



**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 7, 2001

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

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

Dear Senator Burke and Representative Gard:

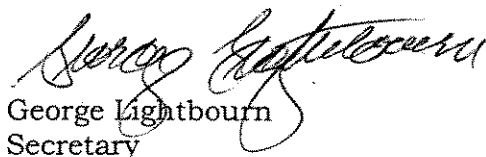
Attached is our report as required under s. 16.50, Wisconsin Statutes, on the number of federally funded positions approved during the July 1 to September 30, 2001 quarter. Also shown are changes in positions approved by the UW-System and by the Legislature during the same period. There were 150.73 federal positions approved in the quarter and 59.26 deletions for a net increase of 91.47 FTE.

Of the new federal positions created, the University of Wisconsin received 133.28 FTE, the Department of Commerce received 1.0 FTE, the Department of Health and Family Services received 10.45 FTE, the Department of Workforce Development received 1.0 FTE, the Department of Public Instruction received 1.5 FTE and Department of Natural Resources received 2.0 FTE.

Also attached is our report on the surplus positions created for the same quarter.

We would be happy to answer any questions you may have on these reports.

Sincerely,


George Lightbourn
Secretary

Attachments (2)

REPORT ON POSITIONS AUTHORIZED - JULY 1 TO SEPTEMBER 30, 2001

| Agency | Budgeted Positions or FY02 07/01/2001* | | Approved Under s. 16.50 | | UW Approved | | JFC or Misc. Leg. | | Totals as of 10/30/2001 |
|---|---|---------|-------------------------|---------|-------------|---------|-------------------|---------|----------------------------|
| | Adds | Deletes | Adds | Deletes | Adds | Deletes | Adds | Deletes | |
| Administration | 893.68 | | | | | | | | 893.68 |
| GPR | 164.81 | | | | | | | | 164.81 |
| PRO/PRS | 634.96 | | | | | | | | 634.96 |
| Federal | 78.21 | | | | | | | | 78.21 |
| SEG | 15.70 | | | | | | | | 15.70 |
| Adolescent Pregnancy Prevention and Pregnancy Services Board | | | | | | | | | |
| GPR | 1.50 | | | | | | | | 1.50 |
| PR | 0.30 | | | | | | | | 0.30 |
| | 1.20 | | | | | | | | 1.20 |
| Aging and Long-Term Care | | | | | | | | | |
| GPR | 25.90 | | | | | | | | 25.90 |
| PRO/PRS | 14.05 | | | | | | | | 14.05 |
| | 11.85 | | | | | | | | 11.85 |
| Agriculture, Trade & Consumer Protection | | | | | | | | | |
| GPR | 669.85 | | | | | | | | 669.85 |
| PRO/PRS | 292.61 | | | | | | | | 292.61 |
| Federal | 220.00 | | | | | | | | 220.00 |
| SEG | 68.52 | | | | | | | | 68.52 |
| | 88.72 | | | | | | | | 88.72 |
| Arts Board | | | | | | | | | |
| GPR | 12.00 | | | | | | | | 12.00 |
| PRO/PRS | 5.00 | | | | | | | | 5.00 |
| Federal | 1.00 | | | | | | | | 1.00 |
| | 6.00 | | | | | | | | 6.00 |
| Child Abuse & Neglect Prevention Board | | | | | | | | | |
| PRO/PRS | 4.00 | | | | | | | | 4.00 |
| | 4.00 | | | | | | | | 4.00 |
| Circuit Court | | | | | | | | | |
| GPR | 511.00 | | | | | | | | 511.00 |
| | 511.00 | | | | | | | | 511.00 |

REPORT ON POSITIONS AUTHORIZED - JULY 1 TO SEPTEMBER 30, 2001

| Agency | Budgeted Positions or FY02 07/01/2001* | | Approved Under s. 16.50 | | UW Approved | | JFC or Misc. Leg. | | Totals as of 10/30/2001 |
|----------------------------------|---|---------|-------------------------|---------|-------------|---------|-------------------|---------|----------------------------|
| | Adds | Deletes | Adds | Deletes | Adds | Deletes | Adds | Deletes | |
| Commerce | 473.75 | | | | | | | | 474.75 |
| GPR | 80.40 | | | | | | | | 80.40 |
| PRO/PRS | 260.55 | | | | | | | | 260.55 |
| Federal | 34.00 | 1.00 | | | | | | | 35.00 |
| SEG | 98.80 | | | | | | | | 98.80 |
| Corrections | 10,265.46 | | | | | | | | 10,268.46 |
| GPR | 8,854.26 | | | | | | | | 8,854.26 |
| PRO/PRS | 1,408.20 | 3.00 | | | | | | | 1,411.20 |
| SEG | 3.00 | | | | | | | | 3.00 |
| Court of Appeals | 75.50 | | | | | | | | 75.50 |
| GPR | 75.50 | | | | | | | | 75.50 |
| District Attorneys | 415.15 | | | | | | | | 421.90 |
| GPR | 375.65 | | | | | | | | 375.65 |
| PRO/PRS | 39.50 | 6.75 | | | | | | | 46.25 |
| Educational Communications Board | 93.50 | | | | | | | | 93.50 |
| GPR | 61.75 | | | | | | | | 61.75 |
| PRO | 31.75 | | | | | | | | 31.75 |
| Elections Board | 13.00 | | | | | | | | 13.00 |
| GPR | 13.00 | | | | | | | | 13.00 |
| Electronic Government | 230.30 | | | | | | | | 230.30 |
| PRO/PRS | 230.30 | | | | | | | | 230.30 |
| Employe Trust Funds | 213.35 | | | | | | | | 213.35 |
| GPR | 3.50 | | | | | | | | 3.50 |
| SEG | 209.85 | | | | | | | | 209.85 |
| Employment Relations Commission | 31.50 | | | | | | | | 31.50 |
| GPR | 28.50 | | | | | | | | 28.50 |
| PR | 3.00 | | | | | | | | 3.00 |

REPORT ON POSITIONS AUTHORIZED - JULY 1 TO SEPTEMBER 30, 2001

| Agency | Budgeted Positions or FY02 07/01/2001* | Approved Under s. 16.50 | | UW Approved | | JFC or Misc. Leg. | | Totals as of 10/30/2001 |
|---------------------------------|---|-------------------------|---------|-------------|---------|-------------------|---------|----------------------------|
| | | Adds | Deletes | Adds | Deletes | Adds | Deletes | |
| Employment Relations Department | 86.00 | | | | | | | 86.00 |
| GPR | 79.90 | | | | | | | 79.90 |
| PRO/PRS | 6.10 | | | | | | | 6.10 |
| Ethics Board | 6.50 | | | | | | | 6.50 |
| GPR | 3.00 | | | | | | | 3.00 |
| PRO | 3.50 | | | | | | | 3.50 |
| Financial Institutions | 168.50 | | | | | | | 168.50 |
| PR | 168.50 | | | | | | | 168.50 |
| Governor's Office | 48.05 | | | | | | | 48.05 |
| GPR | 47.75 | | | | | | | 47.75 |
| PRS | 0.30 | | | | | | | 0.30 |
| Health and Family Services | 6,685.14 | | | | | | | 6,720.51 |
| GPR | 2,310.54 | | | | | | | 2,310.54 |
| PRO/PRS | 3,380.26 | 27.96 | | | | | | 3,408.22 |
| Federal | 986.34 | 10.45 | | | | | | 993.75 |
| SEG | 8.00 | | -3.04 | | | | | 8.00 |
| Higher Educational Aids Board | 13.00 | | | | | | | 13.00 |
| GPR | 12.36 | | | | | | | 12.36 |
| PR | 0.00 | | | | | | | 0.00 |
| SEG | 0.64 | | | | | | | 0.64 |
| FED | 0.00 | | | | | | | 0.00 |
| Historical Society | 175.07 | | | | | | | 175.07 |
| GPR | 139.50 | | | | | | | 139.50 |
| PRO/PRS | 25.22 | | | | | | | 25.22 |
| Federal | 6.60 | | | | | | | 6.60 |
| SEG | 3.75 | | | | | | | 3.75 |

REPORT ON POSITIONS AUTHORIZED - JULY 1 TO SEPTEMBER 30, 2001

| Agency | Budgeted Positions Approved Under s. 16.50 or FY02 07/01/2001* | | UW Approved | | JFC or Misc. Leg. | | Totals as of 10/30/2001 |
|--------------------------------------|---|---------|-------------|---------|-------------------|---------|----------------------------|
| | Adds | Deletes | Adds | Deletes | Adds | Deletes | |
| Insurance | 135.00 | | | | | | 135.00 |
| PRO | 121.25 | | | | | | 121.25 |
| SEG | 13.75 | | | | | | 13.75 |
| Investment Board | 104.50 | | | | | | 104.50 |
| PRO | 104.50 | | | | | | 104.50 |
| Judicial Commission | 2.00 | | | | | | 2.00 |
| GPR | 2.00 | | | | | | 2.00 |
| Justice | 574.40 | | | | | | 574.90 |
| GPR | 409.15 | | | | | | 409.15 |
| PRO/PRS | 138.25 | | | | | | 138.25 |
| Federal | 24.25 | | | | | | 24.75 |
| SEG | 2.75 | 0.50 | | | | | 2.75 |
| Legislature | 838.97 | | | | | | 838.97 |
| Legislators - GPR | 132.00 | | | | | | 132.00 |
| Assembly Staff - GPR | 255.50 | | | | | | 255.50 |
| Senate Staff - GPR | 198.50 | | | | | | 198.50 |
| Legislative Technology Services- GPR | 25.00 | | | | | | 25.00 |
| Retirement Committee - GPR | 3.00 | | | | | | 3.00 |
| Revisor of Statutes - GPR | 10.00 | | | | | | 10.00 |
| Legislative Reference Bureau - GPR | 58.00 | | | | | | 58.00 |
| Legislative Audit Bureau | 86.80 | | | | | | 86.80 |
| GPR | 67.00 | | | | | | 67.00 |
| PRS | 19.80 | | | | | | 19.80 |
| Legislative Fiscal Bureau - GPR | 35.00 | | | | | | 35.00 |
| Legislative Council - GPR | 35.17 | | | | | | 35.17 |

