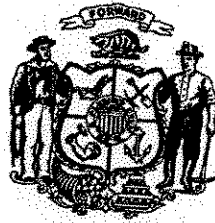


THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

317-E Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARI

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

JOINT COMMITTEE ON FINANCE

December 26, 2001

Attorney General James Doyle
Department of Justice
Room 114 East - State Capitol
Madison, Wisconsin 53702

Dear Attorney General Doyle:

We are writing to inform you that the Joint Committee on Finance has reviewed your plan to adjust federal appropriations to reflect the most recent estimate of the amount of federal funds that the Department of Justice will be appropriated in 2001-02.

No meeting has been scheduled to review your plan. Accordingly, the plan has been approved and the Department may implement the plan.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John G. Gard in black ink.

JOHN G. GARD
Assembly Chair

BB:JG:dh

cc: Members, Joint Committee on Finance
Secretary George Lightbourn, Department of Administration
Robert Lang, Legislative Fiscal Bureau
Vicky LaBelle, Department of Administration

STATE OF WISCONSIN

SENATE CHAIR
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ASSEMBLY CHAIR
JOHN GARD

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Phone: 266-2343

JOINT COMMITTEE ON FINANCE

December 6, 2001

TO: Members
Joint Committee on Finance

FROM: Representative John Gard, Assembly Chair
Senator Brian Burke, Senate Chair
Joint Committee on Finance

SUBJECT: Department of Justice Plan on Adjusting Federal Appropriations for 2001-02

Section 165.02 of the statutes, enacted in 1997 Act 86, requires the Department of Justice (DOJ) to annually, by December 1 or within 30 days after the applicable federal appropriation bill for that federal fiscal year has been enacted, whichever is later, submit a plan to the Joint Committee on Finance to adjust its federal appropriations for the current fiscal year to reflect the most recent estimate of the amount of federal funds that DOJ will be appropriated in that fiscal year. DOJ is required to submit this plan only if the most recent estimate of the amount of federal funds that will be appropriated is less than 95% or more than 105% of the amount of federal revenue shown in the Chapter 20 schedule for DOJ.

After submittal of the plan, the Committee's Co-chairs are required to determine if the plan is complete. Upon that determination, the Committee has 14 calendar days to hold a meeting to approve, or modify and approve, the plan. If no meeting is held within the 14-day period, the plan would be considered approved. Once approved, the plan would be implemented by DOJ.

On December 1, 2001, DOJ submitted its plan for 2001-02. The estimate of the amount of federal funds that will be appropriated in 2001-02 exceeds the federal funds currently appropriated in the Chapter 20 schedule for 2001-02 by 6.9%. Therefore, the plan is required under s. 165.02. If Committee actions at the September, 2001, s. 13.10 meeting are included in the calculations, the current estimate of federal appropriations in 2001-02 exceeds the amounts currently appropriated by 5.1%.

We have now determined that the plan is complete. Thus, if the Committee is to meet, it must do so before December 20, 2001, or the plan will be implemented as outlined by the Department. If the Committee does meet within the 14-day time period, it may approve, or modify and approve, the plan.

Attached for your review is the Department's plan.

JG/BB/js
Attachment



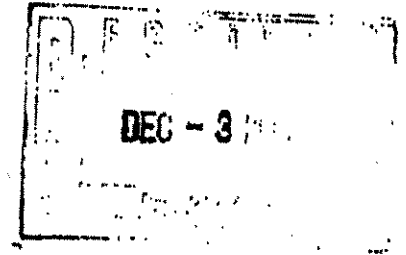
STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

JAMES E. DOYLE
ATTORNEY GENERAL

Burncetta L. Bridge
Deputy Attorney General

114 East State Capitol
P.O. Box 7857
Madison, WI 53707-7857
608/266-1221

December 1, 2001



Senator Brian Burke and Representative John Gard
Co-Chairs
Joint Committee on Finance

Dear Senator Burke and Representative Gard:

This letter is submitted to fulfill the requirements of 1997 Wisconsin Act 86. Section 8 of the act created sec. 165.02, stats., that requires the Attorney General to submit to the joint committee on finance a plan identifying how the attorney general proposes to adjust the federal appropriations for the department of justice for that state fiscal year to reflect the most recent estimate of the amount of federal funds that the department of justice will be appropriated in that state fiscal year.

The Department of Justice has nine statutory federal appropriations. Three of these appropriations--(2)(ma), (2)(n) and (3)(m)--are essentially inactive and require no further comment. For our six other appropriations, state fiscal year 2002 (SFY 02) appropriations in 2001 Wisconsin Act 16 total \$7,552,200. Based on tentative allocations and awards already in hand, we estimate receiving at least \$10.9 million in these appropriations in SFY 02.

The attachment entitled *Federal Revenues vs. Spending Authority* shows our nine Ch. 20 appropriations and the amount of federal revenues available, to answer the questions posed by 1997 Act 86. Also shown are estimates of the amounts we expect to spend. Our plan to adjust our federal appropriations to reflect estimated federal receipts and related spending in SFY 02 is summarized in the following paragraphs.

- Appropriation (1)(m) involves awards from the federal Department of Health and Human Services for our *Medicaid Fraud Control Unit*, which are based on a recertification of our program and its estimated costs for each federal fiscal year. We expect to spend most of the \$871,569 available in SFY 02. Because the spending authority provided by Act 16 is \$766,000, an increase will be requested through the allotment process.
- Appropriation (2)(n) includes five main programs. Under our *Cannabis Fradication and Suppression Effort* award from the Drug Enforcement Administration, we anticipate SFY 02 spending of \$325,000 from the \$161,254 carried over from the Calendar Year 01 award plus a portion of the anticipated \$325,000 or so in new CY 02 revenues. We will spend approximately \$480,000 in moneys already received from the Office of National Drug Control Policy for our participation in the Milwaukee-based *High Intensity Drug*

Trafficking Area program, and anticipate receiving more for this purpose in the next round of funding. From our U.S. Department of Justice (USDOJ) award for an *Internet Crimes Against Children* program, we will receive and spend an estimated \$250,000. We will spend about \$189,300 in moneys carried over from *Phase IV* of the National Institute of Justice *DNA Improvement Project*. Finally, we have received an additional \$997,800 for a methamphetamine suppression effort, most of which we expect to spend in FY02. In summary, we expect to receive and spend about \$2.2 million from these sources in SFY 02. Because Act 9 appropriates \$1,900,000, increased spending authority will be needed.

