

STATE OF WISCONSIN

A

SENATE CHAIR
BRIAN BURKE

316 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
JOHN GARD

315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

June 2, 2000

Mr. George Lightbourn, Secretary
Department of Administration
101 E. Wilson Street, 10th Floor
Madison, WI 53703

Dear Secretary Lightbourn:

On May 12, 2000, you submitted to us, for approval by the Joint Committee on Finance under s. 16.515, a request for non-base building supplements to the Department's transportation services appropriation [s. 20.505 (1)(kb)] of \$327,000 PR in 1999-00 and in 2000-01. The agency request indicates that the second year funding supplement would be placed in unallotted reserve for later release by the State Budget Office based on a review of need for the funding.

The Committee has reviewed the request and approves the first year requested funding supplement of \$327,000 PR. With regard to the requested supplement for the second year of the biennium (2000-01), the Committee will withhold action on that part of the request for consideration later in the next fiscal year when the Department can provide the Committee with updated information on actual and projected fuel expenditures for that year.

We will assume that these actions on this s. 16.515 request are effective as of this date unless you notify us by June 9, 2000, that you instead wish us to schedule a meeting of the Committee under s. 13.10 to consider the entire request.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD
Assembly Chair

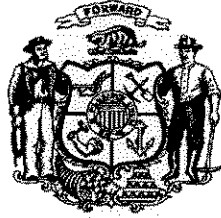
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cc: Members, Joint Committee on Finance
Vicky LaBelle, DOA

THE STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

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

Re: s. 16.515/16.505, Stats. Request

Date: May 15, 2000

Attached is a copy of a request from the Department of Administration, received May 12, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to increased expenditure authority for transportation services.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Thursday, June 1, 2000**, if you have any concerns about the request or if you would like to meet formally to consider it.

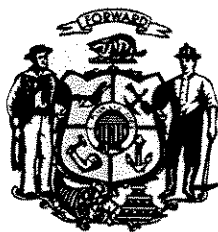
Also, please contact us if you need further information.

Attachment

BB:JG:dh

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

TOMMY G. THOMPSON
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: May 12, 2000

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)

A handwritten signature in black ink, appearing to read "George Lightbourn".

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	1999-2000		2000-01	
		AMOUNT	FTE	AMOUNT	FTE
DOA 50.505(1)(kb)	Transportation Services	\$327,000*		\$327,000*	

* One-time expenditure authority.

As provided in s. 16.515, the request(s) will be approved on June 5, 2000, 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.

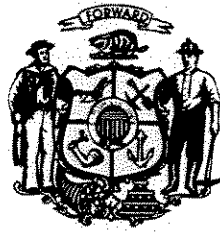
Please contact Vicky LaBelle at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
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Date: May 11, 2000

To: George Lightbourn, Secretary
Department of Administration

From: Cynthia Dombrowski
Executive Policy and Budget Analyst

Subject: Request Under 16.515 from the Department of Administration for increased expenditure authority in the appropriation under s.20.505(1)(kb), transportation services.

REQUEST:

The Department of Administration [DOA] requests a supplement of \$327,000 PRS for unanticipated motor fuel price increases in fiscal year 2000 and \$327,000 PRS in unallotted reserve in fiscal year 2001 to be released by the State Budget Office based on the future price index of motor fuel.

REVENUE SOURCES FOR APPROPRIATION:

The 20.505(1)(kb), transportation services, appropriation obtains revenues from fees charged to state agencies for the lease or rental of a motor pool vehicle from the state's fleet.

Background:

DOA, under Chapter 16.04, Wis. Stats., must manage both the state's vehicle and aircraft fleets. This Central Fleet is responsible for managing 2,332 vehicles. Of these vehicles, 2,038 are leased to state agencies and 294 are designated as motor pool vehicles to be used for daily rentals by state agencies. All costs associated with this fleet are recovered through lease, rental and per-mile fees assessed to the user agency. Lease rates vary between \$142 to \$209 per month. Daily rentals, depending upon the vehicle size, vary from \$19 to \$30 per day. A variable charge based upon mileage is also assessed to agencies at a rate of \$0.093 to \$.356 per mile.