REPORT ON POSITIONS AUTHORIZED - JULY 1 TO SEPTEMBER 30, 2001

| Agency | Budgeted Positions or FY02 07/01/2001* | | Approved Under s. 16.50 | | UW Approved | | JFC or Misc. Leg. | | Totals as of 10/30/2001 |
|--------------------------------------|---|---------|-------------------------|---------|-------------|---------|-------------------|---------|----------------------------|
| | Adds | Deletes | Adds | Deletes | Adds | Deletes | Adds | Deletes | |
| Lieutenant Governor's Office | 7.75 | | | | | | | | 7.75 |
| GPR | 7.75 | | | | | | | | 7.75 |
| Lower Wisconsin State Riverway Board | 2.00 | | | | | | | | 2.00 |
| SEG | 2.00 | | | | | | | | 2.00 |
| Military Affairs | 385.03 | | | | | | | | 385.03 |
| GPR | 125.80 | | | | | | | | 125.80 |
| PRO/PRS | 28.50 | | | | | | | | 28.50 |
| Federal | 230.73 | | | | | | | | 230.73 |
| Natural Resources | 2,997.66 | | | | | | | | 2,997.66 |
| GPR | 504.78 | | | | | | | | 504.78 |
| PRO/PRS | 269.64 | | | | | | | | 269.64 |
| Federal | 462.10 | | 2.00 | | | | | | 464.10 |
| SEG | 1,761.14 | | | | | | | | 1,761.14 |
| Personnel Commission | 10.00 | | | | | | | | 10.00 |
| GPR | 10.00 | | | | | | | | 10.00 |
| Public Defender | 564.45 | | | | | | | | 564.45 |
| GPR | 560.45 | | | | | | | | 560.45 |
| PRO/PRS | 4.00 | | | | | | | | 4.00 |
| Public Instruction | 656.40 | | | | | | | | 657.90 |
| GPR | 334.37 | | | | | | | | 334.37 |
| PRO/PRS | 79.37 | | | | | | | | 79.37 |
| Federal | 242.66 | | 1.50 | | | | | | 244.16 |
| Public Lands | 11.00 | | | | | | | | 11.00 |
| PRS | 11.00 | | | | | | | | 11.00 |

REPORT ON POSITIONS AUTHORIZED - JULY 1 TO SEPTEMBER 30, 2001

| Agency | Budgeted Positions or FY02 07/01/2001* | | Approved Under s. 16.50 | | UW Approved | | JFC or Misc. Leg. | | Totals as of 10/30/2001 |
|---------------------------|---|---------|-------------------------|---------|-------------|---------|-------------------|---------|----------------------------|
| | Adds | Deletes | Adds | Deletes | Adds | Deletes | Adds | Deletes | |
| Public Service Commission | 191.50 | | | | | | | | 191.50 |
| PRO/PRS | 190.50 | | | | | | | | 190.50 |
| Federal | 1.00 | | | | | | | | 1.00 |
| Regulation and Licensing | 135.50 | | | | | | | | 135.50 |
| PRO | 135.50 | | | | | | | | 135.50 |
| Revenue | 1,309.05 | | | | | | | | 1,309.05 |
| GPR | 1,097.15 | | | | | | | | 1,097.15 |
| PRO/PRS | 76.40 | | | | | | | | 76.40 |
| SEG | 135.50 | | | | | | | | 135.50 |
| Secretary of State | 8.50 | | | | | | | | 8.50 |
| PRO | 8.50 | | | | | | | | 8.50 |
| State Fair Park Board | 46.20 | | | | | | | | 46.20 |
| PRO | 46.20 | | | | | | | | 46.20 |
| State Treasurer | 18.50 | | | | | | | | 18.50 |
| GPR | 0.00 | | | | | | | | 0.00 |
| PRO/PRS | 15.50 | | | | | | | | 15.50 |
| SEG | 3.00 | | | | | | | | 3.00 |
| Supreme Court | 203.50 | | | | | | | | 203.50 |
| GPR | 111.50 | | | | | | | | 111.50 |
| PRO/PRS | 86.00 | | | | | | | | 86.00 |
| SEG | 5.00 | | | | | | | | 5.00 |
| FED | 1.00 | | | | | | | | 1.00 |

REPORT ON POSITIONS AUTHORIZED - JULY 1 TO SEPTEMBER 30, 2001

| Agency | Budgeted Positions or FY02 07/01/2001* | | Approved Under s. 16.50 | | UW Approved | | JFC or Misc. Leg. | | Totals as of 10/30/2001 |
|-------------------------------|---|---------|-------------------------|---------|-------------|---------|-------------------|---------|----------------------------|
| | Adds | Deletes | Adds | Deletes | Adds | Deletes | Adds | Deletes | |
| TEACH | | | | | | | | | 9.00 |
| GPR | 9.00 | | | | | | | | 6.00 |
| PRO/PRS | 6.00 | | | | | | | | 2.00 |
| FED | 2.00 | | | | | | | | 1.00 |
| | 1.00 | | | | | | | | |
| Transportation | | | | | | | | | 3,920.83 |
| PRO/PRS | 3,919.83 | | | | | | | | 16.00 |
| Federal | 16.00 | | | | | | | | 953.05 |
| SEG | 952.05 | 1.00 | | | | | | | 2,951.78 |
| | 2,951.78 | | | | | | | | |
| Tobacco Control Board | | | | | | | | | 4.00 |
| SEG | 4.00 | | | | | | | | 4.00 |
| Tourism | | | | | | | | | 62.25 |
| GPR | 62.25 | | | | | | | | 57.25 |
| PR | 57.25 | | | | | | | | 2.00 |
| SEG | 2.00 | | | | | | | | 3.00 |
| | 3.00 | | | | | | | | |
| University of Wisconsin | | | | | | | | | 29,179.04 |
| GPR | 29,028.35 | | | | | | | | 18,717.44 |
| PRO/PRS | 18,717.44 | | | | | | | | 6,412.63 |
| Federal | 6,339.00 | | | | 101.11 | -27.48 | | | 3,963.28 |
| SEG | 3,886.22 | | | | 133.28 | -56.22 | | | 85.69 |
| | 85.69 | | | | | | | | |
| U.W. Hospitals & Clinic Board | | | | | | | | | 1,887.22 |
| PRO | 1,887.22 | | | | | | | | 1,887.22 |
| Veterans Affairs | | | | | | | | | 943.30 |
| GPR | 943.30 | | | | | | | | 9.30 |
| PRO/PRS | 9.30 | | | | | | | | 779.24 |
| SEG | 779.24 | | | | | | | | 149.76 |
| FED | 149.76 | | | | | | | | 5.00 |
| | 5.00 | | | | | | | | |

REPORT ON POSITIONS AUTHORIZED - JULY 1 TO SEPTEMBER 30, 2001

| Agency | Budgeted Positions or FY02 07/01/2001* | | Approved Under s. 16.50 | | UW Approved | | JFC or Misc. Leg. | | Totals as of 10/30/2001 |
|-----------------------------|---|---------|-------------------------|---------|-------------|---------|-------------------|---------|----------------------------|
| | Adds | Deletes | Adds | Deletes | Adds | Deletes | Adds | Deletes | |
| Wisconsin Technical College | | | | | | | | | |
| System | 81.05 | | | | | | | | 81.05 |
| GPR | 39.40 | | | | | | | | 39.40 |
| PRO/PRS | 12.00 | | | | | | | | 12.00 |
| Federal | 29.65 | | | | | | | | 29.65 |
| Workforce Development | | | | | | | | | |
| GPR | 2,362.80 | | | | | | | | 2,362.80 |
| PRO/PRS | 291.31 | | | | | | | | 291.31 |
| Federal | 629.72 | | | | | | | | 629.72 |
| SEG | 1,434.27 | 1.00 | | | | | | | 1,435.27 |
| | 7.50 | | | | | | | | 7.50 |
| TOTALS | 67,611.41 | 55.16 | -3.04 | | 234.39 | -83.70 | 0.00 | 0.00 | 67,814.22 |
| GPR | 36,176.20 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 36,176.20 |
| PRO/PRS | 17,432.28 | 37.71 | 0.00 | | 101.11 | -27.48 | 0.00 | 0.00 | 17,543.62 |
| Federal | 8,449.60 | 17.45 | -3.04 | | 133.28 | -56.22 | 0.00 | 0.00 | 8,541.07 |
| SEG | 5,553.33 | 0.00 | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | 5,553.33 |

* = Act 16 Budgeted FTE

REPORT ON SURPLUS POSITIONS AUTHORIZED
 JULY 1 to SEPTEMBER 30, 2001

| Agency | C Unclassified Service Leaves | D, E Medical, Education or Personal Leaves | A, B, I, X Double-filled Positions | Reason for Double-fill |
|-----------------------------------|--|---|--|------------------------|
| Administration SEG | | +1.0 | | Leave of Absence |
| Agriculture GPR | | | -1.0 | |
| Corrections GPR | | | 7.0 | Training |
| District Attorney GPR | | +1.0; -3.0 | | Leave of Absence |
| Financial Institutions PR | | +1.0 | | |
| Health and Family Services GPR | | | +8.0; -5.0 | Training |
| PR | | | +29.0; -1.0 | Training |
| FED | | | +2.0; -2.0 | Training |
| Military Affairs FED | | +1.0 | | |
| Natural Resources GPR | | +1.0 | +1.0 | Training |
| SEG | | +1.0 | +1.0 | Training |
| Public Instruction GPR | | +1.80 | | Leave of absence |
| FED | | +1.88 | | |

REPORT ON SURPLUS POSITIONS AUTHORIZED
 JULY 1 to SEPTEMBER 30, 2001

| Agency | C Unclassified Service Leaves | D, E Medical, Education or Personal Leaves | A, B, I, X Double-filled Positions | Reason for Double-fill |
|---------------------------------------|--|---|--|------------------------|
| | | | | |
| Transportation SEG | | | +3.0 | Training |
| Veteran's Affairs GPR PR SEG | | | +40 | Medical Leave |
| | | | +30 | |
| | | | +30 | |

Pool Code Types

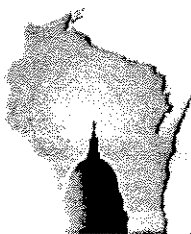
- A= Understudy, 3 months or longer.
- B= Overlap replacement, less than 3 months for on-the-job training.
- C= Leave of absence replacement. Temporary hire during permanent employee's authorized leave to unclassified service.
- D= Leave-of-absence designation when permanent employee's authorized leave is less than 12 months.
- E= Leave-of-absence replacement. Temporary hire during permanent employee's authorized leave which is expected to last more than 12 months.
- I= Extended illness or worker's compensation (employee using accumulated sick leave or being paid through worker's compensation).
- X= DOA approved hire in anticipation of attrition (high turnover positions).

II. Statewide – Representatives of Various State Agencies

On November 21, 2001, the secretary of the Department of Administration submitted a report to the Committee with recommendations pursuant to s. 9101(23r) of 2001 Wisconsin Act 16 for lapsing a total of \$18,800,000 from program and segregated revenue appropriations to the general fund. Approval was subject to 14-day passive review. The Co-chairs subsequently placed the report on the agenda for the December meeting under s. 13.10. In addition, the Department of Transportation requests \$2,000,000 SEG spending authority in fiscal year 2001-02 to help fulfill the lapse requirement.

Governor's Recommendation

Approve the requests.



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: October 16, 2001

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration *George Lightbourn*

Subject: Section 13.10 Request from the Department of Transportation for
Additional Expenditure Authority for Required SEG Lapse

Request

The department requests a supplement in fiscal year 2001-02 of \$2,000,000 SEG from the Committee's appropriation under s. 20.865(4)(u) to the department's management and operations, state funds appropriation under s. 20.395(4)(aq) to assist the department in complying with the 2001 Wisconsin Act 16 requirement for the department to lapse \$7,211,700 SEG in each year of the biennium.

