300		
DHFS -- Release from public land sales reserve (6/23/98)	140,200	0	140,200		
DWD -- KIDS System (6/23/98)	0	10,607,700	10,607,700		
DWD -- Centralized receipt and disbursement for child support (6/23/98)	0	117,100	117,100		
Total Releases	$17,899,600	$29,845,500	$47,745,100		
Remaining Reserved Balance	**$28,066,475**	**$27,934,900**	**$56,001,375**		
Net Unreserved Balance Available	**$352,200**	**$352,200**	**$704,400**		
Releases from Unreserved Balance					
Elections Board -- Electronic filing enhancement (12/18/97)	$12,000	$0	$12,000		
DATCP -- Food inspection program efficiency study (12/18/97)	50,000	50,000	100,000		
HEAB -- Program assistant position (12/18/97)	19,700	33,100	52,800		
RRC -- Salary shortfall and actuarial studies (6/4/98)	51,500	45,100	96,600		
Total Releases	$133,200	$128,200	$261,400		
Net Unreserved Balance Remaining	**$219,000**	**$224,000**	**$443,000**		
TOTAL AVAILABLE (Net Reserved & Unreserved Balance Remaining)	**$28,285,475**	**$28,158,900**	**$56,444,375**		

SUMMARY
JOINT COMMITTEE ON FINANCE
PR APPROPRIATION STATUS
(Incorporating Committee Actions thru July 30, 1998)

	1997-98	1998-99	1997-99 Biennium
Current Biennial Appropriation Amount [s. 20.865(4)(g)]	**$0**	**$160,300**	**$160,300**
Reserved For:			
OCI -- Information technology imaging project	$0	$160,300	$160,300
Sub-total Reserved Balance	$0	$160,300	$160,300
Releases from Reserved Balance	$0	$0	$0
Total Releases	$0	$0	$0
Remaining Reserved Balance	**$0**	**$160,300**	**$160,300**

SUMMARY
JOINT COMMITTEE ON FINANCE
FED APPROPRIATION STATUS
(Incorporating Committee Actions thru July 30, 1998)

	1997-98	1998-99	1997-99 Biennium
Current Biennial Appropriation Amount [s. 20.865(4)(m)]	**$15,000,000**	**$2,000,000**	**$17,000,000**
Reserved For:			
DHFS/DWD -- Temporary aid to needy families	$14,000,000	$0	$14,000,000
DWD -- W-2 transportation assistance	1,000,000	2,000,000	$3,000,000
Sub-total Reserved Balance	$15,000,000	$2,000,000	$17,000,000
Releases from Reserved Balance			
DHFS/DWD - Temporary aid to needy families (12/18/97)	$4,136,500	$9,863,500	$14,000,000
DWD -- W-2 Transportation assistance (12/18/97)	1,000,000	2,000,000	$3,000,000
Total Releases	$5,136,500	$11,863,500	$17,000,000
Remaining Reserved Balance	**$9,863,500**	**($9,863,500)**	**$0**

SUMMARY
JOINT COMMITTEE ON FINANCE
SEG APPROPRIATION STATUS
(Incorporating Committee Actions thru July 30, 1998)

	1997-98	1998-99	1997-99 Biennium
Current Biennial Appropriation Amount [s. 20.865(4)(u)]	**$1,208,000**	**$1,384,400**	**$2,592,400**
Reserved For:			
ETF -- Retirement rollover project	$0	$180,000	$180,000
ETF -- Health insurance data appropriation	0	140,400	$140,400
DVA -- Veterans assistance program	200,000	200,000	$400,000
UW -- BadgerNet	1,008,000	864,000	$1,872,000
Sub-total Reserved Balance	$1,208,000	$1,384,400	$2,592,400
Releases from Reserved Balance			
UW - BadgerNet (12/18/97)	$1,008,000	$864,000	$1,872,000
DVA -- Veterans assistance program (6/4/98)	0	200,000	200,000
ETF -- Health insurance data collection (6/23/98)	0	120,400	120,400
Total Releases	$1,008,000	$1,184,400	$2,192,400
Remaining Reserved Balance	**$200,000**	**$200,000**	**$400,000**

SUMMARY

DETAIL OF JOINT FINANCE COMMITTEE APPROPRIATED LEVELS

	1997-98	1998-99	1997-99 Biennium
865(4)(a) Appropriation Total Summary - GPR			
Act 27 (Biennial Budget)	$24,598,100	$54,245,300	$78,843,400
Proceeds from Sale of Public Land (Mendota State Hospital -- July, 1997)	280,379	0	280,379
Transfer per Act 27, Section 9256(3x)	20,000,000	0	20,000,000
Act 237 (Budget Adjustment Bill)	(1,039,900)	3,887,300	2,847,400
Addition to JFC Contract Beds Reserve by Transfer of 1997-98 Ending DOC Appropriation Balance (s. 13.10 meeting; 3/15/98)	2,531,496	0	2,531,496
Act 308 (Reduce adoption assistance reserved funds)	(54,300)	0	(54,300)
Proceeds from Sale of Public Land (Green Bay Correctional Institution -- May, 1998)	2,500	0	2,500
Current Total	**$46,318,275**	**$58,132,600**	**$104,450,875**
865(4)(g) Appropriation Total Summary - PR			
Act 27 (Biennial Budget)	**$0**	**$160,300**	**$160,300**
865(4)(m) Appropriation Total Summary - FED			
Act 27 (Biennial Budget)	**$15,000,000**	**$2,000,000**	**$17,000,000**
865(4)(u) Appropriation Total Summary - SEG			
Act 27 (Biennial Budget)	**$1,208,000**	**$1,384,400**	**$2,592,400**

I. Department of Health and Family Services -- John Kiesow, Executive Assistant

Under 1997 Act 27, the Department of Health and Family Services (DHFS) is required to perform criminal background reviews on many types of employes and business owners who provide direct care to children and vulnerable adults. DHFS requests a supplement of $1,148,500 GPR in 1998-99 from the Committee's s. 20.865(4)(a) appropriation to the appropriation under s. 20.435(8)(a), to perform the workload and develop information technology systems mandated by these 1997 Act 27 provisions. DHFS also requests 35.0 GPR FTE project positions to implement the start-up phase of the caregiver background check provisions. The ongoing costs in 1999-00 are $401,100 GPR.

The department also requests a supplement of $39,500 PRO to its appropriation under s. 20.435 (6)(jm) for processing and mailing the results of background checks to the requesting facility or provider.

Governor's Recommendation

Modify the request. Approve 15.9 FTE (12.1 FTE GPR and 3.8 FTE PR) project positions for an initial 13 months. Provide $404,600 GPR and $152,400 PR in 1998-99 and $233,000 GPR and $71,600 PR in 1999-00. Approve the use of $136,300 and $71,600 in Department of Workforce Development child care development funds (technically, the GPR maintenance of effort of those CCDF funds) as a portion of the 1998-99 and as the total 1999-00 PR funding approved for DHFS.

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin
TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864

Date: September 18, 1998

To: Members, Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: Request from the Department of Health and Family Services for Funding and Project Positions for Caregiver Background Check Workload

Request

Under 1997 Act 27, the Department of Health and Family Services (DHFS) is required to perform criminal background reviews on many types of employes and business owners who provide direct care to children and vulnerable adults. DHFS requests a supplement of $1,148,500 GPR in 1998-99 from the Committee's s. 20.865(4)(a) appropriation to the appropriation under s. 20.435(8)(a), to perform the workload and develop information technology systems mandated by these 1997 Act 27 provisions. DHFS also requests 35.0 GPR FTE project positions to implement the start-up phase of the caregiver background check provisions. The ongoing costs in 1999-00 are $401,100 GPR.