- Appropriation (3)(pz) involves moneys for *administrative overhead* associated with federal awards. These federal moneys pay for staff in our Fiscal Services Section, for other administrative costs associated with managing federal funds, and for unforeseen emergency needs. We expect to spend approximately \$125,000 of the estimated \$209,800 available in SFY 02. Because the amount appropriated in Act 16 is \$69,800, an increase in spending authority will be requested.
- Appropriation (5)(m) involves moneys awarded to us on a formula basis by the USDOJ to compensate victims of crime. We spend virtually each year's entire award in the fiscal year in which it is received. We expect a FFY 02 award of \$646,000, which is only slightly above the \$643,900 appropriated in Act 16. If warranted by our claims experience during the rest of the fiscal year, we will request additional spending authority through the allotment process for the \$2,100 difference.
- Appropriation (5)(ma) involves moneys received under the *Children's Justice Act (CJA)*. Our formula-based allocation may be spent over a two-year period. We expect to spend about \$171,500, which is more than the \$132,700 appropriated in Act 16. An increase will be requested through the allotment process.
- Appropriation (5)(mh) involves USDOJ moneys awarded to us on a formula basis to support victim assistance programs. The awards to states come from a *Crime Victims Fund* that receives federal criminal fines, penalty assessments, and forfeitures that are collected by U.S. Attorneys' Offices and the U.S. Courts. Federal regulations allow states to spend these moneys over a four-year period. Due to some unusually large deposits in this fund in recent years, our latest federal awards were much higher than usual. We sub-grant our federal awards to agencies providing services to crime victims. Given the dramatic increases seen recently in our federal awards, we have deliberately awarded our sub-grants in such a way that the funding available to these providers will not fluctuate dramatically in the future, if federal support drops. Of the estimated \$6.8 million available in SFY 02, we expect to spend approximately \$4,039,800, which is the amount appropriated in Act 16. Sub-grants of the unspent federal moneys will be spread over future fiscal years.

In summary, we have more federal moneys available in SFY 02 than our department-wide Ch. 20 total for federal appropriations. As we indicated in previous versions of this report, this is not unusual. The fact is that the federal moneys available for SFY 02 are not all

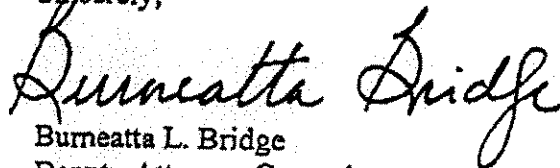
Senator Brian Burke and Representative John Gard

December 1, 2001

Page 3

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Sincerely,



Burneatta L. Bridge
Deputy Attorney General

[word: fedplan02]

Department of Justice
 Federal Revenues vs. Spending Authority
 State Fiscal Year 2002
 December 1, 2001

<u>Apprn.</u>	<u>Title</u>	<u>Specific Program</u>	SFY 02 Ch. 20 <u>Apprn.</u>	Federal Revenue Awarded or <u>Expected</u>	SFY 02 Expected <u>Spending</u>
(1)(m)	Federal Aid	Medicaid Fraud Control	\$768,000	\$871,569	\$850,000
(2)(m)	Fed. Aid, St. Oper.	Cannabis Eradication		\$325,000	\$325,000
(2)(m)	Fed. Aid, St. Oper.	Drug Trafficking		479,570	479,570
(2)(m)	Fed. Aid, St. Oper.	Internet Crimes		249,917	249,900
(2)(m)	Fed. Aid, St. Oper.	Methamphetamine Enf.		997,800	997,800
(2)(m)	Fed. Aid, St. Oper.	DNA Improvement		<u>189,344</u>	<u>189,344</u>
(2)(m)	Fed. Aid, St. Oper.	Apprn. Total	\$1,900,000	\$2,241,631	\$2,241,614
(2)(ma)	Fed. Aid, Drug Enforce.	Fed. Aid, Drug Enforce.	\$0	\$0	\$0
(2)(n)	Fed. Aid, Loc. Assist.	Fed. Aid, Loc. Assist.	\$0	\$0	\$0
(3)(m)	Fed. Aid, St. Oper.	Fed. Aid, St. Oper.	\$0	\$0	\$0
(3)(pz)	Indirect Cost Reimbursement	Indirect Cost Reimburse.	\$69,800	\$209,830	\$125,000
(5)(m)	Fed. Aid, Victim Compensation	Fed. Aid, Victim Comp.	\$643,900	\$646,000	\$643,900
(5)(ma)	Fed. Aid, St. Oper.	Fed. Aid, St. Oper.	\$132,700	\$171,548	\$171,548
(5)(mh)	Fed. Aid, Victim Assistance	Fed. Aid, Victim Assist.	<u>\$4,039,800</u>	<u>\$6,827,000</u>	<u>\$4,039,800</u>
DEPARTMENTAL TOTAL			\$7,552,200	\$10,967,578	\$8,071,862

[excel: fed\$02]

TAKES TO:

Senator Shibilski	10 South
Senator Rosenzweig	126 South
Senator Darling	127 South
Senator Wirch	316 South
Senator Decker	323 South
Senator Moore	409 South
Senator Plache	415 South



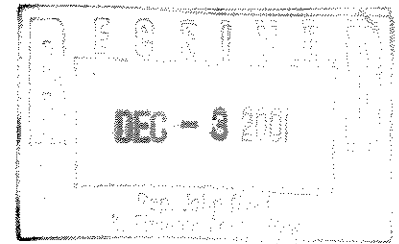
STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

JAMES E. DOYLE
ATTORNEY GENERAL

Burneatta L. Bridge
Deputy Attorney General

114 East, State Capitol
P.O. Box 7857
Madison, WI 53707-7857
608/266-1221

December 1, 2001



Senator Brian Burke and Representative John Gard
Co-Chairs
Joint Committee on Finance

Dear Senator Burke and Representative Gard:

This letter is submitted to fulfill the requirements of 1997 Wisconsin Act 86. Section 8 of the act created sec. 165.02, stats., that requires the Attorney General to *submit to the joint committee on finance a plan identifying how the attorney general proposes to adjust the federal appropriations for the department of justice for that state fiscal year to reflect the most recent estimate of the amount of federal funds that the department of justice will be appropriated in that state fiscal year.*