The State Budget Office in its biennial budget instructions provides information for budgeting certain inflation costs, including fuel. The 1999-01 Budget Instruction Manual (Appendix E) using scalars by the Data Research Institute (DRI) indicated that fuel prices were expected to remain relatively stable throughout the 1999-2001 biennium, projecting just a 2.4 to 2.7 percent rise annually. As a result of this projection, DOA did not request a fuel adjustment in its 1999-2001 biennial budget request.

In 1999, the Organization of Petroleum Exporting Countries (OPEC) reduced production quotas, leading to an increased demand for fuel and an increase in the price of gasoline. Wisconsin gas prices have varied between a low of \$0.98 per gallon in December, 1998 to

a high of \$1.58 in March, 2000. While OPEC has subsequently agreed to increase production to meet consumer demand, relatively minor relief has yet to be seen at the pump. The U.S. Department of Energy (DOE) has projected that no significant decrease in fuel costs will be noticed before September. Fuel price estimates beyond September are highly speculative, yet, cannot be ignored.

Analysis:

According to the Wisconsin chapter of the American Automotive Association (WI-AAA), the average price for gasoline in Wisconsin for Fiscal Year 1998 was \$1.18 per gallon. The State Budget Office and DRI inflation projections for gasoline for the 1999-2001 biennium did not anticipate any significant deviation from that price. The WI-AAA reported that the actual price of gasoline did rise dramatically through the current fiscal year, rising from \$1.19 in July, 1999 to \$1.58 in March, 2000.

DOA's Fleet Manager has estimated that approximately 1,572,000 gallons of fuel will be purchased in fiscal year 2000 (approximately 131,000 gallons monthly). The department is using a fuel cost estimate for April, May and June 2000 of \$1.540, as provided by the DOE. Table 1 compares the average fiscal year 1998 gas price with the actual fiscal year 2000 fuel prices to obtain the increase experienced over the budgeted amount. Table 1 indicates that a \$327,000 shortfall will be experienced in fiscal year 2000 because of higher than expected fuel prices.

Table 1: Comparison of fiscal year 1998 fuel prices and actual fiscal year 2000 fuel prices and the resulting difference.

Month	Fiscal year 1998 Average Price	Fiscal Year 2000 Actual Price	Avg. Gallons per month	Amount Increase
Jul (1999)	\$1.18	\$1.198	131,000	\$ 2,360
Aug	\$1.18	\$1.267	131,000	\$11,400
Sept	\$1.18	\$1.316	131,000	\$17,820
Oct	\$1.18	\$1.311	131,000	\$17,160
Nov	\$1.18	\$1.281	131,000	\$13,230
Dec	\$1.18	\$1.342	131,000	\$21,200
Jan (2000)	\$1.18	\$1.309	131,000	\$16,900
Feb	\$1.18	\$1.432	131,000	\$33,010
March	\$1.18	\$1.580	131,000	\$52,400
April	\$1.18	\$1.540	131,000	\$47,160
May	\$1.18	\$1.540	131,000	\$47,160
Jun	\$1.18	\$1.540	131,000	\$47,160
Total Shortfall:				\$326,980

Fuel costs beyond September 2000 remain uncertain at this time, according to the DOE. This uncertainty would indicate that DOA could face a similar shortfall for fiscal year 2001. To address this problem, DOA has requested \$327,000 to be placed into unallotted reserve for fiscal year 2001 to be disbursed by the State Budget Office as needed to cover shortfalls documented between budgeted gas prices and actual fuel costs.

In evaluating the alternatives available, the case could be made that \$1.54 unit cost used to derive the FY01 amount may be excessive and that a lower cost per gallon would be more appropriate. It may also be argued that given the uncertainty in future gas prices, as well as changes in volume consumption that may result from the pending merger of

George Lightbourn, Secretary
May 11, 2000
Page 3

agency fleets into the central fleet, the department could return in FY01 with a separate s.16.515 request, if needed. However, any lower cost per gallon that might be used would be purely arbitrary. The same logic applies to speculation on future decisions and deliveries on OPEC agreements. Approving the requested FY01 amount at this time and sequestering it in unallotted reserve with release subject to documentation of actual costs as in Table 1 gives the agency a better basis for planning. In addition, if the second year amount were approved as non-base building, the department could re-calibrate its ongoing fleet fuel needs in the 2001-2003 biennial budget.