The department also requests a supplement of $39,500 PRO to its appropriation under s. 20.435 (6)(jm) for processing and mailing the results of background checks to the requesting facility or provider.

Background

1997 Act 27 strengthened protections for children and vulnerable adults in organized care settings. Among these protections are requirements that designated providers request various (Wisconsin Departments of Justice, Regulation and Licensing and DHFS) background record checks on certain new and existing staff and bars them from employing anyone with certain records or findings in those databases. Also, DHFS and certain other public entities must perform checks on covered providers before issuing a license or other credential. Individuals who are barred from employment under these provisions may apply to DHFS for a waiver of the employment restrictions upon evidence of rehabilitation.

Checks for new providers and new employees begin in October 1998 and checks on all existing providers and staff must be completed by November 1, 1999.

DHFS is requesting funding or positions to address four workload effects of background checks. DHFS will

1. adjudicate all requests for rehabilitation waivers;

2. represent the state in administrative hearings for people who appeal denials of rehabilitation waivers;

3. perform background checks on all existing providers for whom it issues a license (this includes colicensees and non-client residents) and

4. correct an oversight in the design and development of its automated system for conducting background searches of databases in the three agencies.

There is a four year cycle to the background check process. Every four years, providers and DHFS must check the background of current employes and licensees. This checking of current employes and licensees begins October 1, 1998 and ends November 1, 1999. After November 1, 1999, the workload of background checks under full implementation will be smaller and more stable as the backgrounds of only new employes and licensees are checked. DHFS intends to address the resources required for full implementation in its biennial budget request. Then, four year from now, providers and DHFS again are required to check the backgrounds of current employes and licensees, respectively.

Analysis

Adjudicating Requests for Rehabilitation Waivers

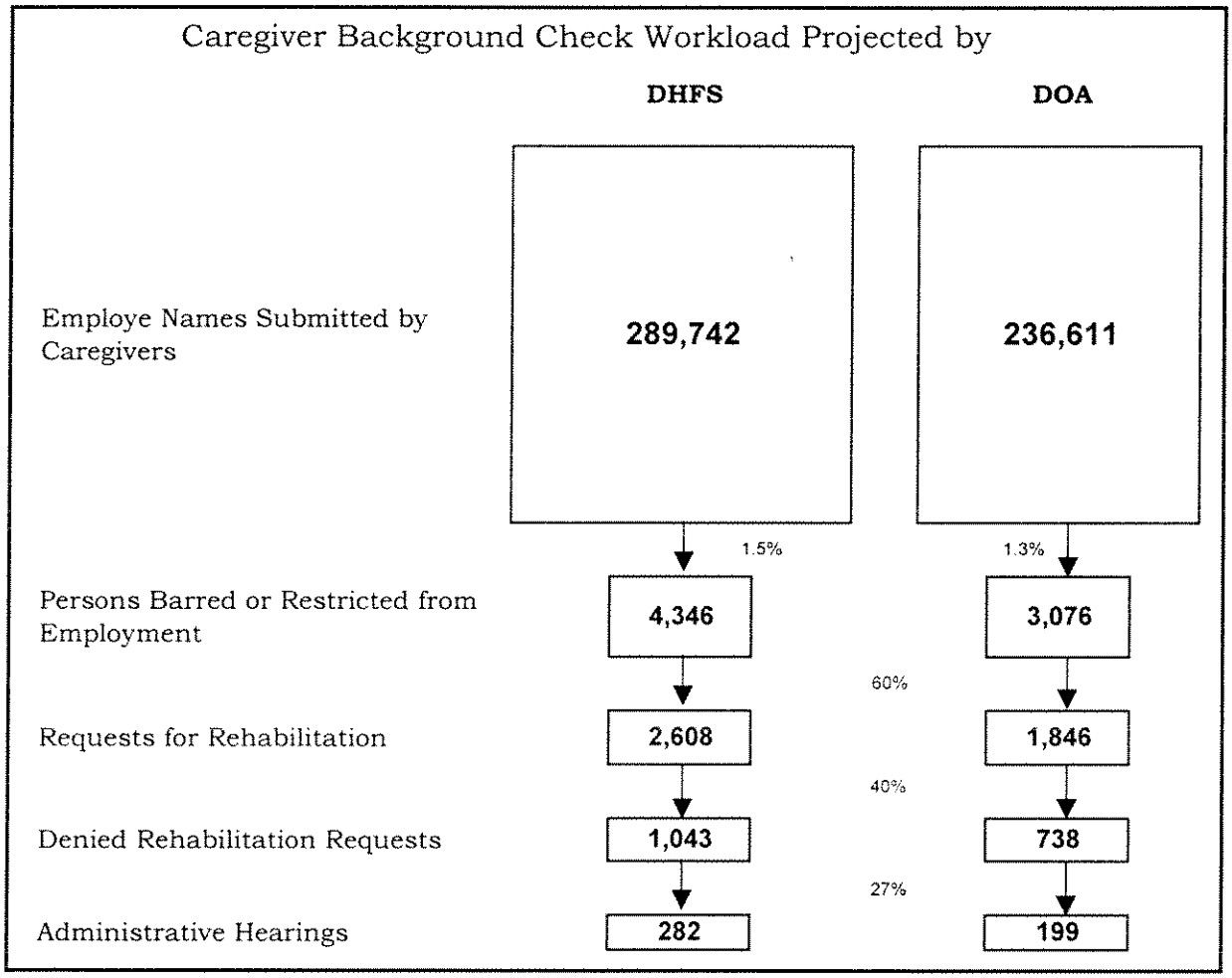
Beginning October 1, 1998, background checks will be mandatory for all persons who seek to be employed in the caregiving industry and for all persons who want to obtain or renew a license to provide care. By November 1, 1999, all existing employees/contractors and license holders must have fulfilled the caregiver background check requirements. Among other providers, the caregiving industry includes nursing homes, home health agencies, children and adult day care facilities, hospitals, foster homes, hospices, outpatient mental health and AODA facilities and community based residential facilities. The following discussion of the projected workload of adjudicating waiver requests includes both new and existing employes and providers.

Providers will submit these employe names to the Wisconsin Department of Justice and the DOJ will ensure that DHFS and the Department of Regulation and Licensing (DRL) are notified when names must be checked in DRL or DHFS files. The new law identifies specific crimes/offenses that bar individuals from employment and licensure. When a background check uncovers evidence of a covered offense or act, the person may be barred from employment or licensure.

Some people who are barred from employment may request a rehabilitation review. In this review the person must demonstrate by clear and convincing evidence and in accordance with procedures established by DHFS that he or she has been rehabilitated. The legislation lists (and DHFS is permitted to add by rule) some crimes, offenses or acts for which no rehabilitation requests may be made. Also, DHFS will deny the rehabilitation requests of some people. These people can request

an administrative hearing at which DHFS must represent the state.

The following illustration shows this process and the different workload assumptions used by DHFS and DOA.



As shown above, the request and this analysis differ in the number of employe names submitted by providers and the percent of these names that will be barred or restricted from employment. DHFS has a very broad interpretation of the applicability of the legislation. For example, DHFS believes that the legislation requires a hospital to submit the names of all of its employes for background checks and this would include even the names of , e.g., accountants and administrative staff who work in separate administrative facilities. This analysis takes a relatively more narrow view of what names providers will submit.

The projections also differ in the percent of the names submitted that will be barred or restricted from employment. Based on the effects of similar legislation in Minnesota, DHFS has estimated that 1.5% of the names submitted will be barred or restricted from employment. The DOA recommendation adjusts this percent by the difference in the crime rates of Minnesota and Wisconsin. (The Wisconsin crime rate

is 86% of the rate in Minnesota. Thus 86% of 1.5% is 1.3%.)