Background

Section 9101(23r) of 2001 Act 16, requires a lapse to the general fund of \$18,800,000 from the cash balance of several state operations program and segregated revenue funded appropriations. The portion allocated for lapsing from the transportation fund is \$7,211,700 SEG.

The Department of Administration requested that the affected agencies submit a plan reflecting how the agencies propose to meet the lapse requirement. The plan was required to comply with the legislative restrictions included in section 9101(23r) of 2001 Act 16, which excluded the Department of Transportation appropriations for construction projects and State Patrol operations. The Department of Administration will compile those plans and submit a report to the Joint Committee on Finance under a 14-day passive review process.

Analysis

To assist the Department of Transportation in meeting its lapse requirement, it has requested supplemental expenditure authority in fiscal year 2001-02 of

Members, Joint Committee on Finance

Page 2

October 16, 2001

\$2,000,000 SEG in its departmental management and operations appropriation under s. 20.395(4)(aq). The additional expenditure authority would allow the department to avoid layoffs of staff at its Division of Motor Vehicles locations and reduce the impact on delivery of the department's planned construction program.

The transportation fund has a sufficient cash balance to cover the additional expenditure authority. At the close of fiscal year 2000-01, the department had lower than anticipated expenditures, resulting in a larger balance than was projected during the budget process. In addition, the department has been, and will continue, actively managing its use of revenue bonding authority.

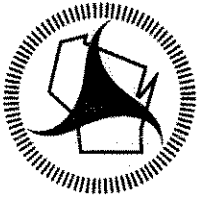
By reducing or slowing the issuance of revenue bonds, the department receives more registration fee revenue. When an individual renews his/her vehicle registration, the registration fee is deposited with the Registration Fee Trust. The trustee then sets aside the amount necessary to cover the debt service on the department's revenue bonds and the trustee's administrative costs. The remainder of the registration fee revenue is transferred to the transportation fund.

The department is requesting a one-time supplement of \$2,000,000 SEG in fiscal year 2001-02 to help comply with its fiscal year 2001-02 lapse requirement. The department is reviewing its internal processes to determine how more permanent changes can be made to meet its fiscal year 2002-03 lapse requirement. That proposal will be submitted to the Department of Administration and forwarded to the Committee at a later date.

Recommendation

Approve the request.

Prepared by: Kirsten Grinde
266-1040



Wisconsin Department of Transportation

www.dot.state.wi.us

Scott McCallum
Governor

Terrence D. Mulcahy, P.E.
Secretary

Office of the Secretary
4802 Sheboygan Ave., Rm. 120B
P.O. Box 7910
Madison, WI 53707-7910

Telephone: 608-266-1113
FAX: 608-266-9912
E-Mail: sec.exec@dot.state.wi.us

November 28, 2001

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

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

Dear Senator Burke and Representative Gard:

Summary of Request

The Wisconsin Department of Transportation (DOT) is resubmitting its request to the Joint Committee on Finance, under authority of sections 13.10 and 13.101, Wis. Stats., to approve an increase of \$2,000,000 in Fiscal Year 2002 Department Management and Operations, state funds appropriation under 20.395(4)(aq), Wis. Stats., from the Transportation Fund (Fund 11). The increase would then be lapsed to the General Fund to comply with 2001 Wisconsin Act 16 requirements for a lapse of \$7.2 million.

Request Background

Section 9101 of Act 16 provides for an \$18,800,000 lapse to the General Fund in each year of the Biennium from program revenues or segregated revenue funded agencies. The DOT share of this lapse is \$7,211,700.

DOT prepared a lapse plan for FY 2002 and submitted it to the Department of Administration (DOA). The plan includes operations cuts of approximately 4%. Another component of the plan is using a portion of the Transportation Fund balance to accommodate the remaining reductions. Using the balance minimizes impacts to key department programs and services. Appropriating a portion of the balance will allow DOT to meet the lapse requirement avoiding employee layoffs that would increase Motor Vehicle wait times and affect delivery of the planned construction program.

The Department of Administration (DOA) has forwarded the reduction recommendations to the Committee, which include the remainder of DOT's plan. The recommendations include Fiscal 2002 WisDOT reductions totaling \$5,211,700.

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
November 28, 2001
Page 2

The department did not submit reduction recommendations to DOA for FY 2003. Additional time is necessary to determine more permanent changes in the way the department does business.

DOT is requesting that a portion of the balance remaining in the Transportation Fund at the end of the last biennium be used to fund the \$2,000,000 difference between the required reductions and the DOA recommendations.

How the Request meets Statutory Criteria


Section 9101 of Act 16 requires DOA notification to the Committee of all lapse or transfer recommendations. This request facilitates the DOT lapse plan.

DOT is making this request because it was not possible to implement the entire reduction amount without compromising the department mission and without layoff of permanent staff. Additional reductions beyond 4% would seriously compromise our ability to deliver critical services that our citizens expect from DOT.

It is important to obtain a timely review of the request because we have completed one half of the fiscal year. Approval delay will further reduce the department's ability to implement reductions and increase their severity on customers and stakeholders.

Thank you for your consideration of our request. Should you have questions on this request, please contact Alice Morehouse, Director of the Office of Policy and Budget, at 267-9618.

Sincerely,


Terry Mulcahy, P.E.
Secretary

cc: Governor Scott McCallum
Secretary George Lightbourn, Department of Administration
Joint Committee on Finance Members

I. Statewide – Representatives of Various State Agencies

The Departments of Agriculture, Trade and Consumer Protection; Corrections; Military Affairs; and Workforce Development request Committee approval of their plans to reallocate five percent state operations reductions enacted in 2001 Wisconsin Act 16. These requests were deferred from the last meeting under s. 13.10.

Governor's Recommendation

Approve the requests including the plan modifications submitted on November 30 by the Department of Agriculture, Trade and Consumer Protection and the Department of Corrections.



State of Wisconsin
Scott McCallum, Governor

Department of Agriculture, Trade and Consumer Protection
James E. Harsdorf, Secretary

November 30, 2001

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

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

Dear Senator Burke and Representative Gard:

At the last quarterly meeting of the Joint Committee on Finance the 5% GPR reduction plan for the Department of Agriculture, Trade and Consumer Protection was deferred. Since then the Department discussed the proposed plan and a concern expressed by a member.

I am requesting that our plan be included on the agenda for the committee meeting in December. The Department is proposing a revision to the 5% GPR reduction plan. In place of eliminating .50 GPR Meat Inspector position we propose to fund .50 of a Food Inspector position with program revenue in place of GPR. There is a sufficient cash reserve to fund the .50 position with PR.

Sincerely,

James E. Harsdorf
Secretary

Cc: Bob Lang
Dave Schmiedicke

Scott McCallum
Governor

Jon E. Litscher
Secretary



Mailing Address

3099 E. Washington Ave.
Post Office Box 7925
Madison, WI 53707-7925
Telephone (608) 240-5000
Fax (608) 240-3300

State of Wisconsin
Department of Corrections

DATE: November 30, 2001

TO: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
Room 317 East, State Capitol
Madison, WI 53702

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

FROM: Jon E. Litscher, Secretary
Department of Corrections

SUBJECT: §13.10 Notification – Department of Corrections 5% Reduction Plan

The Department of Corrections (DOC) requests that the Committee schedule the Department's 5% base reduction plan for review at the December 2001, §13.10 meeting. This plan was submitted to the Committee by the Department of Administration (DOA) for review at the November 2001 §13.10 meeting. The Committee deferred action on this plan at the November meeting.

Table 1 below outlines the reduction plan. It should be noted that the plan incorporates the recommendation by DOA to delete the \$200,000 GPR reduction in the pharmacological treatment for certain child sex offenders appropriation [§20.410(1)(bm)] and instead reduce the services for community corrections appropriation [§20.410(1)(b)] by an additional \$200,000 GPR in FY02. This action is necessitated by the funding of the additional district attorney positions at the November 2001 §13.10 meeting.

Table 1
5% Reduction Plan

| <u>Appropriations (All GPR)</u> | <u>Funding</u> | | <u>Positions</u> | |
|--|----------------------|----------------------|------------------|----------------|
| | <u>FY02</u> | <u>FY03</u> | <u>FY02</u> | <u>FY03</u> |
| (1)(a) General Program Operations | (\$529,200) | (\$772,200) | (0.00) | (0.00) |
| (1)(b) Services for Community Corrections | (\$988,900) | (\$788,900) | (20.75) | (20.75) |
| (1)(bm) Pharmacological Treatment for Certain Child Sex Offenders | (\$0) | (\$1,900) | (0.00) | (0.00) |
| (1)(f) Energy Costs | (\$32,000) | (\$37,800) | (0.00) | (0.00) |
| (1)(aa) Institutional Repair & Maintenance | (\$9,400) | (\$12,300) | (0.00) | (0.00) |
| (1)(ab) Corrections Contracts & Agreements | (\$194,600) | (\$140,600) | (0.00) | (0.00) |
| (3)(a) General Program Operations (DJC) | (\$2,200) | (\$2,600) | (0.00) | (0.00) |
| Total | (\$1,756,300) | (\$1,756,300) | (20.75) | (20.75) |

cc: Robert Lang, Legislative Fiscal Bureau
George Lightbourn, Department of Administration



STATE OF WISCONSIN
DEPARTMENT OF MILITARY AFFAIRS

OFFICE OF THE ADJUTANT GENERAL
STATE BUDGET & FISCAL OFFICER
2400 WRIGHT STREET
POST OFFICE BOX 14587
MADISON, WI 53714-0587

November 26, 2001

To: Representative John Gard
Senator Brian B. Burke
Co-Chairs
Joint Committee on Finance

From: Major General James G. Blaney *James D. Blaney*
The Adjutant General
Department of Military Affairs

RE: **Request Pursuant to §13.10, Wisconsin Statutes
Budget Reallocation Plan**

Request:

The Department of Military Affairs respectfully requests the review of the Department's Budget Reallocation plan submitted for the first quarter meeting of fiscal year 2002. The committee took no action on our proposal at the first quarter meeting, The Department requests our budget reallocation proposal be placed on the agenda for the December meeting.

Thank you.

Scott McCallum
Governor

Jennifer Reinert
Secretary



State of Wisconsin
Department of Workforce Development

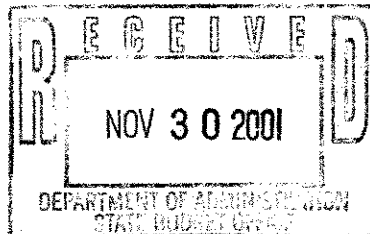
OFFICE OF THE SECRETARY
201 East Washington Avenue
P.O. Box 7946
Madison, WI 53707-7946
Telephone: (608) 266-7552
Fax: (608) 266-1784
<http://www.dwd.state.wi.us/>
e-mail: dwdsec@dwd.state.wi.us

I

November 30, 2001

The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
State Capitol, Room 317 East
Madison, Wisconsin 53707

The Honorable John Gard, Co-Chair
Joint Committee on Finance
State Capitol, 308 East
Madison, Wisconsin 53707



Dear Senator Burke and Representative Gard:

The Department of Workforce Development (DWD) requests approval of the Joint Committee on Finance under s. 13.10, Wis. Stats., of its reallocation plan for the 5 percent reduction in state agency operations. These reductions were required in 2001 Wisconsin Act 16 and were previously submitted by the Department of Administration on behalf of DWD. The Committee deferred consideration of DWD's plan at its November 5, 2001, meeting.