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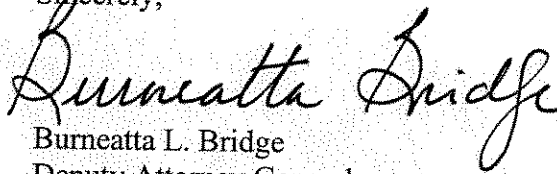
Senator Brian Burke and Representative John Gard

December 1, 2001

Page 3

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Burneatta L. Bridge
Deputy Attorney General

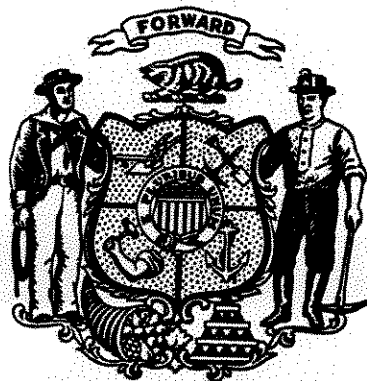
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Department of Justice
 Federal Revenues vs. Spending Authority
 State Fiscal Year 2002
 December 1, 2001

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DEPARTMENTAL TOTAL			\$7,552,200	\$10,967,578	\$8,071,862

[excel: fed\$02]

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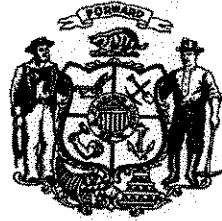


END

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

317-E Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

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

JOINT COMMITTEE ON FINANCE

December 28, 2001

Secretary George Lightbourn
Department of Administration
101 East Wilson Street, 10th Floor
Madison, Wisconsin 53703

Dear Secretary Lightbourn:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your request, received December 6, 2001, pursuant to s. 16.515/16.505, Stats., pertaining to a request from the Department of Health and Family Services.

No objections have been raised concerning this request. Therefore, the request is approved.

Sincerely,

Handwritten signature of Brian Burke in cursive.

BRIAN BURKE
Senate Chair

Handwritten signature of John G. Gard in cursive.

JOHN G. GARD
Assembly Chair

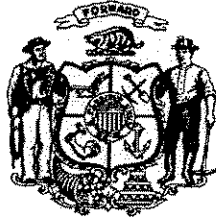
BB:JG:dh

cc. Members, Joint Committee on Finance
Secretary Phyllis Dubé, Department of Health and Family Services
Robert Lang, Legislative Fiscal Bureau
Vicky La Belle, Department of Administration

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

317-E Capitol
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ASSEMBLY CHAIR
JOHN GARD

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Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard
Co-Chairs, Joint Committee on Finance

Date: December 7, 2001

Re: s. 16.515/16.505(2), Stats. Request

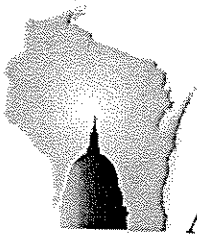
Attached is a copy of a request from the Department of Administration, received on December 6, 2001, pursuant to s. 16.515/16.505(2), Stats., pertaining to a request from the Department of Health and Family Services.

Please review the material and notify **Senator Burke** or **Representative Gard**, no later than **Wednesday, December 26, 2001**, if you have any concerns about the request or if you would like to meet formally to consider it.

Also, please contact us if you need further information.

Attachment

BB/JG/js



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

RECEIVED
DEC - 6 2001

SCOTT McCALLUM
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY
Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

Date: December 6, 2001
To: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
The Honorable John Gard, Co-Chair
Joint Committee on Finance
From: George Lightbourn, Secretary
Department of Administration
Subject: S. 16.515/16.505(2) Request(s)

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

AGENCY	DESCRIPTION	2001-02		2002-03	
		AMOUNT	FTE	AMOUNT	FTE
DHFS					
20.435(1)(gm)	Licensing, review and certifying activities	\$ 27,500	0.25	\$ 27,500	0.25
20.435(6)(jm)	Licensing and support services	35,800	1.07	71,600	1.07
20.435(8)(k)	Administrative and support services	(19,700)	(0.25)	(19,700)	(0.25)

As provided in s. 16.515, the request(s) will be approved on January 2, 2002, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

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

Attachments



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT McCALLUM
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

Date: November 30, 2001
To: George Lightbourn, Secretary
Department of Administration
From: Susan Jablonsky, Budget Analyst
Subject: Request Under s. 16.505/515 from the Department of Health and Family Services (DHFS) to Implement the GPR Lapse Plan

REQUEST:

The department requests the following changes in PR expenditure and position authority:

-An increase of \$27,500 PR and 0.25 PR FTE each year in s. 20.435(1)(gm), the licensing and certification appropriation;

-An increase of \$35,800 PR in FY02 and \$71,600 PR in FY03 and 1.07 PR FTE in both years in s. 20.435(6)(jm), the facility licensing appropriation; and

-A decrease of \$19,700 PR and 0.25 PR FTE each year in s. 20.435(8)(k), the administrative services appropriation.

These changes are necessary for DHFS to fully implement the GPR lapse plan.

REVENUE SOURCES FOR APPROPRIATION(S):

The source of revenue for s. 20.435(1)(gm), the licensing and certification appropriation, is fees charged for such things as emergency medical technician licenses, radiation protection licensing fees and certifications for workers conducting lead abatement activities.

Funds deposited in s. 20.435(6)(jm) come from license fees for a variety of residential facilities such as foster homes, nursing homes and mental health treatment facilities.

Finally, the source of revenue for s. 20.435(8)(k) is charges to the program divisions for administrative services such as accounting and personnel.

Revenue is sufficient to support the increases in the first two appropriations. A decrease in expenditure authority will be made in the third appropriation.

BACKGROUND:

As required by the Department of Administration (DOA), DHFS submitted its GPR lapse plan. Part of the plan achieved savings by shifting GPR positions to other funding sources such as PR and FED. The creation of federal positions and increasing expenditure authority in federal appropriations can be handled administratively at DOA. However, increasing or decreasing PR expenditure and position authority is subject to the 14-day passive review process under s. 16.505/515. This request allows DHFS to complete the implementation of its GPR lapse plan.

ANALYSIS:

Within the Division of Public Health, DHFS has identified a supervisor position in the Bureau of Environmental Health that is supported by 0.5 GPR FTE and 0.5 PR FTE. The Department is proposing to shift an additional 0.25 FTE from GPR to PR from radiation protection licensing fees. This would require a PR increase of \$19,900 in salary and \$7,600 in fringe benefits and 0.25 PR FTE position authority in each year. No fee increase is proposed.