Not shown in the above illustration are the different estimates of staff time required to process requests for rehabilitation waivers. DHFS intends that two-person panels will adjudicate these requests and projects that each request will take 2.25 hours to process and 2.25 hours to review (for a total of 4.5 hours). It appears possible to streamline panel logistics and so this analysis estimates that each review will take approximately 3.1 hours (1.1 hours to process and 2.0 hours to review).

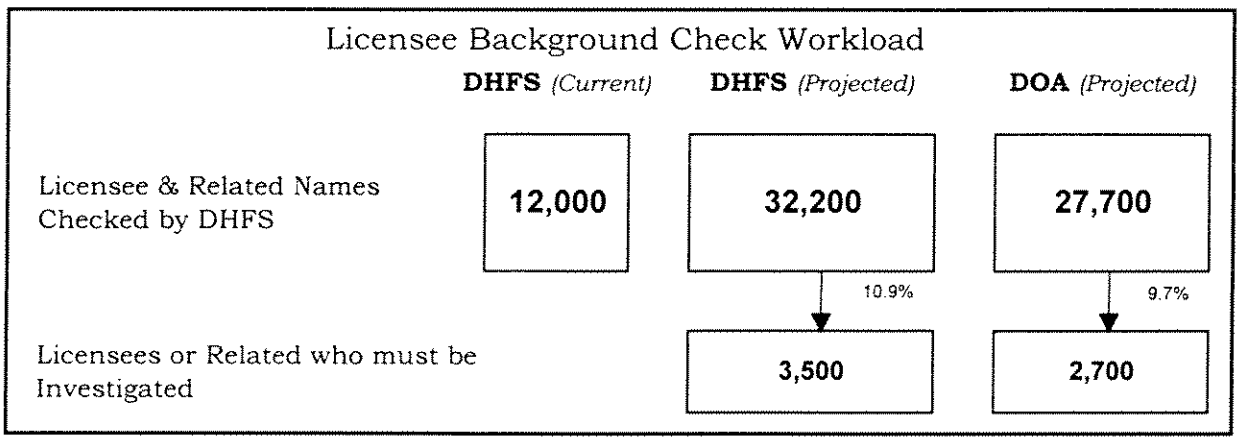
Based on all of the above, DHFS requests 8.5 FTE project positions (including 3.0 FTE attorneys) for this projected workload. This analysis suggests however, that 5.6 FTE project positions (including 2.0 FTE attorneys) would be sufficient to process the waivers.

Representing the State in Administrative Hearings

Individuals whose request for a waiver has been denied have the right to an administrative hearing. DHFS must have sufficient legal staff to represent the state in these hearings. The higher workload and incident rates assumed by DHFS produce an estimated need for 7.0 FTE project positions (5.0 FTE attorneys 1.0 FTE legal secretary and 1.0 FTE paralegal). In its request, DHFS appears to allocate almost all legal work to attorneys. However, that same request shows several areas where paralegal staff may be substituted for attorney staff. Based on the lower volume of work and a moderate substitution of paralegal for attorney staff, this analysis indicates that 4.5 FTE project positions (3.0 FTE attorneys 0.5 FTE legal secretary and 1.0 FTE paralegal) may be sufficient to process the projected workload.

Performing Background Checks on all Existing Providers

Just as providers must check the background of employes, DHFS must check the background of certain licensees (and colicensees and non-client residents). Under current law, DHFS checks the background of approximately 12,000 licensees (and colicensees) annually. The following illustration compares the current workload to DHFS and DOA projections under the new law.



This analysis makes several technical adjustments to the DHFS projected workload of 32,200 to remove some inadvertent duplicate counts of colicensees and non-client residents. Also, DHFS projects that 10.9% of these checks will produce evidence of criminal convictions, abuse findings, pending charges, or arrests or acts related to the crimes for which certain employment can be barred. When a background check yields this evidence, DHFS projects that it will take 12 person-hours of research and interviews to determine whether the person committed an act that would prohibit licensure under the legislation. This "10.9%" assumption and the associated 12 hour workload are based on the claim that every possible crime or arrest will require investigation. The DHFS interpretation of this legislation may be too broad. An alternative estimate is that only 9.7% of these checks will produce evidence worth pursuing and that only an average of 8 hours will be required to resolve ambiguous results.

DHFS requests 20.75 FTE project positions to check the background of existing licensee and related names. Using the adjusted workload and these more moderate assumptions, this analysis projects that only 7.4 FTE project positions are needed.

Correct an Oversight in an Automated System and Miscellaneous Mailing Costs

DHFS also requests $104,100 GPR and $17,500 FED in 1998-99 to complete work on "Phase 1" of the automated system for conducting background searches. This "Phase 1" cannot be completed as proposed because the original DHFS system design and subsequent development omitted a pivotal component.

DHFS did not prepare a detailed estimate or work schedule as part of its s. 13.10 request. The *ad hoc* estimate and schedule that DHFS then prepared at DOA's request appears to overestimate the work required to fix this oversight. In addition to a need for fewer staff, this analysis assumes that Child Care Development Funds are available for this systems work from the Department of Workforce Development. Therefore, this analysis suggests the oversight can be corrected for $81,600 ($52,000 GPR and $29,600 PRS).

DHFS also requests $39,500 PRO in 1998-99 to pay for the costs of mailing background check results to providers. This portion of the DHFS request assumes that all mailing costs will be incurred in 1998-99. Other sections of the DHFS analysis acknowledge that the background check workload will cross the 1998-99 to 1999-00 fiscal years boundary. After recalculating the 1998-99 need for this funding based on a more likely workload division across these fiscal years, this analysis finds that only $15,900 PRO is needed.

Recommendation and Summary

The next two tables summarize the request and recommendation.

	GPR	PR	FED	Total
Staff FTE Requested	35.4	-	4.8	40.2
Staff FTE Recommended	12.1	3.8	3.1	19.0

These are all FTE project positions with starting dates that range from November 1, 1998 to February 1, 1999. The 4.5 FTE positions to staff the administrative hearings process for the Office of Legal Counsel are requested for an initial 12 months. The other 14.6 FTE project positions are requested for an initial 13 months from their start date. All 19.0 FTE positions are requested with the understanding that DOA be granted the ability to authorize these positions for a total of no more than two years if the workload or processing times exceed projections.

	FY99				FY00			
	GPR	PR	FED	Total	GPR	PR	FED	Total
Funding Requested	1,148,500	39,500	154,300	1,342,300	401,100		53,700	454,800
Funding Recommended	404,600	152,400	99,900	657,000	233,000	71,600	60,900	365,600

The appendix shows the detailed list of recommended FTE positions and dollars by appropriation.

Source and Availability of Funds

The 1998-99 GPR recommended is available in the Joint Committee's s. 20.865(4)(a) appropriation. This appropriation originally contained $420,000 GPR for background check automation projects and $145,600 of that GPR is still available. This appropriation can also fund the remaining $259,000 because an additional $1.5 million was budgeted there for background checks even though it is currently included in the projected lapse from this appropriation.

This is possible because unbudgeted GPR-Earned in DHFS will more than offset the $259,000 general fund effect of using a portion of the $1.5 million. Recent changes in MA reimbursement practices at the DHFS institutions will generate at least $770,000 in unanticipated GPR-Earned in 1998-99.

As shown in the appendix, the $152,400 PR is composed of fees that DHFS will charge some licensees and of Child Care Development Funds in DWD. The $99,900 FED is Medical Assistance federal funding.