Thank you for your prompt attention to this letter.

Sincerely,

Jennifer Reinert
Secretary

cc: Robert Lang, Legislative Fiscal Bureau
David Schmiedicke, Department of Administration

ADMINISTRATION

Agenda Item II

Motion:

Move the following alternatives under the Fiscal Bureau's paper for the following agencies:

| <u>Agency</u> | <u>Alternative</u> |
|--|--------------------|
| Administration | 1 |
| Agriculture, Trade and Consumer Protection | 1 |
| Child Abuse and Neglect Prevention board | 1 |
| Commerce | 1 |
| Electronic Government | 1 |
| Financial Institutions | 2 |
| Health and Family Services | 1 |
| Historical Society | 1 |
| Insurance | 1 |
| Justice | 2 |
| Natural Resources | 2i |
| Public Service Commission | 1 |
| Regulation and Licensing | 1 |
| State Fair Park | 1 |
| Veterans Affairs | 1 |

Further, deny the request to transfer \$1,081,800 SEG in 2001-02 from the Department of Revenue's (DOR) general program operations appropriation for the state lottery to the general fund. Direct DOA to submit an alternative plan, subject to a Joint Committee on Finance 14-day passive review process. Require that the alternative plan would not include any transfer from the lottery fund to the general fund.

In addition, to provide that no state agency which receives approval for any program revenue or segregated revenue lapses or transfers to the general fund under this item (Agenda Item II) may increase any fees, chargebacks or assessments for any appropriation associated with those lapses or transfers without first receiving the approval of the Joint Committee on Finance under a 14-day passive review process.

MO# _____

| | | | |
|------------|---|---|---|
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| MOORE | Y | N | A |
| BAUMGART | Y | N | A |
| PLACHE | Y | N | A |
| WIRCH | Y | N | A |
| DARLING | Y | N | A |
| FITZGERALD | Y | N | A |

| | | | |
|---------|---|---|---|
| 2 GARD | Y | N | A |
| KAUFERT | Y | N | A |
| ALBERS | Y | N | A |
| DUFF | Y | N | A |
| WARD | Y | N | A |
| HUEBSCH | Y | N | A |
| HUBER | Y | N | A |
| COGGS | Y | N | A |

AYE 16 NO 0 ABS _____

ADMINISTRATION

Agency Requests for Reallocation of 5% ATB Reductions
Department of Corrections
[Agenda Item I]

Motion:

Move to specify that the Department of Corrections may not, in connection with the 5% across-the-board reductions, reduce inmate health care supplies and services.

| MO# | | | |
|------------|----|----|-------|
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| MOORE | Y | N | A |
| BAUMGART | Y | N | A |
| PLACHE | Y | N | A |
| WIRCH | Y | N | A |
| DARLING | Y | N | A |
| FITZGERALD | Y | N | A |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| ALBERS | Y | N | A |
| DUFF | Y | N | A |
| WARD | Y | N | A |
| HUEBSCH | Y | N | A |
| HUBER | Y | N | A |
| COGGS | Y | N | A |
| AYE | 79 | NO | ABS 0 |

ADMINISTRATION

Agenda Item I

Motion:

Move the following alternatives under the Fiscal Bureau's paper for the following agencies:

| Agency | Alternative |
|--|--------------|
| Agriculture, Trade and Consumer Protection | A1 and B1 |
| Corrections | 1 |
| Military Affairs | 1 |
| Workforce Development | 1 |

In addition, provide that no state agency which receives approval for any program revenue or segregated funding supplementation or position authorization under this item (Agenda Item I) may increase any fees, chargebacks or assessments for any appropriation associated with those supplements or position authorizations without first receiving the approval of the Joint Committee on Finance under a 14-day passive review process.

| MO# | | | | |
|-----|------------|---|---|---|
| 1 | BURKE | Y | N | A |
| | DECKER | Y | N | A |
| | MOORE | Y | N | A |
| | BAUMGART | Y | N | A |
| | PLACHE | Y | N | A |
| | WIRCH | Y | N | A |
| | DARLING | Y | N | A |
| | FITZGERALD | Y | N | A |
| 2 | GARD | Y | N | A |
| | KAUFERT | Y | N | A |
| | ALBERS | Y | N | A |
| | DUFF | Y | N | A |
| | WARD | Y | N | A |
| | HUEBSCH | Y | N | A |
| | HUBER | Y | N | A |
| | COGGS | Y | N | A |

Motion #1900

AYE 16 NO 0 ABS _____

**13.10 Meeting
December 18, 2001
Agenda Item I**

Issue: Administration: Agency Requests for Reallocation of 5% ATB Reductions

Staff Recommendation:

| | |
|------------------|------------|
| DATCP | Alt A1, B1 |
| Corrections | Alt 1 |
| Military Affairs | Alt A1 |
| DWD | Alt A1 |

Comments:

This is the final group of 5% agency budget cuts to be approved by JFC. It seems fine to go with the agency recommendations, unless Lang has an alternate plan.



Legislative Fiscal Bureau

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

December 18, 2001

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Administration: Agency Requests for Reallocation of 5% ATB Reductions -- Agenda Item I

INTRODUCTION

Under 2001 Wisconsin Act 16, most GPR-funded agencies had a 5% reduction taken each year in their state operations budget (excluding appropriations for fuel and utility costs and debt service payments). In the budget, this reduction was generally accomplished for each affected agency by calculating 5% of the adjusted GPR state operations base for the agency and then deducting that entire amount from the agency's largest GPR state operations appropriation. However, for those agencies with more than one GPR state operations appropriation, a provision in Act 16 permits those agencies to request the Joint Committee on Finance under s. 13.10 to reallocate any of the specified reduction allocated to the agency's largest GPR appropriation to other sum certain appropriations for state operations made to that agency that are funded from GPR. Under the bill as passed by the Legislature, the Department of Military Affairs would have been prohibited from requesting any reallocation of the budget reduction to the GPR appropriation for the Badger Challenge program; however, a Governor's partial veto deleted that provision.

Four general points may be noted in regard to this session law provision:

- First, the requests to be presented to the Committee were to be limited solely to a reallocation among GPR appropriations (where an agency had more than one GPR state operations appropriation) of a reduction already taken in the budget in a single appropriation. In other words, an agency may request that some of or all of the reduction as applied in the budget be reallocated to any of the agency's other state operations GPR appropriations, thereby lowering the amount of the reduction to the original appropriation. Further, no submittal under this provision is required if the agency wishes to retain the budget reduction as taken in Act 16.

- Second, the total reduction amount by agency has already been removed from each agency's appropriation and the Committee is not empowered under this provision to restore any of the GPR funding or to shift the reductions between agencies.

- Third, in the event that the Committee does not approve an agency's request for reallocation, the result would merely be that the reduction would remain as taken in the budget or, alternatively, the agency could submit another reallocation request to the Committee under s. 13.10 that proposes a different reallocation than the one submitted in its original request.

- Fourth, there is no provision in the session law language which provides for an agency to submit, as a part of any reallocation request, a request to offset a portion of the GPR reduction that has been already taken in the budget by obtaining an increase in other funding sources to offset the GPR reductions and/or to allow the continuation of existing positions by shifting their funding source from GPR to non-GPR funding sources. [Existing statutory authority does, however, provide that requests for increases in PR or SEG appropriations or position authority may be entertained by the Committee on their own merits under either ss. 16.505/16.515 (for PR funding sources) or s. 13.101 (for SEG funding sources).]

As a part of DOA's responsibilities associated with the implementation of Act 16, the Secretary of DOA, in a September 24, 2001, memorandum to state agency heads, indicated specific actions that state agencies would be required to take in implementing various budget cuts and lapses that are provided for under Act 16. With regard to these 5% across the board reductions, the memorandum indicated that agencies could reallocate these reductions across GPR state operations appropriations as described above and detailed additional requirements including required position eliminations for salary reductions taken in the second year of the biennium. The Secretary asked agencies to submit any such reallocation plans to DOA by October 2, 2001, including specific information regarding "the dollar reductions being transferred, including the allocation to allotment lines; and the position FTE counts being either reallocated or cut by fiscal year." Further, the Secretary's memorandum indicated that, notwithstanding the language of the session law provision, these agency "budget reallocation plans under s. 13.10 may include proposals to shift the funding source for positions and costs."

As specified in the Act 16 provision, a total of 16 agencies were authorized to submit reallocation plans. Four of those agencies (ECB, WTCS, Tourism and UW System) did not submit any reallocation request. At its November 5, 2001, meeting under s. 13.10, the Committee acted upon eight of the remaining agencies (DOA, Commerce, DER, DHFS, Historical Society, DOJ, DNR and DOR). At that meeting, the Committee also acted on requests from the Elections Board, Ethics Board, Judicial Commission and State Public Defender.

Before the Committee are the requests of four agencies which were not taken up at the November 5 meeting. These agencies are Agriculture, Trade and Consumer Protection, Corrections, Military Affairs and Workforce Development.