Within the Division of Supported Living, DHFS identified 1.07 GPR FTE, which license AODA and mental health facilities, that can be shifted to PR. The positions would be supported by facility license fees. This would increase PR expenditure authority for salary by \$25,900 and fringe benefits by \$9,900 in FY02, assuming six months of savings, and would increase salary by \$51,700 and fringe benefits by \$19,900 in FY03 and a 1.07 increase in PR FTE in each year. No fee increase is proposed at this time although it is likely that fees will need to be adjusted in the 2003-2005 biennium.

Finally, the Department has identified three administrative positions in the Division of Management and Technology that can be eliminated: 1.0 GPR FTE financial specialist, a 0.5 GPR FTE personnel assistant, and a 0.5 employment relations specialist funded with 0.25 GPR and 0.25 PR. Along with the reduction in GPR, DHFS indicates that the 0.25 PR position from the employment relations specialist can be eliminated as well. This results in a reduction of \$14,200 in salary and \$5,500 in fringe benefits and 0.25 PR FTE each year.

Page 3
November 30, 2001

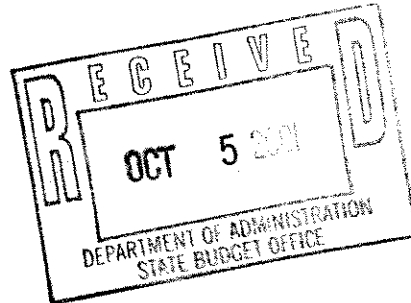
RECOMMENDATION:

Approve the request.



State of Wisconsin
Department of Health and Family Services

Scott McCallum, Governor
 Phyllis J. Dubé, Secretary



October 5, 2001

Mr. David Schmiedicke
 State Budget Office
 101 East Wilson Street, 10th Fl.
 Madison, WI 53702

Dear Mr. Schmiedicke,

As requested in the September 24 memo from George Lightbourn to State Agency Heads, I am submitting the DHFS GPR State Operations Lapse Plan and Program Revenue Lapse Plan.

GPR State Operations Lapse Plan

As described in the attached plan, a few components of the DHFS lapse plan rely on replacing GPR funding with alternative non-GPR sources of funding. Therefore, to implement the DHFS GPR Lapse Plan, DHFS needs DOA approval for additional FED and PR position and expenditure authority. Specifically, DHFS is requesting under s.16.50(3) and s.16.54:

- Appro. 8n/845: A net increase of \$15,600 FED in FY02 and a decrease of \$26,900 FED in FY03 and an increase in 4.50 FTE in both years;
- Appro. 1m/149: An increase of \$12,100 FED and 0.20 FTE in both years;
- Appro. 6n/643: A decrease of \$20,000 FED in both years;
- Appro. 6n/655: A decrease of \$31,400 FED in both years;
- Appro. 6m/641: An increase of \$8,200 FED in FY02 and an increase of \$16,400 FED in FY03 and an increase of 0.45 FTE in both years;
- Appro. 3m/341: A decrease of 0.25 FTE in both years;
- Appro. 3n/342: A decrease of 0.58 FTE in both years;
- Appro. 3n/356: A decrease of 1.0 FTE in both years;
- Appro. 3mc/378: A decrease of 1.0 FTE in both years.

Under s.16.505/515 DHFS is requesting:

- Appro. 8k/822: A decrease of \$19,700 PR and a decrease of 0.25 FTE in both years; *F.O.*
- Appro. 1gm/137: An increase of \$27,500 PR and an increase of 0.25 FTE in both years; *See*
- Appro. 6jm/639: An increase of \$35,800 PR in FY02 and an increase of \$71,600 PR in FY03 and an increase of 1.07 FTE in both years. *See*

The justification and information on funding sources for these requests is included in the GPR lapse plan.

I would appreciate DOA reviewing these s.16 requests as expeditiously as possible. Delays in approving these FED and PR funding and position changes diminish the Department's ability to generate the targeted GPR lapse.

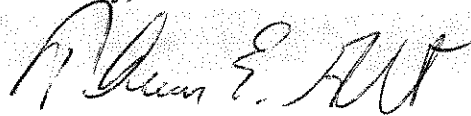
Per the September 24 memo, the Department understands that the "1.47%" GPR state operations lapse must be made permanent in the 03-05 biennial budget. DHFS will submit its proposal for the permanent plan as a DIN in its 03-05 Department budget request which will be transmitted to DOA on September 15, 2002. The DHFS permanent plan may differ somewhat from the attached FY03 lapse plan.

DHFS Program Revenue (PR) Lapse Plan

The attached PR lapse plan details the Department's plan for FY02. The Department will submit its PR lapse plan for FY03 in the spring of 2002. At this time it is not possible to know with certainty what PR appropriations will have available revenue lapses in FY03. In the spring of 2002 the Department will undertake an assessment of all program revenue appropriations and determine which appropriations have or are expected to generate excess revenue in FY03. Based on that assessment the Department will identify appropriate lapses for the FY03 PR lapse requirement and submit its plan to DOA.

Please contact me or my staff if you have questions on the attached plans.

Sincerely,



pd Phyllis Dubé

cc: Jennifer Kraus, DOA
Tom Alt
John Kiesow
Division Administrators
OSF Budget Staff
Don Warnke
Cheryl Thompson

DHFS "1.47%" GPR STATE OPERATIONS LAPSE PLAN
FOR FY02 AND FY03

Expanded Use of the Internet: \$13,500 in FY02 and \$44,000 in FY03

DHFS plans to expand its use of the internet and generate savings through the elimination of purchase and/or distribution of written material. Specifically, DHFS will:

- Eliminate several law library book subscriptions and instead utilize resources available to Department staff through the internet;
- Eliminate written publication and mailing of memos produced by the DHFS Bureau of Quality Assurance to providers. Instead the Department will publish the memos on the DHFS website, where they will be accessible to providers.
- Eliminate the written publication and distribution of two newsletters, "The Guardian" and "Supportive Employment" produced by DHFS Division of Supportive Living. Instead, "The Guardian" will be available by e-mail.

Increased Use of Electronic Fund Transfer for State SSI Payments: \$48,000 in FY03

DHFS will increase the use of electronic funds transfer (EFT) in the state SSI program. Currently about 55% of the approximately 11,000 state SSI clients receive their payments through electronic funds transfer. DHFS plans to convert another 25% of state SSI clients to EFT by January 1, 2003. Conversion to EFT generates savings in postage of approximately \$8,000 GPR per month. EFT provides delivery of benefits to clients in a safer and in general, more convenient, manner. There would be a one-time increase in administrative work to implement the electronic funds transfer program for the additional clients by January 1, 2003. The increased administrative costs for the conversion could be covered by existing administrative funds.