Prepared by: Jeffrey A. Geisler
267-7980

Appendix

DOA Recommended Funding and FTE Positions

	Numeric Appropriation			Project FTE						FY 99				FY 00			
	GPR	PR	FED	GPR	PR	FED	Total	Class	Initial Duration	GPR	PR	Fed	Total	GPR	PR	Fed	Total
Staffing																	
Background check processing																	
DSL	601		645	1.10	-	0.30	1.40	PA4	11/98 thru 11/99	$ 33,200	$ -	$ 9,500	$ 42,700	$ 15,900	$ -	$ 4,600	$ 20,500
	601		645	3.10	-	0.90	4.00	AA5	11/98 thru 11/99	$ 114,100	$ -	$ 32,800	$ 146,900	$ 61,800	$ -	$ 17,700	$ 79,500
DCFS		367		-	0.40	-	0.40	PA4	11/98 thru 11/99	$ -	$ 14,300	$ -	$ 14,300	$ -	$ 5,900	$ -	$ 5,900
		367		-	1.20	-	1.20	AA5	11/98 thru 11/99	$ -	$ 48,000	$ -	$ 48,000	$ -	$ 23,900	$ -	$ 23,900
DPH	101			0.40	-	-	0.40	AA5	11/98 thru 11/99	$ 17,600	$ -	$ -	$ 17,600	$ 8,000	$ -	$ -	$ 8,000
Rehabilitation Reviews																	
Intake OLC	801	867	845	0.95	0.30	0.25	1.50	PA4	12/98 thru 12/99	$ 25,900	$ 7,700	$ 6,900	$ 40,600	$ 16,900	$ 5,000	$ 4,500	$ 26,400
Panel Review																	
OLC	801	667	845	1.30	0.40	0.30	2.00	Attorney	12/98 thru 12/99	$ 34,700	$ 10,400	$ 9,300	$ 54,400	$ 24,400	$ 7,300	$ 6,500	$ 38,200
DSL	601		645	2.10	-	0.60	2.70	AA5	12/98 thru 12/99	$ 55,200	$ -	$ 15,900	$ 71,100	$ 37,500	$ -	$ 10,800	$ 48,300
DCFS		367		-	0.60	-	0.60	AA5	12/98 thru 12/99	$ -	$ 17,400		$ 17,400	$ -	$ 10,700	$ -	$ 10,700
DPH	101			0.30	-	-	0.30	PA4	12/98 thru 12/99	$ 11,200	$ -		$ 11,200	$ 5,400	$ -	$ -	$ 5,400
Appeals OLC	801	867	845	1.90	0.60	0.50	3.00	Attorney	2/99 thru 01/00	$ 39,900	$ 11,900	$ 10,700	$ 62,500	$ 42,700	$ 12,700	$ 11,400	$ 66,900
	801	867	845	0.30	0.10	0.10	0.50	Lgl Sec	2/99 thru 01/00	$ 6,700	$ 2,000	$ 1,800	$ 10,500	$ 5,000	$ 1,500	$ 1,300	$ 7,800
	801	867	845	0.60	0.20	0.20	1.00	Paralgl	2/99 thru 01/00	$ 14,100	$ 4,200	$ 3,800	$ 22,100	$ 15,400	$ 4,600	$ 4,100	$ 24,100
Subtotal				**12.05**	**3.80**	**3.15**	**19.00**			**$ 352,600**	**$ 115,900**	**$ 90,700**	**$ 559,300**	**$ 233,000**	**$ 71,600**	**$ 60,900**	**$ 365,600**
IT Costs																	
IBIS Mailing Costs		635									$ 16,100		$ 16,100				
Programming costs	601		655							$ 52,000		$ 9,200	$ 81,600				
		667									$ 20,400						
Subtotal IT Costs										$ 52,000	$ 36,500	$ 9,200	$ 97,700				
Total Staffing and IT				**12.05**	**3.80**	**3.15**	**19.00**			**$ 404,600**	**$ 152,400**	**$ 99,900**	**$ 657,000**	**$ 233,000**	**$ 71,600**	**$ 60,900**	**$ 365,600**

State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary

September 2, 1998

The Honorable Tim Weeden
Senate Co-Chair, Joint Committee on Finance
1 East Main St., Room 230
Madison, WI 53702

The Honorable John Gard
Assembly Co-Chair, Joint Committee on Finance
Room 315 North, State Capitol
Madison, WI 53702

Dear Senator Weeden and Representative Gard:

Under the provisions of s.13.10, the Department requests that the Committee supplement, from its appropriation under s. 20.865(4), the Department's appropriation under s.20.435(8)(a), in the amount of $1,148,500 GPR in FY 99 and $401,100 GPR in FY 00, along with 35.00 FTE GPR in project position authority. The Department also requests $39,500 PRO in FY 99 in the appropriation under s. 20.435(6)(jm). Through a separate s. 16.54 request to the Department of Administration, the Department will also request $154,300 FED spending authority in FY 99 and $53,700 FED in FY 00 plus 5.25 FTE FED project positions in the appropriation under s. 20.435(8)(n). The funding and positions are requested to perform workload and develop information technology systems mandated by caregiver background check legislation included in 1997 Act 27.

Background

In 1997 Act 27, the 97-99 Biennial Budget, the Legislature established requirements in state law intended to strengthen protections for children and vulnerable adults in organized care settings. The provisions require, among other things, that designated caregivers request DOJ criminal background record checks, DHFS abuse registry checks, and DRL professional license database checks on all new and existing staff and bars them from employing anyone with certain records or findings in those databases. DHFS and (for certain child care facilities) counties and local school boards must perform checks on a provider before issuing a license or other credential. Act 27 mandates that checks for new providers and employees begin in October 1998 and that all existing providers and staff be checked by October 1999.

1 West Wilson Street • Post Office Box 7850 • Madison, WI 53707-7850 • Telephone (608) 266-9622

Individuals who have committed prohibited crimes or acts may apply to the Department for a waiver of the penalties upon evidence of rehabilitation.

The Department expects to experience a substantial, for the most part one time, workload to comply with the legislation's requirements between now and October 1999 in three areas: 1) to perform background checks on all existing providers; 2) to review and issue decisions on rehabilitation requests; and 3) to represent the Department in administrative hearings for people who appeal denials of rehabilitation. The extent of this workload was not fully understood at the time of the passage of Act 27, and thus the biennial budget did not provide funding or staff for it.

Also included in the Department's request is $104,100 GPR and $17,500 FED in FY 99 to complete work on "Phase 1" of the Department's automated system for conducting background searches of databases in the three agencies. DHFS development staff have concluded that the work required to access information in one of the Department's licensing databases is more complex that originally assumed, requiring additional programming time.

It is estimated that the Department will perform checks on 32,000 providers over the next year, or 20,000 more than the number certain DHFS licensing programs performed before the new background check legislation . These checks will involve an electronic search of databases in three agencies via a computer system developed by DHFS staff. For the ten percent of cases where the search will return criminal convictions, abuse findings, pending charges, or arrests, Department staff will have to perform an additional 12 hours of research and interviews to determine whether the person committed an act or offense that would prohibit licensure under the legislation.

Counting both providers and employees, an estimated 300,000 individuals will undergo background checks by October 1999. Drawing from Minnesota's experience with similar legislation, the Department has assumed that 1.5% of these individuals will be banned from employment and that a majority of those banned will apply to the Department for a waiver by demonstrating rehabilitation. Based on these assumptions, the Department can expect to receive almost 300 requests for waivers per month over the next year. The current draft of the DHFS administrative rule requires that two person Department panels review each request and return a decision within 90 days. The Department estimates that it will take each panel over two hours to review and make a decision for each request. Several panels will be reviewing requests simultaneously over the next year.