AGRICULTURE, TRADE AND CONSUMER PROTECTION

| Appropriation | Source | Act 16 | | Request | | | |
|---|--------|--------------|--------------|--------------|--------------|-----------|---------|
| | | Funding | | Funding | | Positions | |
| | | 2001-02 | 2002-03 | 2001-02 | 2002-03 | 2001-02 | 2002-03 |
| (1)(a) Food Safety and Consumer Protection | GPR | -\$1,013,200 | -\$1,013,200 | -\$390,400 | -\$364,600 | -5.025 | -5.025 |
| (2)(a) Animal Health Services | GPR | 0 | 0 | -153,000 | -153,000 | -3.00 | -3.00 |
| (3)(a) Marketing Services | GPR | 0 | 0 | -233,600 | -259,400 | -2.00 | -2.00 |
| (7)(a) Agricultural Resource Management | GPR | 0 | 0 | -121,000 | -121,000 | -2.00 | -2.00 |
| (8)(a) Management Services | GPR | 0 | 0 | -115,200 | -115,200 | -2.00 | -2.00 |
| GPR Total | | -\$1,013,200 | -\$1,013,200 | -\$1,013,200 | -\$1,013,200 | -14.025 | -14.025 |
| | | | | | | | |
| (1)(m) Federal Funds -- Food Inspection | FED | \$0 | \$0 | \$8,900 | \$8,900 | 0.25 | 0.25 |
| (1)(gb) Food Regulation | PR | \$0 | \$0 | \$67,200 | \$67,200 | 1.50 | 1.50 |
| (1)(gm) Dairy Trade Regulation | PR | 0 | 0 | 25,400 | 25,400 | 0.40 | 0.40 |
| (1)(j) Weights and Measures Inspection | PR | 0 | 0 | 63,600 | 63,600 | 1.00 | 1.00 |
| (1)(hm) Ozone-depleting Refrigerants | PR | 0 | 0 | 22,100 | 22,100 | 0.50 | 0.50 |
| (2)(ha) Animal Health -- Inspection, Testing and Enforcement | PR | 0 | 0 | 118,000 | 118,000 | 2.00 | 2.00 |
| (3)(L) Something Special From Wisconsin | PR | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| (8)(kL) Management Services -- Charge-backs | PR | 0 | 0 | 61,700 | 61,700 | 1.00 | 1.00 |
| PR Total | | \$0 | \$0 | \$358,000 | \$358,000 | 6.40 | 6.40 |
| | | | | | | | |
| (1)(q) Dairy, Grain and Vegetable Security | SEG | \$0 | \$0 | \$23,600 | \$23,600 | 0.50 | 0.50 |
| (7)(r) Agrichemical Management | SEG | 0 | 0 | 116,600 | 116,600 | 2.00 | 2.00 |
| SEG Total | | \$0 | \$0 | \$140,200 | \$140,200 | 2.50 | 2.50 |
| | | | | | | | |
| All Funds Total | | -\$1,013,200 | -\$1,013,200 | -\$506,100 | -\$506,100 | -4.875 | -4.875 |

1. **Reallocation of GPR Reductions.** Under 2001 Act 16, DATCP's largest GPR state operations appropriation (related to food safety and consumer protection) was reduced by \$1,013,200 annually. At the November 5, 2001 s. 13.10 meeting, the Joint Committee on Finance deferred action on DATCP's plan to reallocate a portion of the 5% reduction. The Department's subsequent proposal, discussed below, makes major modifications to the original request. Instead of eliminating 0.5 vacant meat inspector and related funding from the Department's food safety program, the revised proposal would delete 0.5 food safety inspector GPR position and request PR authority to maintain the 0.5 food safety inspector position. DATCP requests that \$622,800 in 2001-02 and \$648,600 in 2002-03 in reductions be reallocated to other GPR appropriations. To meet the 5% reduction, the Department requests the deletion of 14.025 GPR positions.

a. *Food Safety and Consumer Protection.* The Department funds food safety, meat and poultry inspection, warehouse keeper, grain regulation and trade and consumer protection programs from this appropriation. From the Department's food safety program, the request includes: (1) eliminating 0.875 vacant program assistant and related funding of \$27,600 annually; (2) deleting 1.5 food safety inspector positions with annual funding of \$67,200; (3) freezing a vacant program assistant position for savings of \$11,300 in 2001-02; (4) annually reducing

supplies and services of \$77,400 and \$48,700 in permanent property; and (5) deleting 0.25 program assistant position with annual funding of \$8,900. From the Department's meat and poultry inspection area, DATCP would freeze a vacant meat inspector position for savings of \$14,500 in 2001-02. From the Department's warehouse keeper and grain dealer regulation program, DATCP would eliminate a 0.5 grain auditor position with annual funding of \$23,600. The reallocation plan includes eliminating 1.9 positions with \$111,200 annually from the trade and consumer protection program as follows: (1) 0.4 financial specialist with \$25,400; (2) 0.5 consumer protection investigator supervisor with \$27,100; (3) 0.5 metrologist with \$36,600; (4) 0.25 budget and policy division supervisor with \$13,500; and (5) 0.25 financial specialist with \$8,600. Under the Department's request, \$390,400 in 2001-02 and \$364,600 in 2002-03 with 5.025 positions annually would be eliminated from the food safety and consumer protection area.

b. *Animal Health.* A total of 3.0 positions and \$153,000 would be eliminated annually as follows: (1) 1.0 vacant animal health inspector with \$35,000; (2) 1.0 program assistant with \$43,500; and (3) 1.0 veterinary specialist with \$74,500.

c. *Marketing Services.* DATCP requests to eliminate funding as follows: (1) \$37,800 in 2001-02 and \$94,500 in 2002-03 for 1.0 agricultural services bureau director who is expected to retire; (2) \$87,500 annually for 1.0 vacant administrative manager positions; (3) \$84,900 in 2001-02 and \$54,000 in 2002-03 for marketing supplies and services; and (4) \$23,400 annually from reduced LTE expenditures.

d. *Agricultural Resource Management.* DATCP requests GPR reductions annually as follows: (1) 2.0 positions related to nutrient management planning with \$116,600; and (2) \$4,400 in supplies and services.

e. *Management Services.* DATCP requests GPR reductions as follows: (1) 1.0 vacant information services technology position with \$45,400 annually; (2) 1.0 training officer position with \$61,700 annually; and (3) supplies and services of \$8,100 annually.

2. **Increases in Non-GPR Appropriations and Positions.** DATCP requests that \$507,100 and 9.15 positions annually be reallocated to different funding sources to retain functions that would otherwise be eliminated by the GPR reductions.

a. *Food Inspection.* DATCP requests annual funding of \$8,900 FED to restore the 0.25 food inspection program assistant position deleted in the GPR reduction.

b. *Food Regulation.* Request annual funding of \$67,200 PR to restore 1.5 food safety inspector positions deleted in the GPR reduction. Fees charged for food regulation activities would support the food safety inspector positions.

c. *Dairy Trade Regulation.* Request \$25,400 from dairy trade regulation program revenues to restore 0.4 financial specialist position. The dairy trade financial specialist position would be paid for from fees received from manufacturers or processors of selected dairy products on the sale of those products.

d. *Weights and Measures Inspection.* Request \$63,600 to restore 0.5 consumer protection investigator supervisor and 0.5 metrologist positions in the weights and measures program. Both the investigator and metrologist positions would be paid from a weights and measures appropriation that receives revenue mainly from municipalities that contract with DATCP for services; other fees are received from vehicle scale operators, grocery stores, those using the state measurement center laboratory, feed dealers and weights and measures servicing companies.

e. *Ozone-depleting Refrigerants.* Request \$22,100 to restore 0.25 budget and policy division supervisor and 0.25 financial specialist positions in the Department's ozone-depleting refrigerants program. The budget and policy and financial specialist positions would be paid for from registration fees from businesses that work with mobile air conditioners.

f. *Animal Health.* Request annual funding of \$43,500 PR to restore 1.0 program assistant position and \$74,500 PR to restore 1.0 veterinary specialist position deleted in the GPR reduction. Program revenues are collected from livestock market, dealer and trucker licenses, livestock vehicle registrations, livestock health certificates and deer and fish farm registrations.

It appears the program revenue accounts under "b" through "f" above have adequate revenue streams to provide the additional expenditure authority requested in this biennium without raising fees.

g. *Something Special From Wisconsin.* In the Marketing Division, DATCP intends to internally reallocate \$8,800 in 2001-02 and \$17,500 in 2002-03 in supplies and services from the Department's "Something Special from Wisconsin" PR promotion appropriation. Revenues are collected from fees charged for use of the "Something Special from Wisconsin" mark, slogan and logo. The Department indicates that existing spending authority is adequate to make the proposed expenditures.

h. *Management Services.* The request includes annual funding of \$61,700 PR to restore 1.0 training officer position. The program revenue is derived from charge-backs to other agency appropriations, which decreases the amount of funding available from those charged appropriations.

i. *Dairy, Grain and Vegetable Security.* In the Department's warehouse keeper and grain dealer regulation program, the proposal would provide annual funding of \$23,600 SEG to restore a 0.5 grain auditor position deleted in the GPR reduction. Fees collected through the new agricultural producer security program from industry assessments on grain dealers, grain warehouse keepers, milk contractors and vegetable contractors would support the position.

j. *Agrichemical Management.* In the Department's Agricultural Resource Management Division, the agency requests annual funding of \$116,600 SEG from the agrichemical management (ACM) fund to restore 2.0 positions related to nutrient management planning. Revenues in the ACM fund are collected from several feed, fertilizer and pesticide license and

tonnage fees. DATCP has formed an advisory committee to discuss options to raise fees for the ACM fund, as the Department is projecting that with current revenues and authorized expenditures, the current fund balance would be depleted during the 2003-05 biennium. Providing additional expenditure authority from the ACM fund would hasten the balance decline in the fund and require either expenditure reductions elsewhere in the program or an increase in fees sooner than otherwise would be necessary.

According to DATCP officials, if the requested restorative PR or SEG expenditure authority is not provided, the Department prefers not to eliminate those GPR positions and funding. If the Committee were only to approve the GPR reallocation or were to deny the request, DATCP could submit a future reallocation request to the Committee under s. 13.10.

Alternatives

A. Reallocation of GPR Reductions

1. Approve the GPR funding and position changes requested by DATCP, as shown in the table.
2. Modify Alternative 1 by deleting the requested GPR funding and position changes related to any one or more of the following items:
 - a. Animal health services.
 - b. Marketing services.
 - c. Agricultural resource management.
 - d. Management services.
3. Deny all requested GPR funding changes.

B. Increases in Non-GPR Appropriations and Positions

1. Approve the non-GPR appropriation and position changes requested by DATCP, as shown in the table.
2. Modify Alternative 1 by deleting the requested funding and position changes related to any one or more of the following items:
 - a. Federal food inspection.
 - b. Food regulation PR.

- c. Dairy trade regulation PR.
 - d. Weights and measures inspection PR.
 - e. Ozone-depleting refrigerants PR.
 - f. Animal health -- inspection, testing and enforcement PR.
 - g. Something Special from Wisconsin PR.
 - h. Management services -- charge-backs PR.
 - i. Dairy, grain and vegetable security SEG.
 - j. Agrichemical management SEG (DATCP expects the current fund balance to be depleted during the 2003-05 biennium without this reallocation of 2.0 staff).
3. Deny all requested non-GPR funding changes.