Elimination of Administrative Positions: \$114,600 in FY02 and \$124,700 in FY03

DHFS plans to eliminate three GPR positions that provide administrative services to the Department. These positions are located in the Division of Management and Technology (DMT) and Office of Strategic Finance (OSF) and are: (a) 1.0 GPR Program Assistant position in the Planning Section of the Office of Strategic Finance; (b) 1.0 GPR Financial Specialist position in the Bureau of Financial Services; and (c) 0.5 GPR Employment Relations Specialist and 0.5 GPR Personnel Assistant in the Bureau of Personnel Relations. To the extent possible, workload assigned to these positions will be absorbed by other staff. Due to the elimination of these positions, some functions will be completed on a less timely basis or to a lesser degree. Specifically, the Department expects there to be some diminution in the Department's recruitment and affirmative action efforts and some delay in the completion of some of the accounting reconciliation

work related to CARS. All three positions are currently vacant; therefore, this decision does not have any lay-off ramifications.

Elimination of 3.08 Program Positions in the Division of Children and Family Services: \$100,200 in FY02 and \$200,300 in FY03

The Department plans to eliminate the following 3.08 FTE in the Division of Children and Family Services: .50 FTE for The Emergency Food Assistance Program (TEFAP); .50 FTE for Domestic Violence; 1.0 FTE for Safe and Stable Families (SSF); and 1.0 FTE for Migrant/Hispanic Services. These positions are currently supported by \$200,300 all funds (\$13,300 GPR and the remaining \$187,000 FED from federal grants associated with the programs). Under this proposal, the FED savings would be redirected to offset operational expenses in other DCFS program areas which are currently supported with GPR. Thus, the total 12-month GPR savings under this proposal is \$200,300.

The Department will manage the elimination of these positions so that there is no adverse program effects. The program responsibilities of the eliminated FTE for TEFAP and domestic violence will be absorbed by remaining staff in those areas. Responsibilities for the eliminated SSF position will be transferred to the Brighter Futures Initiative. The services under the Migrant/Hispanic Services program will be integrated into a variety of other DCFS programs. Since the Department of Workforce Development also has a Migrant/Hispanic Services program, the DCFS position reduction eliminates some duplication across the Departments.

All positions are currently filled. To avoid lay-offs, the Department is seeking to identify transfer opportunities within the Department for the incumbents.

Regional Office IT Contracting: \$2,300 in FY02 and \$3,100 in FY03

The Department plans to eliminate some of the outside contractors that perform IT desktop support in the regional offices. Certain OSF/Area Administration program assistant staff in the regional offices will be trained to provide this IT support.

Re-estimate of Family Care IT Funding Needs: \$42,000 in FY02 and \$142,000 in FY03

The Department has re-estimated the need for Information Technology (IT) funding for Family Care in light of the Governor's veto decision not to expand Family Care in the 01-03 biennium. The IT technical support budget is used to assist counties in redesigning their business support processes to accommodate risk-based managed care programs. OSF/CDS staff have determined it is possible to reduce funding for IT technical support for Family Care counties by \$42,000 in FY02 and \$142,000 in FY03 and still meet the programmatic objectives of Family Care in the 01-03 biennium.

Utilize Alternative Funding Sources for Position Funding: \$305,300 in FY02 and \$526,300 in FY03

DHFS has identified a number of positions where non-GPR funding sources are available to replace GPR funding for parts of positions in the Department. Specifically, the Department proposes to make the following funding changes:

- In the Division of Public Health (DPH), replace .85 GPR FTE and funding with .85 PRS FTE and funding for portions of three administrative positions. The PRS funding is charge-back revenue from the program bureaus in the DPH.
- In the Division of Public Health, replace .45 GPR FTE and funding with .20 FED FTE and .25 PR FTE for a Supervisor position in the Bureau of Environmental Health. The federal funding source is the Childhood Lead Prevention Program and the PR funding source is radiation protection license fees.
- In the Division of Supportive Living, replace 1.07 GPR FTE and funding with 1.07 PR FTE and funding for certain management and administrative positions in the Bureau of Quality Assurance with responsibility for mental health/AODA certification. The PR funding source is mental health/AODA certification fee revenue. The Department would need to increase certification fees by up to an estimated 13 percent to fund the additional costs. The Department can increase fees without a statutory or rule change. The Department has not increased fees since 1991.
- In the Division of Supportive Living, delete 3.5 GPR FTE and funding for portions of licensing staff positions in the Bureau of Quality Assurance. These positions performed investigations and inspections of nursing homes apart from the normal annual inspections. As a result of a recent change in federal rules, the federal government now provides federal reimbursement for these "off cycle" investigations and inspections. The functions performed by 3.5 GPR FTE now duplicate the functions performed by federally-funded staff, and therefore can be eliminated.
- In the Division of Supportive Living, replace .45 GPR FTE and funding with .45 FED FTE for portions of three positions in the Bureau of Developmental Disabilities that work with the Birth to 3 program. Federal Birth to 3 funding is available for this purpose due to an increase in the federal FY 02 award DHFS received from the U.S. Department of Education.
- In the Office of Strategic Finance, replace 1.5 GPR FTE and funding with 1.5 FED FTE for half of three positions. The federal funding source is Medical Assistance. The three positions are the federal/state liaison position located in Washington, DC; the OSF budget analyst responsible for MA; and the analyst in the evaluation section responsible for the BadgerCare evaluation. The workload of all three positions is

MA-related and therefore eligible for 50% MA federal reimbursement. These positions are currently part of the Department's federal indirect cost pool. Because they would be excluded from the indirect cost pool under this proposal, there would be a small negative impact (\$2,900 decrease on an annualized basis) on the Department's federal indirect cost revenue, which the Department plans to absorb.

Salary Savings through Management of Vacancies and Retirements: \$721,300 in FY02 and \$210,800 in FY03

The Department will generate \$721,300 in FY02 and \$210,800 in FY03 in salary savings by managing the rate at which Department vacancies are filled and through retirements. A significant portion, \$367,700, of the FY02 savings target has already been generated in the first quarter of FY02. The distribution of the salary savings across divisions is shown in the attached chart. Slowing the rate at which vacancies are filled has some negative ramifications as the Department must cut back on or delay the delivery of some services.