The legislation provides individuals who have been denied rehabilitation the right to a contested administrative hearing. Because such a denial has a major effect on a person's future, it is estimated that a significant number, approximately 10% of rehabilitation requests, will reach the administrative hearing stage. DHFS must have sufficient legal staff to represent the Department in these hearings. Assuming an average of six days for each attorney to prepare and participate in each hearing, the Department requires 5.0 FTE attorneys to complete at least half of the appeals received this year.

The attached spreadsheet shows in detail the staff positions required and the functions they would perform.

I understand this represents a major request of funds and positions. However, the request clearly meets the criteria under s. 13.101(3). The Department cannot meet the statutory deadline for completing background checks with existing staff without serious neglect of its other programmatic responsibilities. Without sufficient staff for rehabilitation requests and appeals, the Department will very quickly accumulate an unacceptable backlog of cases, which will defeat the purposes of the legislation. Because existing staff and providers will be allowed to work or operate pending resolution of their requests, the Department will be unable to promptly remove potentially abusive individuals from care settings. It will also be unable to promptly adjudicate the claims of individuals who have a legitimate right to waivers under the legislation. The funds requested for the background check information system are needed in order to search for information specified in the legislation.

Executive Assistant John Kiesow will represent the Department at the Committee's September 24th meeting. Thank you for considering this request.

Sincerely,

Joe Leean

Joe Leean
Secretary

	FTE	Class	Duration	FY 99 GPR	FY 99 PRO	FY 99 Fed	FY 99 Total	FY 00 GPR	FY 00 PRO	FY 00 Fed	FY 00 Total
Staffing											
Background check processing											
DSL	1.75	PA4	11/98 thru 9/99	$ 37,500		$ 10,800	$ 48,300	$ 12,500		$ 3,600	$ 16,100
	8.25	AA5	"	$ 232,000		$ 66,500	$ 298,500	$ 77,300		$ 22,200	$ 99,500
DCFS	1.00	PA4	"	$ 27,600			$ 27,600	$ 9,200			$ 9,200
	7.75	AA5	"	$ 305,900			$ 305,900	$ 102,000			$ 102,000
DPH	-	PA4	"	$ -			$ -	$ -			$ -
	2.00	AA5	"	$ 78,900			$ 78,900	$ 26,300			$ 26,300
Rehabilitation Reviews											
Intake OLC	4.00	PA4	12/98 thru 9/99	$ 80,100		$ 13,500	$ 93,600	$ 34,300		$ 5,800	$ 40,100
Panel Review											
OLC	3.00	Attorney	12/98 thru 9/99	$ 64,600		$ 10,900	$ 75,500	$ 27,600		$ 4,700	$ 32,300
DSL	3.00	AA5	"	$ 55,300		$ 15,900	$ 71,200	$ 23,700		$ 6,800	$ 30,500
DCFS	2.00	AA5	"	$ 47,500			$ 47,500	$ 20,300			$ 20,300
DPH	0.50	PA4	"	$ 11,900			$ 11,900	$ 5,100			$ 5,100
Appeals OLC	5.00	Attorney	2/99 thru 9/99	$ 76,900		$ 12,900	$ 89,800	$ 46,100		$ 7,800	$ 53,900
	1.00	Lgl Sec	"	$ 11,300		$ 1,900	$ 13,200	$ 6,800		$ 1,100	$ 7,900
	1.00	Paralgl	"	$ 14,900		$ 4,400	$ 19,300	$ 9,900		$ 1,700	$ 11,600
Total	**40.25**			**$ 1,044,400**		**$ 136,800**	**$ 1,181,200**	**$ 401,100**		**$ 53,700**	**$ 454,800**
IT Costs											
IBIS Mailing Costs					$ 39,500		$ 39,500				
Programming costs				$ 104,100		$ 17,500	$ 121,600				
Total IT Costs				$ 104,100	$ 39,500	$ 17,500	$ 161,100	$ -	$ -	$ -	$ -
Total Staffing and IT	**40.25**			**$ 1,148,500**	**$ 39,500**	**$ 154,300**	**$ 1,342,300**	**$ 401,100**	**$ -**	**$ 53,700**	**$ 454,800**

withdrawn

II. Department of Commerce -- Christopher Mohrman, Executive Assistant

The department requests authorization of 1.0 GPR FTE Program and Planning Analyst 4 project position ending January 1, 2000, and a supplement of $54,000 GPR from the Committee's appropriation under s. 20.865(4)(a), to the appropriation under s. 20.505 (4) (fm), to assist in the administration of the Wisconsin Promise Challenge Grants Program.

Governor's Recommendation

Modify the request. Approve 1.0 GPR FTE Program and Planning Analyst 4 project position. Reallocate funding for the position within the Wisconsin Promise Challenge Grants appropriation under s. 20.505 (4) (fm).

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864

Date: September 18, 1998

To: Members, Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Commerce for 1.0 FTE project position and $54,000 GPR to administer the Wisconsin Promise Challenge Grants Program.

Request

The department requests authorization of 1.0 GPR FTE Program and Planning Analyst 4 project position ending January 1, 2000, and a supplement of $54,000 GPR from the Committee's appropriation under s. 20.865(4)(a), to the appropriation under s. 20.505 (4) (fm), to assist in the administration of the Wisconsin Promise Challenge Grants Program.

Background

1997 Act 237 created the Wisconsin Promise Challenge Grants Program and provided $424,000 GPR, in a continuing appropriation under s. 20.505 (4) (fm), to support grants to countywide consortiums which provide resources to mentor, nurture, protect, teach and serve underprivileged youth. The program is administered by the National Community Service Board (NCSB). Although the NCSB is currently housed in the Department of Administration (DOA), a Memorandum of Understanding between DOA and the Department of Commerce (Commerce) authorizes Commerce to act as the administrative agency.

Under the Wisconsin Promise Challenge Grants Program, NCSB may award grants of not less than $3,000 and not more than $15,000 to countywide consortiums based on the number of underprivileged youth they serve. The consortiums must match the grant with a cash amount not less than twice the amount of the grant. The grant money may be used to identify organizations providing the specified resources, develop a coordinated plan to provide resources, identify people who want to receive technical assistance or training, coordinate and supervise training and technical assistance, or document the provision of resources and their outcomes. The NCSB may spend any of the funding not awarded for grants to contract for the provision of training and technical assistance. The Wisconsin Promise Challenge Grants program is scheduled to sunset on January 1, 2000.

Analysis

The NCSB currently has two staff positions, 1.0 PR-F FTE Administrative Officer and 1.0 PR-F FTE Program and Planning Analyst 4, funded by a federal administrative grant. In addition to the Wisconsin Promise Challenge Grants program, NCSB is responsible for Learn and Serve and AmeriCorps projects and the Wisconsin Promise program, which coordinates efforts to provide programs for underserved youth and promote volunteerism in Wisconsin. These programs account for between 40 and 50 grants annually. The NCSB also provides in-house training for the AmeriCorps program.

The Wisconsin Promise Challenge Grants program could receive applications from all 72 counties. More than one consortium could apply from any given county. However, if multiple requests from one county exceed the $15,000 grant maximum, the NCSB anticipates choosing one consortium for that county. All awards are expected to be made before January 1, 2000, when the program sunsets.

The funding needs for the position are as follows:

Salary	$32,400
Fringe	$11,700
Supplies and Services	$ 2,900
One-time Costs	$ 7,000
TOTAL	**$54,000**

While the request addresses the need for staff resources to administer the Wisconsin Promise Challenge Grants program, it also seeks $54,000 GPR annually for the duration of the position. Given the current and projected condition of the general fund, reallocation of current GPR is an alternative which would provide for the position without further strain on limited state resources. The Committee could authorize the 1.0 GPR FTE project position and direct the department to reallocate a sufficient amount of GPR from the Wisconsin Promise Challenge Grants appropriation under s. 20.505 (4) (fm) to fund the position.