CORRECTIONS

| Appropriation | Source | Act 16 | | Request | | | |
|--|--------|--------------|--------------|--------------|--------------|-----------|---------|
| | | Funding | | Funding | | Positions | |
| | | 2001-02 | 2002-03 | 2001-02 | 2002-03 | 2001-02 | 2002-03 |
| (1)(a) General Program Operations | GPR | -\$1,756,300 | -\$1,756,300 | -\$529,200 | -\$772,200 | 0.00 | 0.00 |
| (1)(b) Services for Community Corrections | GPR | 0 | 0 | -988,900 | -788,900 | -20.75 | -20.75 |
| (1)(bm) Pharmacological Treatment for Certain Child Sex Offenders | GPR | 0 | 0 | 0 | -1,900 | 0.00 | 0.00 |
| (1)(f) Energy Costs | GPR | 0 | 0 | -32,000 | -37,800 | 0.00 | 0.00 |
| (1)(aa) Institutional Repair and Maintenance | GPR | 0 | 0 | -9,400 | -12,300 | 0.00 | 0.00 |
| (1)(ab) Corrections Contracts and Agreements | GPR | 0 | 0 | -194,600 | -140,600 | 0.00 | 0.00 |
| (3)(a) General Program Operations -- Division of Juvenile Corrections | GPR | 0 | 0 | -2,200 | -2,600 | 0.00 | 0.00 |
| GPR Total | | -\$1,756,300 | -\$1,756,300 | -\$1,756,300 | -\$1,756,300 | -20.75 | -20.75 |

Reallocation of GPR Reductions. Under 2001 Act 16, the Department of Corrections' largest GPR state operations appropriation (general program operations (s. 20.410(1)(a))) was reduced by \$1,756,300 in each year to generate the cost reduction. This amount is equal to 5% of Corrections' central office adjusted base. Corrections' redistribution plan would reallocate \$1,227,100 GPR in 2001-02 and \$984,100 GPR in 2002-03 to six other departmental GPR appropriations and eliminate 20.75 GPR positions annually. The Department's plan to redistribute the reduction is identified below:

a. *General Program Operations.* Corrections' plan would decrease supplies and services funding by \$529,200 GPR in 2001-02 and \$772,200 GPR in 2002-03. The appropriation provides GPR funding for adult correctional institutions and agency administrative services. Of the total appropriation, approximately 90% is used to support adult institutions, including health services. According to Corrections, the Division of Adult Institutions "will need to take the largest funding reduction and will be the division most affected by the reductions" to this appropriation. Funding allocations to the institutions by Corrections' central office will be reduced and the individual institutions will determine the specific cost reductions. Corrections indicates that reductions could occur in areas such as educational supplies, offender treatment, security training and health care supplies and services. As a result of the reductions, total general program operations funding under the plan would be \$373,556,200 GPR in 2001-02 and \$404,681,100 GPR in 2002-03. Since the Act 16 reductions were made to the general program operations appropriation, at a minimum the reduction identified in the plan will occur in that appropriation.

b. *Services for Community Corrections.* The plan would reduce funding in the Division of Community Corrections by \$988,900 GPR in 2001-02 and \$788,900 GPR and delete 20.75 GPR community supervision agent positions annually. Further, approximately 7.0 agent positions would be held vacant during 2001-02.

In 2001 Act 16, the 2001-03 biennial budget, an additional 20.0 community supervision agents in 2001-02 and 39.25 agents in 2002-03 were provided for the Division of Community Corrections. The increased positions were intended to provide an estimated agent-to-offender ratio for all offenders, excluding the enhanced supervision program, of one agent to 47 offenders.

Under the reduction plan, the budgeted agent-to-offender ratio would increase from one agent to 47 offenders under Act 16 to one agent to 48.1 offenders in 2001-02 and one agent to 47.8 offenders in 2002-03. According to Corrections, the agent positions to be eliminated under the plan "were never allocated to the field in order for the division to meet unfunded salary obligations" in the 1999-01 biennium. Corrections had 69 vacant entry-level agent positions at the end of the 1999-01 biennium.

The Committee should note:

- In connection with other required reductions in expenditures under Act 16 sections 9101 (26) and (23r), relating to vacant positions and membership dues, Corrections has recommended to DOA that community corrections funding be reduced by an additional \$541,600 GPR and 14.25 GPR positions annually. According to Corrections, these positions have been vacant for nine months or more. The reductions made in accordance with these provisions are not subject to Committee review and approval. When taken in combination with reductions proposed above, a total of 35 agent positions would be eliminated and the budgeted agent-to-offender ratio increased to one agent to 48.7 offenders in 2001-02 and one agent to 48.4 offenders in 2002-03.

- Corrections indicates that the increased community supervision (probation and parole) positions provided in the 2001-03 budget are not impacted by the reductions proposed in the plan and that Corrections "maintains the flexibility to allocate these positions to the field as

workload concerns dictate. In addition, 34.0 FTE [full-time equivalent] probation and parole agents remain from the 1999-01 biennial budget. Of these positions, 20.0 FTE were recently allocated to the Milwaukee area to reduce caseload."

- Even at the higher agent-to-offender ratios resulting from spending reductions, because community supervision populations estimated in Act 16 were lower than in the 1999-01 biennium and because additional agent positions were provided in Act 16, the budgeted agent-to-offender ratio in the 2001-03 biennium is projected to be lower than in the 1999-01 biennium (one agent to every 54 offenders).

c. *Pharmacological Treatment of Certain Child Sex Offenders.* The plan would reduce funding for the pharmacological treatment of certain child sex offenders (chemical castration) program by \$1,900 GPR in 2002-03. At the November 5, 2001, s. 13.10 meeting, funding from the chemical castration program was transferred to the District Attorneys' appropriation to support additional prosecutor positions. Total funding for the program was reduced from \$676,000 GPR annually to \$288,100 GPR in 2001-02 and \$344,400 GPR in 2002-03. The proposed reduction of \$1,900 GPR in 2002-03 corresponds with Corrections' plan to provide treatment under the chemical castration program to nine offenders in 2001-02 and 13 offenders in 2002-03.

d. *Energy Costs.* The plan would reduce the Department's energy costs appropriation by \$32,000 GPR in 2001-02 and \$37,800 GPR in 2002-03. Corrections indicates that it "will make every effort to reduce the amount of energy usage. The impact of this cut will be affected by the weather and the cost of energy over the biennium." The Committee should note that \$38,700 GPR in 2001-02 and \$346,200 GPR in 2002-03 is currently reserved in the Committee's supplemental appropriation for possible release to Corrections for energy costs under s. 13.10.

e. *Institutional Repair and Maintenance.* The plan would reduce the Department's institutional repair and maintenance appropriation by \$9,400 GPR in 2001-02 and \$12,300 GPR in 2002-03. The appropriation is used for materials, supplies, equipment and contracts for services involving the repair and maintenance of structures and equipment owned by Corrections. Corrections indicates that the reduction will result in a delay in some maintenance projects.

f. *Corrections Contracts and Agreements.* The plan would reduce the corrections contracts and agreements appropriation by \$194,600 GPR in 2001-02 and \$140,600 GPR in 2002-03. This would reduce the average daily inmate population in out-of-state contract beds by 12 in 2001-02 (to 4,085) and by 9 in 2002-03 (to 2,336). As a result of the reductions, total funding in the appropriation would be \$79,159,300 GPR in 2001-02 and \$48,940,400 GPR in 2002-03.

g. *General Program Operations--Juvenile Corrections.* The plan would reduce the general program operations appropriation for juvenile corrections by \$2,200 GPR in 2001-02 and \$2,600 GPR in 2002-03. Corrections indicates that these reductions would be made to supplies and services.

Alternatives

1. Approve the GPR funding and position changes requested by the Department of Corrections, as shown in the table.
2. Modify Alternative 1 by deleting the requested GPR funding changes related to any one or more of the following items:
 - a. Services for community corrections.
 - b. Pharmacological treatment for certain child sex offenders.
 - c. Energy costs.
 - d. Institutional repair and maintenance.
 - e. Corrections contracts and agreements.
 - f. General program operations, juvenile corrections.
3. Deny the request.

MILITARY AFFAIRS

| Appropriation | Source | Act 16 | | Request | | | |
|---|--------|------------|------------|------------|------------|-----------|---------|
| | | Funding | | Funding | | Positions | |
| | | 2001-02 | 2002-03 | 2001-02 | 2002-03 | 2001-02 | 2002-03 |
| (1)(a) National Guard Operations -- General Program Operations | GPR | -\$307,300 | -\$307,300 | -\$175,200 | -\$17,100 | -0.50 | -0.50 |
| (3)(a) Emergency Management -- General Program Operations | GPR | 0 | 0 | -18,500 | 0 | 0.00 | 0.00 |
| (4)(b) Badger Challenge Program | GPR | 0 | 0 | 0 | -280,200 | -0.75 | -0.75 |
| (4)(c) Youth Challenge Program | GPR | 0 | 0 | -113,600 | -10,000 | 0.00 | 0.00 |
| GPR Total | | -\$307,300 | -\$307,300 | -\$307,300 | -\$307,300 | -1.25 | -1.25 |

1. **Reallocation of GPR Reductions.** The Department of Military Affairs (DMA) was required by 2001 Wisconsin Act 16 to take a \$307,300 base level reduction to its largest GPR state operations appropriation. This reduction represents a 4% base level reduction rather than the 5% reduction that was required of most other agencies. The agency requests that \$132,100 GPR in 2001-02 and \$290,200 GPR in 2002-03 of the required reductions be reallocated to the three other state operations appropriations indicated in the above table.

a. *Emergency Management Services General Program Operations.* The agency requests that \$18,500 GPR in 2001-02 of the required reductions be reallocated to its emergency management services general program operations appropriation. The reduction would be taken entirely from salary savings that would be generated by maintaining a vacant, split-funded (50% GPR/50% FED) training position during the current fiscal year. The Department anticipates that this position would be filled during the 2002-03 fiscal year.

b. *Badger Challenge Program.* The Department requests that \$280,200 GPR in 2002-03 of the required reductions be reallocated to the Badger Challenge program operations appropriation. The requested reduction would eliminate all funding for the Badger Challenge program in that fiscal year.

The Department is given permissive authority under s. 21.25 of the statutes to administer the Badger Challenge program. The program, located at Fort McCoy, is a two-phase program for "at risk" 14-16 year olds. Eligibility is open to any youth who is at risk of dropping out of school, regardless of income; however, at least 25% of enrollees must be TANF eligible. Phase I of the program consists of a six-week residential stay where cadets participate in activities to improve anger management, teamwork, leadership and personal growth. Phase II consists of post-residential mentoring by community volunteers.

Prior to Act 16, the Department was required to administer the Badger Challenge program. However, Act 16 deleted all funding for the program for the 2001-02 fiscal year, and, as a result, the Department's authority to operate the program was made permissive. As passed by the Legislature, the biennial budget bill included a provision specifying that DMA could not request the reallocation of base budget reductions from the remaining Badger Challenge funding for the 2002-03 fiscal year. This proposed prohibition was deleted by the Governor's item veto.

The Department's proposed funding reduction reallocation request would eliminate all remaining GPR funding for the Badger Challenge program during the current biennium. This reallocation request would also delete the program's GPR amounts for the purpose of establishing its base level of funding for the 2003-05 biennium. The Department indicates that the elimination of all program funding for the present biennium would make it nearly impossible to maintain current contacts with LTE teaching staff and with volunteers involved with the mentoring program. As a result, it would be difficult for the agency to immediately resume the program if additional funding were provided in a future biennium. The proposed reduction would also include the elimination of the GPR-funded portion of the Badger Challenge program manager position (0.75 FTE).

Notwithstanding the Governor's item veto, given the Legislature's previous statement of intent that it did not wish to see funding for the Badger Challenge program reduced during the 2002-03 fiscal year, the Committee could conclude that the Badger Challenge program should be held harmless to any further budget reductions. Under such an alternative, the Committee could choose to deny the agency's request to reallocate a portion of the required budget reductions to this

program. If the Committee acted to deny this reallocation, the required \$280,200 GPR reduction in 2002-03 would default to the Department's largest general program operations appropriation [s. 20.465(1)(a) of the statutes].

c. *Youth Challenge Program.* The agency requests that \$113,600 GPR in 2001-02 and \$10,000 GPR in 2002-03 of the required reductions be reallocated to its Youth Challenge program operations appropriation. The requested reductions would be applied to the program's supplies and services budget.