Department of Health and Family Services
 GPR Lapse Plan Savings of \$1,299,200 GPR Annually
 Requires 16.50(3)/.54 and 16.505/515 Action for Approval

<u>GPR Lapse</u>	<u>Item</u>	<u>Alpha Appropriation</u>	<u>Numeric Appropriation</u>	<u>B-2 Line</u>	<u>FY02 Dollars</u>	<u>FY02 FTE</u>	<u>FY03 Dollars</u>	<u>FY03 FTE</u>
	Salary Savings from Vacant Positions (no fringe)	1a	101	Salary	-\$67,100		-\$18,000	
		3a	301	Salary	-\$20,800		-\$5,600	
		3cw	314	Salary	-\$94,300		-\$24,600	
		4a	401	Salary	-\$336,700		-\$79,000	
		6a	601	Salary	-\$104,700		-\$28,100	
		8a	8200-801	Salary	-\$23,800		-\$6,400	
		8a	8300-801	Salary	-\$23,000		-\$6,000	
		8a	8400-801	Salary	-\$10,800		-\$3,000	
					-\$681,200		-\$170,700	
	Eliminate Law Books in Library	8a	8300-801	Supplies & Services	-\$7,500		-\$10,000	
	OLC Retirement Savings	8a	8300-801	Salary	-\$40,100		-\$40,100	
	Family Care Information Technology Reduction	8a	8400-801	Supplies & Services	-\$42,000		-\$142,000	
	Regional Office Information Technology Restructuring	8a	8400-801	Supplies & Services	-\$2,300		-\$3,100	
	Funding Changes for OSF MA-Related Positions	8a	8400-801	Salary	-\$41,500	-1.50	-\$83,100	-1.50
		8a	8400-801	Fringe	-\$16,100		-\$32,000	
	Eliminate Support Position in OSF	8a	8400-801	Salary	-\$21,700	-1.00	-\$28,900	-1.00
		8a	8400-801	Fringe	-\$8,300		-\$11,200	
	Eliminate DMT Personnel and Financial Positions	8a	8400-801	Salary	-\$61,100	-1.75	-\$61,100	-1.75
		8a	8400-801	Fringe	-\$23,500		-\$23,500	
	Change Position Funding in DPH	1a	101	Salary	-\$32,100	-0.85	-\$32,100	-0.85
				Fringe	-\$12,400		-\$12,400	
	Environmental Health Positions	1a	101	Salary	-\$28,600	-0.45	-\$28,600	-0.45
		1a	101	Fringe	-\$11,000		-\$11,000	

Federal Request under 16.50(3) and 16.54

Family Care Information Technology Reduction

Funding Changes for OSF MA-Related Positions

Environmental Health Positions

Internet Distribution for BQA Memos

Eliminate 3.0 DCFS Positions

Increase Federal Funding for Birth-3 Positions

FED Total

Program Revenue Request under 16.505/515

Eliminate DMT Personnel and Financial Positions

Environmental Health Positions

AODA/Mental Health Certification Fees

Total PR

8n	8400-845	Supplies & Services	-\$42,000			
8n	8400-845	Salary	\$41,500	4.50	\$83,100	4.50
8n	8400-845	Fringe	\$16,100		\$32,000	
1m	149	Salary	\$8,700	0.20	\$8,700	0.20
1m	149	Fringe	\$3,400		\$3,400	
6n	643	Supplies & Services	-\$20,000		-\$20,000	
6n	655	Supplies & Services	-\$31,400		-\$31,400	
3m	341			-0.25		-0.25
3n	342			-0.58		-0.58
3n	356			-1.00		-1.00
3mc	378			-1.00		-1.00
6m	641	Salary	\$5,900	0.45	\$11,800	0.45
6m	641	Fringe	\$2,300		\$4,600	
			-\$15,500	2.32	-\$49,800	2.32
8k	8200-822	Salary	-\$14,200	-0.25	-\$14,200	-0.25
8k	8200-822	Fringe	-\$5,500		-\$5,500	
1gm	137	Salary	\$19,900	0.25	\$19,900	0.25
1gm	137	Fringe	\$7,600		\$7,600	
6jm	639	Salary	\$25,900	1.07	\$51,700	1.07
6jm	639	Fringe	\$9,900		\$19,900	
			\$43,600	1.07	\$79,400	1.07

DHFS PR LAPSE PLAN
For FY 02 and FY 03

The plan issued by DOA on September 24, 2001 for various budget cuts and lapses included the following program revenue lapses for DHFS:

APROPRIATION	APPRO. ALPHA	ANNUAL AMOUNT
Licensing, Review and Certifying Activities	(1)(gm)	\$267,000
Health Services Regulation	(4)(gm)	\$83,300
General operations health care information	(4)(hg)	<u>\$125,000</u>
TOTAL		<u>\$475,000</u>

DOA instructions allow each agency to allocate the required lapses to different appropriations, as long as they are consistent with statutory restrictions. DHFS requests that the reduction of \$267,000 annually to (1)(gm) and \$125,000 annually to (4)(hg) be allocated to other appropriations. The following two paragraphs discuss the reasons for excluding these appropriations.

Licensing, Review and Certifying Activities [(1)(gm)]

A major program under this appropriation relates to the regulation of radioactive material. Currently, DHFS is in the process of transferring radioactive material regulation from the federal government (NRC) to the State of Wisconsin (agreement state). Before the NRC will allow transfer of the program, DHFS must establish a program to license and inspect NRC licensed facilities. Under the transition plan developed by DHFS, the number of state staff increase from FY00 to FY03. Consistent with this transition plan, additional PR program staff were included in the Governor's 01-03 biennial budget and approved by the Legislature. This new staff is funded by the carryover funds. NRC licensed facilities requested a standardized surcharge over the four-year developmental period, and as a result, balances have been accumulated in the appropriation to support the program expansion in 2001-03. Loss of carryover funds will jeopardize the planned transfer of radioactive material regulation from the NRC to the State of Wisconsin. It is expected that license fees under the state system will be lower than under NRC regulation.