Recommendation

Modify the request. Approve 1.0 GPR FTE Program and Planning Analyst 4 project position. Reallocate funding for the position within the Wisconsin Promise Challenge Grants appropriation under s. 20.505 (4) (fm).

Prepared by: Sarah Justus
266-7329

11

Wisconsin
Department of Commerce

P. O. Box 7970
Madison, Wisconsin 53707
(608) 266-1018

Tommy G. Thompson, Governor
William J. McCoshen, Secretary

September 2, 1998

The Honorable John Gard
Co-Chair, Joint Committee on Finance
State Capitol, Room 315 North
Madison, WI 53702

The Honorable Timothy Weeden
Co-Chair, Joint Committee on Finance
One East Main Street, Room 203 East
Madison, WI 53702

SUBJECT: Section 13.10 Request for 1.0 FTE Project Position Authorization and Funding to Administer Wisconsin Challenge Grant Program

Dear Co-Chairs:

Request and Funding Source: The Department of Commerce requests authorization to create a 1.0 FTE project position and $54,000 in funding for the position to administer the Wisconsin Challenge Grant Program. The funding will come out of s. 20.505 (4) (fm), which is the grant appropriation.

Background: 1997 Wisconsin Act 237 (the budget adjustment bill) created the Wisconsin Challenge Grant Program and funded it with $424,000 GPR. The act did not provide a position or funding to administer the program.

The act directs the National Community Service Board (NCSB) to award grants to countywide consortiums. The grants are to be awarded based the number of targeted youth served who would receive five fundamental resources as a result of the consortium's efforts. The grant amounts may potentially range from $3,000 to $15,000 based on the number of targeted underserved youth served. The program sunsets on January 1, 2000.

In the fall of 1997, the Department of Commerce entered into a Memorandum of Understanding with the Department of Administration to administer the NCSB. As a new function and new program, the Department does not have the staff or resources to administer the Wisconsin Challenge Grant Program under existing staff and budgetary resources. The act provides that grants be made to countywide consortiums. Potentially, there may be consortiums in all 72 counties. In addition, the relatively small size of the grants ($3,000-$15,000) increase the likelihood for a significant number of small grants, which will require substantial staff time and resources to review and administer. In absence of existing staff and resources to administer a state-wide grant program of relatively small grants, the Department requests position authorization and funding for 1.0 project position. There is a current need for the position so that the program can be started and completed by the January 1, 2000 deadline. It is requested that the project position extend through January 1, 2000.

The funding request is broken down as follows:

Salary:	$32,400
Fringes:	$11,700
Supplies & Services:	2,900
One-time Costs	7,000
Total:	$54,000

Mr. Christopher Mohrman, the Executive Assistant, will represent the Department at the meeting. Mr. Mohrman will be pleased to respond to any questions or concerns.

Sincerely,

for William J. McCoshen
Secretary

III. Department of Commerce -- Christopher Mohrman, Executive Assistant

Pursuant to s. 560.797(2)(d), the department requests authorization to designate 50 additional Enterprise Development Zones to provide tax credits to businesses that create or retain jobs for target group members.

Governor's Recommendation

Modify the request to authorize 25 new zones for a total of 75.

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864

Date: September 18, 1998

To: Members, Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Commerce for authorization of an additional 50 Enterprise Development Zones.

Request

Pursuant to s. 560.797(2)(d), the department requests authorization to designate 50 additional Enterprise Development Zones to provide tax credits to businesses that create or retain jobs for target group members.

Background

Authorized in 1995 Act 27, the Enterprise Development Zone (EDZ) program provides tax credits to businesses that conduct or intend to conduct economic activity which is likely to create or retain jobs for target group members. Target group members include: vocational rehabilitation clients, economically disadvantaged youth, economically disadvantaged Vietnam-era veterans, Supplemental Security Income (SSI) recipients, economically disadvantaged ex-convicts, qualified summer youth employees, dislocated workers, workers unemployed as a result of a plant closing or layoff, W2 participants, and residents of a federally designated enterprise community.

A business may apply with the Department of Commerce (Commerce) to receive designation as an EDZ. If approved, the business is designated for a period of time, not to exceed seven years, during which it can claim development zone tax credits. Currently, a business may claim credits for each job created or retained of up to $6,500 for a target group member or up to $4,000 for non-target group members. The department allocates the total amount of credits available up to $3 million per business.

When the EDZ program was created, Commerce was authorized to designate a total of 50 zones. Authorization of additional zones requires approval of the Joint Committee on Finance. Currently, 42 zones have been designated and tax credits totaling $72.4 million have been allocated. Commerce currently has 16 applications in the review process. The department expects to designate the 8 remaining zones by the end of 1998.

Analysis

The 42 businesses currently designated as EDZs plan to create 11,533 jobs, retain 18,869 jobs and invest $1.37 billion in Wisconsin. The cost of these zones is $72.4 million in foregone tax revenue. Commerce estimates that another 50 EDZs would be allocated approximately the same amount of tax credits, $72 million. It is unknown if the rate of job creation, retention, and investment would be maintained relative to the amount of tax credits allocated. Because the designated business can claim tax credits over a period of up to seven years, it is not known how the loss of tax revenue would be distributed over future fiscal years. Given the condition of the general fund, loss of tax revenue to the extent predicted may place fiscal constraints on the state in the current and future biennia.

Based on the rate of zone allocation over the last 24 to 30 months the program has been in operation, an additional 50 zones may be premature. A smaller authorization would balance the job creation and retention benefits of the program with concerns about the long-term impact on state tax revenues. Assuming that 42 zones have been allocated over the last 24 months, an additional 20 to 25 zones should give the department sufficient flexibility to address economic development issues over the next 12 to 18 months.

Recommendation

Modify the request to authorize 25 new zones for a total of 75.

Prepared by: Sarah Justus
266-7329

Wisconsin
Department of Commerce

P. O. Box 7970
Madison, Wisconsin 53707
(608) 266-1018

Tommy G. Thompson, Governor
William J. McCoshen, Secretary

September 2, 1998

The Honorable John Gard
Co-Chair, Joint Committee on Finance
State Capitol, Room 315 North
Madison, WI 53702

The Honorable Timothy Weeden
Co-Chair, Joint Committee on Finance
One East Main Street, Room 203 East
Madison, WI 53702

SUBJECT: Section 13.10 Request for Authorization of Additional Enterprise Development Zones

Dear Co-Chairs:

Request: The Department of Commerce requests authorization to designate 50 additional Enterprise Development Zones, which will increase the number of zones that may be designated to 100.

Funding Source: No additional funds are requested in connection with this request.

Background: Section 560.797 (2) (d) of the statutes states that the Department of Commerce may not designate more than 50 Enterprise Development Zones (EDZs) unless it obtains the approval of the Joint Committee on Finance.

The enterprise development zone program was authorized in 1995 Wisconsin Act 27. The legislation authorized a total of 50 zones with a maximum of $3 million in tax credits for each zone. Commerce expects to utilize all 50 zones by the end of 1998. These zones are site-specific; each zone contains only one business. The program is targeted at areas of high distress. New EDZs are being designated on a regular basis. Businesses may claim up to $4,000 for creating or retaining a job for a non-target group member, and up to $6,500 for creating or retaining a job for a target group member. Target group members are:

- Vocational rehabilitation referrals;
- Economically disadvantaged youths;
- Economically disadvantaged Vietnam-era veterans;
- Supplemental Security Income (SSI) recipients;
- General Assistance recipients;
- Economically disadvantaged youths participating in a cooperative education program;
- Economically disadvantaged ex-convicts;
- Qualified summer youth employees;
- Dislocated workers;
- Workers unemployed as a result of a plant closing or layoff;

- Wisconsin Works—W2 participants;
- A resident of a federally designated enterprise community (Milwaukee only).