The Department is required by s. 21.26 of the statutes to administer the Youth Challenge program. The program is a 22-week residential opportunity for youths aged 16 to 18 who are high school dropouts or habitual truants who will not graduate from high school. The goal of the program is to aid these youths in learning life skills, increasing their employment potential and preparing them for the high school equivalency degree exam. The program is currently funded 60% with federal funds and 40% with state matching funds.

Provisions of the 1998 Defense Appropriation Act have increased the amount of the state matching requirement from 65% FED/35% GPR in 2000-01 to 60% FED/40% GPR in 2001-02 and thereafter. Because the federal and state fiscal years do not correspond (and the higher state match was not required until October 1, 2001) and because the Department also received a somewhat smaller FED allocation than was anticipated, DMA has been able to identify \$113,600 GPR in 2001-02 and \$10,000 GPR in 2002-03 of supplies and services costs for the program that will not have to be incurred. The agency has indicated that this GPR funding reduction will neither reduce available federal funding for the program nor adversely impact the number of cadets served or the types of services provided by the program. The Department expects federal funds to increase in 2002-03; consequently, a reduction of only \$10,000 GPR in state matching funds appears feasible in that fiscal year.

Alternatives

A. Reallocation of GPR Reductions

1. Approve the GPR funding and position changes requested by DMA, as shown in the table.
2. Modify Alternative 1 by deleting the requested GPR funding changes related to any one or more of the following items:
 - a. Emergency management services general program operations.
 - b. Badger Challenge program.
 - c. Youth Challenge program.

3. Deny all requested GPR funding changes.

WORKFORCE DEVELOPMENT

| Appropriation | Source | Act 16 | | Request | | | |
|---|--------|------------|------------|-----------|------------|-----------|---------|
| | | Funding | | Funding | | Positions | |
| | | 2001-02 | 2002-03 | 2001-02 | 2002-03 | 2001-02 | 2002-03 |
| (1)(a) Workforce Development -- General Program Operations | GPR | -\$502,600 | -\$502,600 | -\$55,600 | -\$55,600 | -1.20 | -1.20 |
| (3)(a) Workforce Solutions -- General Program Operations | GPR | 0 | 0 | 447,000 | 447,000 | -2.94 | -2.94 |
| GPR Total | | -\$502,600 | -\$502,600 | \$502,600 | -\$502,600 | -4.14 | -4.14 |

1. **Reallocation of GPR Reductions.** Act 16 reduced the Department of Workforce Development's (DWD) workforce development general program operations appropriation by \$502,600 GPR annually to generate the 5% cost reduction. The DWD plan would reallocate \$447,000 GPR annually of the Act 16 reductions to the GPR appropriation for general program operations in the Division of Workforce Solutions as follows:

a. **Workforce Solutions General Program Operations.** (1) *Unemployment Insurance.* Delete 2.94 GPR positions and reallocate \$136,000 GPR annually from the Division of Workforce Solutions general program operations appropriation to the Workforce Development program operations appropriation. This position authority was identified for elimination earlier this year to offset the creation of additional positions in the Unemployment Insurance (UI) Division.

(2) *LTE Funding.* Reallocate \$80,000 GPR annually in LTE funding from the Division of Workforce Solutions general program operations appropriation to the Workforce Development general program operations appropriation.

(3) *Contracts, Supplies and Services.* Reduce \$231,000 GPR annually from contracts, supplies and services in the Division of Workforce Solutions and reallocate those funds to the Workforce Development general program operations appropriation. DWD indicates that this funding cut will not negatively affect the state's temporary assistance for needy families (TANF) maintenance-of-effort requirement, but the Department has not yet decided which contracts or services would be affected by the reduction.

In addition, 1.2 GPR positions annually would be deleted from the Workforce Development general program operations appropriation to reflect the remaining \$55,600 annual reduction in that appropriation. This position authority was also designated for elimination from the UI Division earlier in the year.

Alternatives

A. Reallocation of GPR Reductions

1. Approve the GPR funding and position changes requested by DWD, as shown in the table.
2. Modify Alternative 1 by deleting the requested GPR funding changes related to any one or more of the following items:
 - a. Unemployment Insurance positions.
 - b. LTE funding.
 - c. Contracts and supplies and services funding.
3. Deny all requested GPR funding.

MO# M+1

| | | | |
|------------|---|---|---|
| BURKE | Y | N | A |
| DECKER | Y | N | A |
| MOORE | Y | N | A |
| BAUMGART | Y | N | A |
| PLACHE | Y | N | A |
| WIRCH | Y | N | A |
| DARLING | Y | N | A |
| FITZGERALD | Y | N | A |
| | | | |
| GARD | Y | N | A |
| KAUFERT | Y | N | A |
| ALBERS | Y | N | A |
| DUFF | Y | N | A |
| WARD | Y | N | A |
| HUEBSCH | Y | N | A |
| HUBER | Y | N | A |
| COGGS | Y | N | A |

AYE 15 NO 1 ABS

**13.10 Meeting
December 18, 2001
Agenda Item II**

Issue: Administration: Recommendations for PR Lapses and SEG Transfers

Staff Recommendation:

| | |
|------------------------|--|
| Administration | Alt 1 |
| DATCP | Alt 1 |
| Child Abuse Board | Alt 1 |
| Commerce | Alt 1 |
| Electronic Government | Alt 1 |
| Financial Institutions | Alt 1 |
| DHFS | Alt 1 |
| Historical Society | Alt 1 |
| Insurance | Alt 1 |
| Justice | Alt 1 |
| DNR | Alt 1 |
| DPI | Alt 1 |
| PSC | Alt 1 |
| DR&L | Alt 1 |
| Revenue | Sen. Decker will have an alternative motion |
| State Fair Park Board | Alt 1 |
| DOT | Since DOT decided to keep the DMV centers open, it's not clear how we should handle this item. I'm checking with Lang. |
| Veterans Affairs | Alt 1 |

Comments:

These are recommendations made by the agencies regarding the required PR lapses and SEG transfers. In most cases, it seems fine to go with the agency's recommendation. Sen. Decker wants to mess around a bit with the Revenue item to deal with a constitutionality concern regarding transferring funds from the lottery operations fund to the general fund. From what Barb tells me, it sounds fine for you to support it.

With regard to the DOT item, Lang will probably want to talk to you about it.

Prepared by: Julie



Legislative Fiscal Bureau

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

December 18, 2001

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Administration: Recommendations for PR Lapses and SEG Transfers Under Act 16--
Agenda Item II

INTRODUCTION

In 2001 Wisconsin Act 16, there is a session law provision directing the Secretary of the Department of Administration (DOA) to lapse, in 2001-02 and again in 2002-03, a total of \$18,800,000 from state agencies in the executive branch of government. The provision specifies that the DOA Secretary shall recommend to the Joint Committee on Finance the specific lapses or transfers to the general fund from those executive branch agencies' state operations appropriations, funded from program revenue or segregated fund sources, to equal the required \$18,800,000 annually. The session law provision further specifies that the Secretary's recommendations may not propose lapses from any appropriation that is: (1) funded from federal revenues or gift, grant or bequest funds; (2) for repayment of public debt or operating notes; (3) for lease rental payments; (4) appropriated to DOT for construction projects or the operation of the state patrol; (5) for operation of any state institution established for the care or custody of individuals; or (6) an appropriation containing monies whose lapse would violate a condition imposed by the federal government on the expenditure of those monies or provisions of the Wisconsin Constitution.

The session law provision further directs that the Secretary's recommendations be submitted to the Joint Committee on Finance for approval under a 14-day passive review process. Pursuant to this provision, the Secretary's recommendations for the required lapses for 2001-02 were submitted to the Committee on November 21, 2001. Those recommendations are now scheduled for consideration by the Committee at this s. 13.10 meeting.

Secretary's Recommendations. Following the publication of Act 16, the Secretary of DOA sent a memorandum to state agency heads relating to implementation of various budget cuts and

lapses required under that Act. Included in that memorandum were instructions to certain state agencies with respect to required PR and SEG appropriation lapses to the general fund. The memorandum indicated that DOA had determined the amounts of lapses by agency and appropriation that it proposed to have agencies lapse based on the individual appropriations from which the original 5% lapse amounts were calculated.

However, the Secretary's memorandum further indicated that the affected state agencies could choose to allocate the required lapse amounts to different, non-GPR state operations appropriations to derive the same total lapse amount, consistent with exclusions specified in the session law provision (listed above). Those agencies were directed to submit to DOA by October 5, 2001, a letter indicating the agency's preference for the sources [fund sources and specific appropriations] from which to lapse the requisite amount of funding. Further, the memorandum indicated that once approval had been received from the Joint Committee on Finance, DOA would then transfer the cash balance amount from each appropriation source to the general fund.

The November 21, 2001, submittal of recommended lapses from the Secretary of DOA contains the Secretary's final recommendations for fiscal year 2001-02. That submittal indicated that these recommendations reflect the lapse proposals as submitted by the agencies and that in most cases the Secretary is recommending approval of the plans as proposed by the agencies. In a few cases, however, the Secretary's recommendation includes a modification of an agency's proposal. The recommended total lapse amounts, by agency, are indicated in the following table.

**Required Annual Total Lapse Amounts by Agency
DOA Recommendation**

| <u>Agency</u> | <u>Amount</u> |
|--|------------------|
| Administration | \$1,685,000 |
| Agriculture, Trade and Consumer Protection | 195,200 |
| Child Abuse & Neglect Prevention Board | 16,000 |
| Commerce | 1,344,300 |
| Electronic Government | 2,250,000 |
| Financial Institutions | 759,100 |
| Health & Family Services | 475,300 |
| Historical Society | 174,200 |
| Insurance | 653,500 |
| Justice | 132,300 |
| Natural Resources | 659,600 |
| Public Instruction | 135,500 |
| Public Service Commission | 666,300 |
| Regulation & Licensing | 497,800 |
| Revenue | 1,081,800 |
| State Fair Park | 638,600 |
| Transportation | 7,211,700 |
| Veterans Affairs | <u>223,800</u> |
| Total | \$18,800,000 |

The Secretary's recommended lapses for each of the 18 agencies (including the new Department of Electronic Government) are reviewed below. For each agency, a summary table indicating the appropriations affected and the proposed lapse amount for fiscal year 2001-02 is first presented. Then, a brief description of the recommended lapses is presented, followed by alternatives for consideration by the Committee.

It should be noted that if the Committee chooses any of the alternatives which would deny one or more of the proposed lapses, then the Secretary of DOA would be required to submit to the Committee, under a 14-day passive review process, an alternative plan to accomplish those required lapse amounts that were not approved by the Committee at this meeting.