General Operations Health Care Information [(4)(hg)]

Appropriation (4)(hg) funds the collection and dissemination of health care information required under Chapter 153 of the statutes. Section 153.60 of the Statutes directs that assessments on providers for these activities be equal to the estimated costs of collecting and disseminating that information less any carryover funds. Also s. 153.60 requires that any assessments on providers other than hospitals and ambulatory surgery centers be approved by the Board on Health Care Information. Lapsing funds from this

appropriation to the general fund appears to be inconsistent with statutory provisions that assessments be set only high enough to meet related expenditures, after use of carryover balances. Also, it is likely that the Board on Health Care Information would be opposed to levying assessments on hospitals and ambulatory surgery centers that would be diverted to the general fund. Health care providers would likely view this as an inappropriate use of assessments levied upon them for health care information.

The following paragraphs describe the Department's proposed alternative lapses for FY 02. The Department requests that the lapses for FY 03 be determined in the spring of 2002, at which time the Department will assess the status of all PR appropriations. Based on this assessment, the Department will submit a plan that identifies alternative lapses for FY 03.

Additional Lapse of \$30,300 for Health Services Regulation [(4)(gm)]

The DOA plan specifies a lapse of \$83,300 annually from (4)(gm), which is a total biennial lapse of \$164,300. The Department proposes that an additional \$30,700 be lapsed from this appropriation over the biennium, and that all of the lapse be applied at the end of FY 02, rather than spread over the two fiscal years. As a result, \$195,000 would be lapsed at the end of FY 02. Since the appropriation currently has a carryover balance, this shift would meet the need for lapses in FY 02 while providing the Department flexibility to identify other appropriations in FY 03 to meet the required lapses in that year. The current carryover balance under this appropriation is sufficient to cover the increase of \$30,700 in the total biennial lapse.

Caregiver Background Check Fees [(6)(jm)]

The Department charges health care, long term care, and child care providers who request background check information on their employees from the Integrated Background Information System a fee of \$2.50 per name searched. Providers send search requests to the Department of Justice, which collects the fees and forwards the revenues to DHFS. The Department uses the revenues to fund costs of operating the information system and caregiver background check staff positions. The Department projects that it will have sufficient revenue to be able to lapse \$152,976 in FY 02.

Fees for Administrative Services [(6)(jb)]

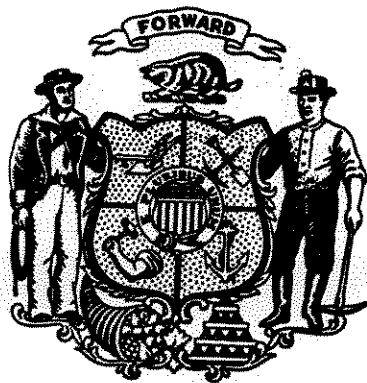
Various programs in the Division of Supportive Living offer workshops, seminars and publications to providers, grantees, and the general public. Programs charge fees to cover the costs of the sessions or publications. Excess revenue has accumulated in some accounts over a number of years because the amount of fees received has exceeded the cost to some degree. The Department proposes to lapse \$127,309 in excess revenue from this account in FY 02.

The attached table summarizes the DHFS PR lapse plan.

Proposed Program Revenue Lapse Plan

	FY 02	FY 03
DOA Allocation		
DPH Licensing Fees [(1)(gm)]	\$ 267,000	\$ 267,000
DHCF Nursing Home Bed Fees/RAP Fees [(4)(gm)]	\$ 83,260	\$ 83,260
DHCF Health Care Information [(4)(hg)]	\$ 125,025	\$ 125,025
Total	\$ 475,285	\$ 475,285
DHFS Proposed Allocation		
DSL Caregiver Fees: Numeric [(6)(jm)]	\$ 152,976	To be submitted in spring 2002
DSL/DCFS Fees for Administrative Services [(6)(jb)]	\$ 127,309	
DHCF Nursing Home Bed Fees/RAP Fees [(4)(gm)]	\$ 195,000	
Total	\$ 475,285	

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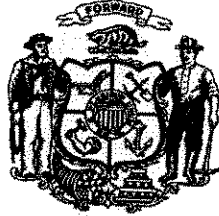


END

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

317-E Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

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

JOINT COMMITTEE ON FINANCE

December 28, 2001

Secretary George Lightbourn
Department of Administration
101 East Wilson Street, 10th Floor
Madison, Wisconsin 53703

Dear Secretary Lightbourn:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, received December 6, 2001, concerning the sale of the Loraine Building at 123 West Washington Avenue in Madison to Mark A. Hunt for \$3,145,000.

No objections have been raised to this request. Therefore, the request is approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John G. Gard in black ink.

JOHN G. GARD
Assembly Chair

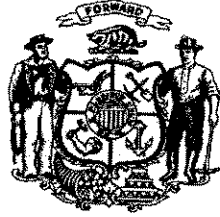
BB:JG:dh

cc: Members, Joint Committee on Finance
Robert Lang, Legislative Fiscal Bureau
Vicky LaBelle, Department of Administration

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

317-E Capitol
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ASSEMBLY CHAIR
JOHN GARD

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Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Re: 14-Day Passive Review Approval

Date: December 7, 2001

Attached is a copy of a letter from the Department of Administration, received on December 7, 2001, which requests approval of the sale of the Lorraine Building at 123 West Washington Avenue in Madison to Mark A. Hunt for \$3,145,000.

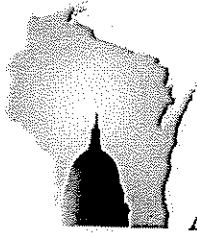
The request is pursuant to s. 13.48(14)(d) 4., Stats., which requires 14-day passive review and approval by the Joint Committee on Finance.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Thursday, December 27, 2001**, if you have any concerns about the request or if you would like the Committee to meet formally to discuss it.

Also, please contact us if you need further information.

Attachment

BB:JG:dh



WISCONSIN DEPARTMENT OF
ADMINISTRATION

SCOTT McCALLUM
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY
Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

December 3, 2001

The Honorable Brian Burke, Senate Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

The Honorable John Gard, Assembly Chair
Joint Committee on Finance
Room 308 East, State Capitol
Madison, WI 53702

RE: Sale of 123 West Washington Avenue - Loraine Building

Dear Senator Burke and Representative Gard:

This request is submitted pursuant to s. 13.48(14)(d)4, Stats., as notification of the intent to sell the office building located at 123 West Washington Avenue in Madison, also known as the Loraine Building. The sale will be made to "Mark A. Hunt or assigns." The State Building Commission approved this transaction on April 21, 1999.

The Loraine Building was constructed in 1924 and purchased by the State in 1978. The building contains approximately 150,000 assignable square feet. The Department of Justice was the sole building occupant.