Since August of 1995, Commerce has designated 42 EDZs across the state. These tend to be very large projects that create or retain hundreds or even thousands of jobs. Jobs are statutorily required to be full-time and to pay at least 150% of the federal minimum wage. A business can only claim tax credits after it has created or retained jobs.

The EDZ program has proven to be a very valuable economic development tool in Wisconsin. Because of the program, the 42 participating businesses plan to create 11,533 jobs, retain 18,869 jobs, and invest $1.37 billion. Commerce sets tax credit limits for zones based on the number of jobs to be created or retained and the average pay of those jobs. The tax credit limits that Commerce has allocated for the zones range from $426,000 to $3 million. In total, Commerce has allocated $72.4 million in credits to the zones.

Mr. Christopher Mohrman, the Executive Assistant, will represent the Department at the meeting. Mr. Mohrman will be pleased to respond to any questions or concerns.

Sincerely,

for William J. McCoshen
Secretary

IV. Department of Transportation -- Charles H. Thompson, Secretary

The department, pursuant to s. 341.409, requests approval to enter into a reciprocal motor vehicle registration exemption agreement with the Oneida Tribe of Wisconsin.

Governor's Recommendation

Approve the request.

IV

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864

Date: September 18, 1998

To: Members, Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Transportation Approval to enter into a Reciprocal Registration Exemption Agreement.

Request

The department, pursuant to s. 341.409, requests approval to enter into a reciprocal motor vehicle registration exemption agreement with the Oneida Tribe of Wisconsin.

Background

Section 341.409, Wisconsin Statutes, provides authority to enter into reciprocal registration agreements with the governing body of federally recognized Indian bands or tribes. The Joint Committee on Finance must grant approval prior to the Department of Transportation entering into a registration agreement of this nature. Under such an agreement, vehicle registration by the Oneida tribal governing body will be recognized by the State of Wisconsin.

Currently, two Wisconsin Indian tribes have established reciprocal registration agreements with the state. In 1979, the state informally recognized the Menominee Indian tribal vehicle registration system. That reciprocity was formally recognized by the creation of s. 341.409 in 1983. In 1994, the Lac du Flambeau band of the Chippewa Indian tribe reached an agreement with the state for vehicle registration reciprocity.

Analysis

Under a reciprocal registration agreement, the vehicles of tribal members would no longer require state registration. As such, vehicle registration fees would no longer be paid into the transportation fund. According to Oneida tribal officials, based on the number of potential drivers, approximately 2,000 vehicles may be affected by the agreement. Assuming that all of these vehicles are automobiles, the revenue loss associated with this agreement is estimated at $90,000 annually.

With approval of this request, 3 of 11 federally recognized Indian tribes in Wisconsin will be operating under a reciprocal registration exemption agreement with the state.

Recommendation

Approve the request.

Prepared by: David P. Schmiedicke
266-1040

IV

Wisconsin Department of Transportation

Tommy G. Thompson
Governor

Charles H. Thompson
Secretary

OFFICE OF THE SECRETARY
P. O. Box 7910
Madison, WI 53707-7910

August 28, 1998

Senator Timothy Weeden
Joint Committee on Finance
1 East Main Street
Room 203
Madison, WI 53707-7882

Representative John Gard
Joint Committee on Finance
State Capitol
315 North
Madison, WI 53707-8952

Dear Senator Weeden and Representative Gard:

Summary of Request

The Department of Transportation requests approval from the Joint Committee on Finance to enter into a reciprocal registration exemption agreement with the Oneida Tribe of Indians of Wisconsin. Section 341.409, Wisconsin Statutes, provides authority for these agreements with the governing body of any federally recognized Indian band or tribe. Under the terms of this agreement, the Oneida will have their registration associated with a variety of vehicle license plate types recognized by the State of Wisconsin.

The estimated revenue impact on the Transportation Fund, resulting from this agreement, is an approximate annual decrease of $90,000 (estimate provided by the Oneida Tribe).

Background of Request

In many cases, Indian tribes are considered to have inherent sovereignty over tribal members. Subsequently, tribes have enacted and enforced their own motor vehicle ordinances. Federal law 280 allows states certain criminal and civil authority on Indian reservations. Court decisions have further defined this authority to provide concurrent jurisdictional status which requires the states and tribes to define their relationships with each other.

In 1979, the Menominee Indian tribe began issuing their own license plates. Absent any statutory authority, the Department informally provided reciprocal recognition of Menominee license plates. The Division of Motor Vehicles agreed to advise other jurisdictions, law enforcement agencies and vehicle dealers of the Menominee registration program. In 1983, section 341.409, Wisconsin Statutes, was created to

formally recognize reciprocal agreements between the Department and any federally recognized tribe or band. In 1984, the Department, with the approval of the Joint Committee on Finance, signed the state's first formal reciprocal agreement with the Menominee Indian tribe. After agreement enactment, the Menominee tribe adopted a series of resolutions creating its own tribal motor vehicle code. This agreement has served the state and band well for the past 14 years.

In 1993, the Department again approached the Committee on Joint Finance for approval to enter into an agreement with the Lac du Flambeau band of the Lake Superior Chippewa. Approval was granted and the agreement was signed and enacted in January 1994. Since that time, this agreement has also been productive for the band and the State.

With approval of this request, 3 of the 11 federally recognized Indian tribes in Wisconsin will be operating under a reciprocal registration exemption agreement with the state.

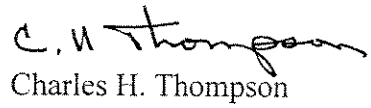
Statutory Provision

Under 341.409, Wisconsin Statutes, reciprocal registration exemption agreements for federally recognized Indian tribes or bands, the secretary of DOT with the approval of the Joint Committee on Finance may enter into a reciprocal registration exemption agreement with the governing body of any federally recognized Indian tribe or band.

In accordance with the provisions of s.341.409, the Department requests the Joint Committee on Finance consider approving the proposed Oneida agreement at its quarterly meeting on September 24, 1998.

We will be happy to provide any additional information the committee may require.

Sincerely,



Charles H. Thompson
Secretary

CHT:ehg

V. Office of the Commissioner of Railroads -- Rodney Kruenen, Commissioner

The Office of the Commission of Railroads requests a supplement of $500,000 SEG-F to the s.20.395 (2) (gx) appropriation for Railroad Crossing Improvement, Federal Funds.

Governor's Recommendation

Approve the request.

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864

V

Date: September 18, 1998

To: Members, Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: Section 13.10 Request from the Office of the Commissioner of Railroads for $500,000 additional funding for Railroad Crossing Improvement

Request

The Office of the Commission of Railroads requests a supplement of $500,000 SEG-F to the s.20.395 (2) (gx) appropriation for Railroad Crossing Improvement, Federal Funds.

Background

The Office of the Commissioner of Railroads has the responsibility to protect public safety at railroad crossings. The Commissioner on its own initiative or on petition by the Department of Transportation, local government or 5 citizens investigates whether railroad grade crossings are adequate to protect public safety. The Commissioner may order the installation of railroad grade crossing signals or other safety devices. The cost of installing such an ordered signal or device shall be paid by the Department of Transportation from the appropriations under s.20.395 (2) (gj), (gr) or (gx).