ADMINISTRATION

| <u>Appropriation</u> | <u>Source</u> | <u>2001-02</u> |
|---|---------------|----------------|
| (1)(kj) Financial Services | PR | \$200,000 |
| (2)(ki) Risk Management Administration | PR | 200,000 |
| (4)(k) Waste Facility Siting Board; General Program Operations | PR | 100,000 |
| (5)(ka) Facility Operations and Maintenance; Police and Protection Facilities | PR | 1,000,000 |
| (5)(kb) Parking | PR | 60,000 |
| (8)(j) General Program Operations; Raffles and Crane Games | PR | <u>125,000</u> |
| Total | | \$1,685,000 |

The Secretary of Administration has recommended that \$1,685,000 PR in 2001-02 be lapsed to the general fund from various DOA appropriations.

1. *Financial Services.* DOA has recommended that \$200,000 PR in 2001-02 be lapsed to the general fund from the agency's financial services appropriation [s. 20.505(1)(kj)]. The expenditure authority for this appropriation is \$8,808,300 PR in 2001-02. The financial services appropriation is funded from charges to other state agencies for providing accounting, auditing, payroll and other financial services and amounts transferred from the State Treasurer's general program operations for services provided to that Office. At the end of the 2000-01 fiscal year, there was a cash balance of \$1,117,400 PR in this appropriation.

As a result of the proposed lapse from this appropriation, there is the possibility of a federal audit exception, since a portion of the affected cash balances arguably were generated through payments from FED-funded accounts and would be lapsed to the state's general fund, rather than being rebated to the appropriate FED accounts. An audit exception could require the state to provide a future, proportional reimbursement to the federal government. The likelihood of an audit exception and the amount of reimbursement are unknown, however.

It should be noted that while \$200,000 PR in 2001-02 would be lapsed from this appropriation, the Committee's action on November 5, 2001, reallocating DOA's 5% GPR funding reductions included a provision that increased expenditure authority under this same appropriation by \$94,600 PR annually.

2. *Risk Management Administration.* DOA has recommended that \$200,000 PR in 2001-02 be lapsed to the general fund from the agency's risk management administration appropriation [s. 20.505(2)(ki)]. The expenditure authority for this appropriation is \$4,741,200 PR in 2001-02. Funds are provided to this appropriation from agency payments to the state's self-funded risk management programs (worker's compensation, property losses, state liability payments and

hazardous waste cleanup liability). Under current law, the unencumbered funds remaining in this appropriation at the end of the fiscal year are transferred back to the source appropriation [s. 20.505(2)(k)]. Therefore, in order to lapse funds from the risk management administration appropriation, the \$200,000 PR in 2001-02 will have to be placed in unallotted reserve for lapse to the general fund. The total 2000-01 ending cash balance for the four risk management programs (worker's compensation, property, liability and hazardous materials cleanup) was \$11,333,100 PR. However, the Department indicates that the amounts that should be reserved for potential future payments from the state's risk management programs significantly exceeds this balance.

3. *Waste Facility Siting Board General Program Operations.* DOA has recommended that \$100,000 PR in 2001-02 be lapsed to the general fund from the agency's Waste Facility Siting Board general program operations appropriation [s. 20.505(4)(k)]. The expenditure authority for this appropriation is \$129,600 PR in 2001-02. Funding for the Board's operations is provided from a 1.7 cents per ton fee assessed by the Department of Natural Resources against generators of solid or hazardous wastes that are disposed of in licensed waste facilities. Annually, the Department of Natural Resources transfers all the assessments received to the DOA appropriation. The Board's appropriation had a cash balance of \$208,000 PR at the end of 2000-01.

4. *Facility Operations and Maintenance.* DOA has recommended that \$1,000,000 PR in 2001-02 be lapsed to the general fund from the agency's facility operations and maintenance appropriation [s. 20.505(5)(ka)]. The expenditure authority for this appropriation is \$37,175,600 PR in 2001-02. Funding for this appropriation is provided from state agencies for the operation of state-owned or operated facilities not charged to other appropriations. Funds for the appropriation are provided from agency space rental billings, special rent assessments for federally-occupied space, State Capitol and Executive Residence supplemental funding, tenant and utility billings. The 2000-01 ending cash balance for this appropriation was \$5,234,300 PR.

Since DOA separately accounts for rental charges for space provided to federally-funded programs, it does not appear that the proposed lapse of \$1,000,000 from this appropriation account would cause a federal audit exception. Further, DOA has indicated that the proposed lapse would not result in an additional fee increase. However, it may be noted that prior to proposing this lapse, DOA had already sought and received State Building Commission approval on May 16, 2001, for an increase to agency space rental fees from \$19.10 to \$20.10 per square foot for the 2002-03 fiscal year.

5. *Parking.* DOA has recommended that \$60,000 PR in 2001-02 be lapsed to the general fund from the agency's parking appropriation [s. 20.505(5)(kb)]. The expenditure authority for this appropriation is \$1,114,900 PR in 2001-02. Funding is provided to this appropriation from various rates charged for parking facilities in the Madison area that are operated by DOA. These rates cover operation and maintenance, snowplowing and debt service related to Madison parking facilities. The 2001-02 ending cash balance in the appropriation was \$2,203,700 PR; however, the

Department indicates that much of this balance is due to expected debt service for parking facilities at the new Justice Center and Revenue Buildings.

6. *General Program Operations; Raffles and Crane Games.* DOA has recommended that \$125,000 PR in 2001-02 be lapsed to the general fund from the Division of Gaming appropriation that funds the state's regulatory activities relating to raffle and crane games [s. 20.505(8)(j)]. Expenditures in this appropriation totaled \$191,000 PR in 2000-01, while revenues totaled \$198,000. The appropriation had a beginning cash balance of \$338,600 PR on July 1, 2001. DOA indicates that the lapse is intended to be taken from this cash balance.

Alternatives

1. Approve the request.
2. Modify the DOA plan by deleting the requested lapse relating to one or more of the following and, instead, direct DOA to submit an alternative plan.
 - a. Financial services.
 - b. Risk management administration.
 - c. Waste Facility Siting Board general program operations.
 - d. Facility operations and maintenance.
 - e. Parking.
 - f. General program operations; raffle and crane games.

AGRICULTURE, TRADE AND CONSUMER PROTECTION

| <u>Appropriation</u> | <u>Source</u> | <u>2001-02</u> |
|--------------------------------------|---------------|----------------|
| (1)(gb) Food Regulation | PR | \$118,100 |
| (1)(hm) Ozone-depleting Refrigerants | PR | 31,600 |
| (7)(ja) Plant Protection | PR | 34,700 |
| (8)(ha) Laboratory Services | PR | <u>10,800</u> |
| Total | | \$195,200 |

DOA directed DATCP to lapse \$195,200 PR to the general fund in 2001-02. To comply with the directive, DATCP requests the lapse of amounts shown in the table. Agency officials indicate each of these lapses would be taken from projected program revenue surpluses. Therefore, no reduced expenditures or increased fees relating to these appropriations would be required during the 2001-03 biennium. DATCP requests the lapse of \$118,100 PR from the food safety program where program revenues are derived from fees charged for food regulation activities. The request also

includes a lapse of \$31,600 PR from the ozone-depleting refrigerants program, which receives revenue from registration fees paid by businesses that work with mobile air conditioners. DATCP requests that \$34,700 be lapsed from the Department's PR continuing plant protection appropriation. These revenues are generated from nursery grower and dealer license fees and Christmas tree grower license fees. Further, a lapse of \$10,800 is requested from the Department's laboratory services continuing appropriation, which collects fees for laboratory services provided to nonstate entities and for milk standards used to calibrate or verify milk component testing instruments.

Alternatives

1. Approve the request.
2. Modify the plan by deleting the requested lapse related to any one or more of the following items and, instead, direct DOA to submit an alternative plan:
 - a. Food regulation
 - b. Ozone-depleting refrigerants
 - c. Plant protection
 - d. Laboratory services

CHILD ABUSE AND NEGLECT PREVENTION BOARD

| <u>Appropriation</u> | <u>Source</u> | <u>2001-02</u> |
|-----------------------------------|---------------|----------------|
| (1)(g) General Program Operations | PR | \$16,000 |

Under the plan, the Child Abuse and Neglect Prevention Board would be required to lapse \$16,000 in 2001-02 from the agency's general program operations appropriation to the general fund. Revenue from the sale of duplicate birth certificates supports this appropriation, as well as a separate appropriation the agency uses to fund grants distributed by the Board. Seven dollars of the \$12 fee is credited to the grants appropriation, less the amount budgeted for the Board's general program operations appropriation. Currently, the Board has one vacant position, which will enable it to reduce spending for staff to fulfill the lapse requirement in 2001-02. Consequently, the plan will not require the Board to reduce spending further in 2001-02.

Alternatives

1. Approve the request.
2. Deny the request and direct DOA to submit an alternate lapse plan.

COMMERCE

| <u>Appropriation</u> | <u>Source</u> | <u>2001-02</u> |
|--|----------------------------|----------------|
| (3)(j) Safety and Buildings Operations | PR | \$439,300 |
| (3)(ga) Auxiliary Services - Safety and Buildings | PR | 50,000 |
| (3)(r) Petroleum Inspection Operations | SEG - petroleum inspection | 665,000 |
| (3)(w) Petroleum Environmental Cleanup Fund Award Operations | SEG - petroleum inspection | 90,000 |
| (4)(k) Sale of Materials or Services | PR | <u>100,000</u> |
| Total | | \$1,344,300 |

DOA allocated \$1,344,300 in SEG and PR lapses to the Department of Commerce. Commerce requested the following allocation of the reductions:

Safety and Building Operations. Commerce requests that \$439,300 of the lapse be allocated to the Safety and Buildings PR appropriation. The appropriation receives fees from a variety of building regulation activities such as plan review and inspection of commercial buildings, plumbing, private sewage systems, and electrical systems. The appropriation is authorized \$17,205,400 PR in 2001-02 with 189.35 PR positions. Commerce is reducing expenditures by over \$1.4 million in 2001-02 to maintain a positive cash balance because the appropriation is experiencing reduced revenues from earlier projections. To meet the lapse and expenditure reduction, the agency is holding 19.5 positions vacant, and reducing costs of associated supplies, limited-term employee hours, information technology and out-of-state travel. The agency also plans to send out reminder notices for certain plan submittals that are required but have not been received, which should generate additional fee revenues. The safety and buildings PR lapse requested by Commerce is less than the \$853,700 identified by DOA in September, 2001. Commerce is proposing to shift a portion of the lapse identified by DOA to the auxiliary services, petroleum inspection and sales of materials and services appropriations.

Auxiliary Services in the Safety and Buildings Division. Commerce requests that \$50,000 of the lapse be transferred from the continuing balance of the auxiliary services PR appropriation. The appropriation receives fees from publications, seminars and training provided by the Safety and Buildings Division and is supposed to generate fees that do not exceed the actual cost incurred in provision of the services. However, a balance of \$116,700 accumulated in the appropriation account as of July 1, 2001. Commerce indicates that the balance accumulated because a portion of