The Loraine Building suffers from significant electrical, mechanical and structural problems. The Department of Administration has completed engineering surveys to estimate the cost of up-grading the Loraine Building to meet appropriate office building standards. Cost of renovation was estimated at \$20 million. That equates to approximately \$133 per present assignable square foot.

Even with that investment, the building structure would continue to dictate an inefficient use of floor space for offices. The present amount of assigned space would be reduced in order to add code compliant exits and the facility would continue to lack parking. Finally, even with the addition of a new HVAC ventilation system, low floor to ceiling heights would interfere with proper air movement.

December 3, 2001

Page 2


The Department of Administration solicited offers to purchase the Loraine Building as part of the RFP for a State Justice Building, through discussions with real estate developers and using general publicity within the real estate industry. During discussions leading to the approval of a lease purchase agreement for a new State Revenue Building, the Department of Administration notified the Building Commission that it had received an offer to purchase the Loraine Building for \$1.5 million. The Department of Administration eventually received six purchase proposals ranging from \$1.05 million to \$3.145 million.

In October, 1996, the Department of Administration obtained an appraisal for the Loraine property. In its current use and condition, as a fully occupied office building, the property has a market value of \$3.0 million. As an office development site, the land, once cleared, would have a value of \$1.2 million. The Department of Administration will deliver the buyer a vacant building in "as is" condition.

The Department of Administration entered into a Purchase Agreement with Mark A. Hunt on August 15, 1999 for a purchase price of \$3,145,000. The purchaser has paid \$100,000 earnest money to the State. The balance, less accrued interest on the earnest money, will be paid to the State at closing. Closing is scheduled for January 15, 2002, or within 30 days of vacating the property.

We understand that s. 13.48(14)(d) 4., Stats., provides 14 working days for review by the Joint Committee on Finance and we would appreciate a letter approving the sale or scheduling a hearing on this matter so that, if approved, the Department and purchaser can proceed with the closing. Please feel free to call me or John E. Rothschild, the Department's Chief Legal Counsel at 267-0202, if you have any questions regarding this matter.

Sincerely,


George Lightbourn
Secretary

cc: Robert Lang, Legislative Fiscal Bureau
Susan Springman
Robert Cramer

BUILDING COMMISSION REQUESTS / ITEMS

April 21, 1999

The Secretary requests approval of the minutes of March 12, 1999.

MOVED BY REPRESENTATIVE TURNER, SECONDED BY REPRESENTATIVE VRAKAS TO APPROVE THE MINUTES OF MARCH 12, 1999. MOTION CARRIED.

ADMINISTRATIVE AFFAIRS SUBCOMMITTEE

The Administrative Affairs Subcommittee meeting was held on April 21, 1999 at 9:00 a.m. in Room 300 SE Capitol. All committee members were present.

Department of Administration

1. Loraine State Justice Building (Madison) - Request authority to sell the Loraine State Justice Building to Mark A. Hunt at a price of \$3,145,000.

The sale will be completed after the Department of Justice has moved out of the facility in approximately two years.

MOVED BY SENATOR RISSER, SECONDED BY SENATOR ROESSLER TO APPROVE THE REQUEST. MOTION CARRIED.

2. Waukesha State Office Building - Request authority to release \$490,000 Building Trust Funds-Planning to prepare plans and a design report and issue bid documents for a District State Office Building Addition project, at an estimated project cost of \$11,900,000 Program Revenue Supported Borrowing.

In January 1998 the Commission released \$110,000 Building Trust Funds-Planning to begin planning.

On March 17, 1999, the Commission recommended enumeration of the project at \$11,900,000 Program Revenue Supported Borrowing.

MOVED BY SENATOR ROESSLER, SECONDED BY SENATOR RISSER TO APPROVE THE REQUEST MOTION CARRIED.

Subcommittee	Full Commission
No action required.	Approved the minutes of 3/12/99. 8-0-0
Approved the request. 4-0-0	Approved the request. 8-0-0
Approved the request. 3-0-1 Mr. Styza abstained from voting.	Approved the request. 7-0-1 Mr. Styza abstained from voting.

AGENCY REQUEST FOR
BUILDING COMMISSION ACTION

April 1999

AGENCY:

Department of Administration

LOCATION:

Loraine State Justice Building
123 West Washington Avenue
Madison, Wisconsin

REQUEST:

Request authority to sell the Loraine State Justice Building to Mark A. Hunt for \$3,145,000.

PROJECT DESCRIPTION:

This request would result in the sale of the Loraine State Justice Building to Mark A. Hunt at a cost of \$3,145,000. The sale of the building, in an as is condition, will be completed after the Department of Justice has moved out of the facility in approximately 2 years.

The purchaser has agreed to remain flexible on the exact purchase date. The state will provide notice to the purchaser 180 days prior to the proposed closing date.

JUSTIFICATION OF THE REQUEST:

The Loraine Building was constructed in 1924 and purchased by the state in 1978. The building contains approximately 150,000 assignable square feet. The Department of Justice is the sole building occupant.

The Loraine Building suffers from significant electrical, mechanical and structural problems. The Department of Administration has completed engineering surveys to estimate the cost of up-grading the Loraine Building to meet appropriate office building standards. Cost of renovation is estimated at \$20 million. That equates to approximately \$133 per present assignable square foot.

Even with that investment, the building structure would continue to dictate an inefficient use of floor space for offices. The present amount of assignable space would be reduced in order to add code compliant exits and the facility would continue to lack parking. Finally, even with the addition of a new HVAC ventilation system, low floor to ceiling heights would interfere with proper air movement.

It would be necessary to relocate all or a major portion of the Department of Justice during building renovation. That would repeatedly disrupt agency operations. Further, expenditures for moves and the temporary rental of space would add further to project costs.

The Department of Administration solicited offers to purchase the Loraine Building as part of the RFP for a State Justice Building, through discussions

with real estate developers and using general publicity within the real estate industry. During discussions leading to the approval of a lease purchase agreement for a new State Revenue Building the Department of Administration notified the Building Commission that it had received an offer to purchase the Loraine Building for \$1.5 million. The Department of Administration has now received six purchase proposals ranging from \$1.05 million to \$3.145 million.

In October of 1996 the Department of Administration obtained an appraisal for the Loraine property. In its current use and condition, as a fully occupied office building, the property had a market value of \$3.0 million. As an office development site, the land, once cleared, would have had a value of \$1.2 million. The Department of Administration will deliver the buyer a vacant building in as is condition.

PREVIOUS BUILDING COMMISSION ACTION:

None