Currently, $1,849,300 is estimated as federal funds received under s.20.295 (2) (gx], a SEG-C appropriation. Of this amount, the Department of Transportation currently allocates $1,000,000 for OCR ordered projects. The requested supplement would increase this allocation to $1,500,000.

Analysis

Rail traffic volume and rail speed has increased dramatically in Wisconsin. Much of the increased rail traffic also corresponds with increased highway traffic at specific rail/highway crossings. As a consequence, there is a magnified accident at inadequately controlled crossings.

The Office of the Commissioner of Railroads currently has a backlog of 35 crossings where new signals have been ordered but funds are unavailable. The need to upgrade crossings for needed safety improvements is now increasing at a faster than funds are available to make the improvements. At current rates, an

OCR ordered upgrade will wait and average of three years before new signals can be installed. The lag between order and improvement places the public at risk. For example, the City of Waukesha has two railroad crossings already under Commissioner order for safety improvement awaiting improvement. In the meantime, at yet a third rail/highway intersection a accident occurred on September 2nd.

The Commissioner has identified a priority list of ten specific locations for allocating the additional funds.

Date of OCR Order	Community	Railroad	Street	Cost Estimate
May 94	Junction City	Wisconsin Central	STH 34	130,000
Jun 94	Stevens Point	Wisconsin Central	Clark St.	130,000
Sep 96	Milton	Wisc. & Southern	Hilltop Rd.	100,000
Jun 97	Lomira	Wisconsin Central	STH 49	130,000
Sep 97	Grand Chute	Wisconsin Central	CTH BB	130,000
Sep 97	Waukesha	Union Pacific	STH 164	130,000
Sep 97	Clinton	Union Pacific	STH 140	130,000
Nov 97	Columbus	Soo Line	STH 73	60,000
Nov 97	Waukesha	Wisconsin Central	Lonsdale	130,000
Feb 98	Oshkosh	Wisconsin Central	24th St.	130,000
		Total for listed Projects		1,200,000

The request meets the statutory criteria for a supplement under s. 13.10. Continuing delay in installing safety devices places the public at risk. Furthermore, existing funds allocated under s.20.395 (2) (gx) is insufficient to keep pace with ordered improvements. Additional funds are necessary to remove the backlog of ordered projects.

Recommendation

Approve the request

Prepared by: John Koskinen 266-2081 Dave Schmiedicke 266-1040

V

Office of the Commissioner of Railroads

610 N. Whitney Way
P.O. Box 8968
Madison, WI 53708-8968

Rodney W. Kreunen, Commissioner

Tel: (608) 266-7607
Fax: (608) 261-8220
TTY (608) 267-1479

September 2, 1998

Dan Caucutt
Department of Administration
Division of executive Budget and Finance
101 East Wilson Street, 10th Floor
Madison, Wisconsin

Re: Request under s. 13.10 Stats., to provide the Office of the Commissioner of Railroads with $500,000 additional funding in the appropriation for railroad crossing improvement in 20.395 (2) (gx).

Dear Mr. Caucutt:

I am writing to request a transfer of funds under s. 13.10 of an additional $500,000 to the amount stated in 20.395 (2) (gx) for the installation of automatic warning devices at certain rail/highway crossings during the current fiscal year. This money is needed to fund the installation of automatic flashing lights at certain rail/highway crossings identified by my agency, the Office of the Commissioner of Railroads (OCR). This additional funding could be allocated from the increased federal aid the State of Wisconsin has received from Washington.

Section 20.395 (2) (gx) of the current fiscal budget allocates $1.89 million to fund the installation of railroad crossing signals ordered by the OCR. The OCR and the Wisconsin Department of Transportation (DOT) divide this money with the OCR getting $1 million per year for signal projects it selects and DOT receives $890,000. A typical signal installation costs about $100,000 per crossing.

The OCR has a backlog of some 35 crossings where signals have been ordered, but funding is unavailable. Under s. 195.28 Stats., the OCR typically responds to requests from local governments for improved warning devices at rail/highway crossings in their communities.[1] Rail traffic volume and speed in Wisconsin has increased dramatically at locations throughout the state. In conjunction with steadily increasing highway traffic, this increase in railroad operations has caused an increase in local demand for safety improvements at railroad crossings.

As a result, the demand and need for new crossing signals has far outstripped the available funds. The waiting period for a new signal installation typically runs 3 years. In other words, if the OCR identified today a crossing as unsafe and in need of new crossing signals, the signals would not be installed until 2001 due to lack of sufficient funding. I have identified 10 specific locations where the increased funding we are requesting could be used.

[1] The OCR can also act on its own motion and at the request of a group of 5 citizens.

Railroad[2]	OCR Docket	Date of OCR Order	Community	Street Name	Work Needed	Deadline	Estimated Cost	
UP	9040-RX-1089	09/15/97	Clinton	STH 140	GATES	12/31/98	$130,000	x GM
WCL	9164-RX-159	05/24/94	Junction City	STH 34	GATES	12/31/97	$130,000	
WCL	9164-RX-164	06/07/94	Stevens Pt.	Clark Street	GATES	12/31/97	$130,000	
WCL	9005-RX-71	09/02/97	Grand Chute	CTH BB	GATES	03/02/98	$130,000	
WCL	9164-RX-323	11/25/97	Waukesha	Lonsdale	GATES	12/31/99	$130,000	x
WCL	9164-RX-321	06/10/97	Lomira	STH 49	GATES	12/31/99	$130,000	
WCL	9164-RX-320	02/03/98	Oshkosh	24TH Street	GATES	12/31/99	$130,000	x
UP	9040-RX-1104	09/02/97	Waukesha	STH 164	GATES	12/31/99	$130,000	
Soo Line	9150-RX-477	11/21/97	Columbus	STH 73	CIRCUITRY	07/15/99	$ 60,000	
WSOR	9163-RX-125	09/18/96	Milton	Hilltop Road	SIGNALS	12/31/98	$100,000	
							$1,200,000	

This request meets the requirements of 13.101 (3) and (4). An emergency exists because public safety is threatened by the continuing delay in the installation of these needed safety devices. Funds are unavailable for these installations. The legislature has approved expenditure of funds for the installation of warning devices at rail/highway crossings. Provision of the added funding will more effectively carry out legislative intent by providing funds to improve safety at rail/highway crossings. Providing this additional funding will not change legislative intent. Last, the signal backlog is not the result of inadequate expenditure controls. The OCR has actually set the signal deadlines well into the future from the time of the order. Because of the increased demand and need for crossing signals, we now set signal deadlines 2 and 3 years into the future. This funding will shorten this unacceptable delay in needed safety improvements.

I will represent the OCR at the Joint Committee on Finance meeting on September 24.

Thank you for your consideration of this request. Please contact my staff or me with any questions at 266-7607. My direct line is 266-3182.

Respectfully Submitted,

Rodney W. Kreunen
Commissioner of Railroads

13.10 1998

[2] "UP" is the Union Pacific Railroad Co. "WCL" is the Wisconsin Central Ltd. "WSOR" is the Wisconsin & Southern Railroad Co.

VI

VI. Department of Revenue -- Cate S. Zeuske, Secretary

The department requests a supplement of $142,000 GPR in 1998-99 under appropriation s. 20.566 (1) (a) from the unreserved balance in the Committee's s. 20.865(4)(a) appropriation. The funds would provide confidentiality of taxpayers' social security numbers and expand income tax returns and forms to accommodate 1997 tax law changes. Of the amount, $58,800 is requested as additional base funding.

Governor's Recommendation

Transfer for FY99 only, $83,200 of expenditure authority from the Department of Revenue's s. 20.566(3)(b) appropriation to its s. 20.566(1)(a) appropriation in lieu of a supplement from s. 20.865(4)(a).