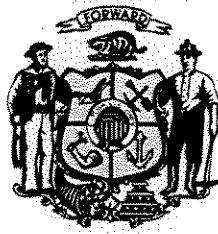
Recommendation:

Approve the request, with the understanding that the second year amount is non base building.

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

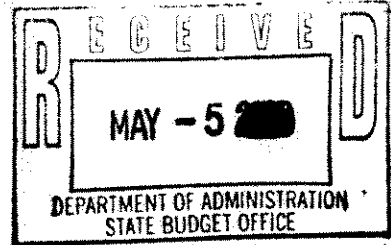


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DC
CD

Date: May 3, 2000

To: Richard Chandler, Director
State Budget Office
Department of Administration



From: George Lightbourn, Secretary
Department of Administration

A handwritten signature in cursive that reads "George Lightbourn".

Subject: Request for Increased Appropriation Authority Under s.16.515

REQUEST

Under the provisions of s.16.515 Wis. Stats, the Department requests \$327,000 in one-time authority in FY00 to cover unanticipated motor fuel price increases. This request will increase authority in the PRS appropriation under s.20.505(1)(kb), *Transportation Services*. Given uncertainty over the direction of future fuel pricing, the department further requests the same amount be placed in unallotted reserve for FY01 to be released by the State Budget Office based on the methodology outlined in this request.

BACKGROUND

Section 16.04 Wis. Stats. assigns DOA significant responsibility for managing and coordinating the state's vehicle and aircraft fleets. Under this authority, DOA's Central Fleet operates a 2,332 vehicle fleet, of which 2,038 are leased to state agencies and 294 assigned to a motor pool for daily rentals. All costs associated with acquiring and maintaining these vehicles, including fuel, are charged to the annual PRS appropriation under s.20.505(1)(kb). Costs are fully recovered through user fees.

In preparing its biennial budget request for 1999-2001, the department used fuel price escalators published by the State Budget Office, which were in turn based on Data Research Institute (DRI) projections¹. These figures suggested that vehicle fuel prices should remain stable over the biennium. Consequently, the department did not request any fuel inflation adjustments for the 1999-2001 biennium. Due largely to reduced production quotas by OPEC, pump prices have increased from a low of \$.982 per gallon in December, 1998 to a high of \$1.58 in March, 2000² representing a 60% increase. In late March, OPEC voted to increase production to meet unmet demand. However, no

¹ FY99: -5.1%, FY00: 2.4%, FY01: 2.7%

² *Monthly Survey of Gasoline Prices in Wisconsin*, American Automotive Association (AAA)

significant price decreases are expected before September, as increased availability is offset by higher demand during the summer travel season³. Future fuel pricing is uncertain at this time.

ANALYSIS

The requested fuel price adjustment of \$327,000 is based on the following information:

- ◆ \$1.18 per gallon average Wisconsin gasoline price in FY98 (Wisconsin AAA).
- ◆ Fuel price escalators based on DRI projections (State Budget Office)
- ◆ Estimated 1,572,000 gallons of motor fuel purchased in FY00 (DOA Central Fleet)
- ◆ Fuel price peak of \$1.58 per gallon in March 2000 (Wisconsin AAA)
- ◆ Fuel price to decline to \$1.54 for the remainder of the fiscal year (Bureau of State Energy)

Comparing actual FY00 fuel prices to the base FY98 year yields the following \$326,980 funding shortfall:

Month	FY00 Actual	FY98 Average	Average Gallons	Incr(Decr) Cost
Jul-99	\$ 1.198	\$ 1.18	131,000	\$ 2,360
Aug-99	1.267	1.18	131,000	11,400
Sep-99	1.316	1.18	131,000	17,820
Oct-99	1.311	1.18	131,000	17,160
Nov-99	1.281	1.18	131,000	13,230
Dec-99	1.342	1.18	131,000	21,220
Jan-00	1.309	1.18	131,000	16,900
Feb-00	1.432	1.18	131,000	33,010
Mar-00	1.580	1.18	131,000	52,400
Apr-00	1.540	1.18	131,000	47,160
May-00	1.540	1.18	131,000	47,160
Jun-00	1.540	1.18	131,000	47,160
Projected Appropriation Shortfall			1,572,000	\$ 326,980

³ Summer 2000 Motor Gasoline Outlook, DOE - Energy Information Administration

FINANCIAL CONSIDERATIONS

Appropriation. This request increases the FY00 expenditure authority under s.20.505(1)(kb), *Transportation Services*, by \$327,000 from \$15,679,400 to \$16,006,400. Because of uncertainty over future fuel pricing the department does not request a base increase at this time. Instead, the department requests \$327,000 be placed in unallotted reserve for FY01. These funds would be released by the State Budget Office based on the American Automotive Association's *Monthly Survey of Gasoline Prices in Wisconsin* as compared to the base FY98 price of \$1.18 per gallon.

Program Position. Central Fleet is one of four program revenue service (PRS) programs funded within DOA's *Transportation Services* appropriation s.20.505(1)(kb). This appropriation operates under the provisions of s.20.903(2)(b) that authorizes accounts receivable and assets to be included for purpose of calculating appropriation balances. This treatment of accounts receivable and assets is similar to accrual accounting used by the private sector. As of July 1, 1999 the *Transportation Services* appropriation balance was \$1,757,500. There have been small losses YTD with a current program position of \$1,626,000.

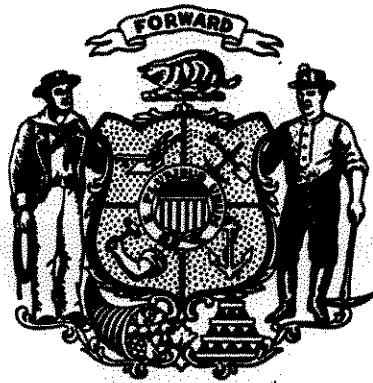
Rate Impact. Central Fleet has two pricing structures depending on whether a vehicle is leased to an agency on a long-term basis or leased on a daily basis from the motor pool. Rates for pool vehicles vary between \$19 and \$30 per day depending on the vehicle size. Assigned vehicles are assessed a fixed charge (\$142 to \$209 month) plus a variable charge based on mileage (\$.093 to \$.356 per mile). Subcompacts carry the lowest charges and passenger vans the highest. These rates cover depreciation and operating costs, including fuel. The increased appropriation authority in this request will not directly impact rates, however continued high fuel prices may require future rate increases.

SUMMARY

The department requests a \$327,000 increase in FY00 expenditure authority to the appropriation under s.20.505(1)(kb). This will increase expenditures from the current chapter 20 level of \$15,679,400 to \$16,006,400. The department also requests an equal amount to be placed unallotted reserve for FY01 to be released by the State Budget Office based on documented need. This additional authority will enable the department to make vendor payments through the remainder of the fiscal year.

cc: Linda Seemeyer
Steven Agostini
Robert Cramer
Paul McMahon

END



END

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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JOINT COMMITTEE ON FINANCE

May 25, 2000

Secretary George Lightbourn
Department of Administration
101 E. Wilson Street, 10th Floor
Madison, WI 53702

Dear Secretary Lightbourn:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, received on April 4, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to a requests from the Department of Health and Family Services and State Fair Park.

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

Sincerely,

A handwritten signature in black ink that reads "Brian Burke".

BRIAN BURKE
Senate Chair

A handwritten signature in black ink that reads "John G. Gard".

JOHN G. GARD
Assembly Chair

BB:JG:dh

cc: Members, Joint Committee on Finance
Secretary Joe Leean, Dept. of Health and Family Services
Director Richard Bjorklund, State Fair Park
Robert Lang, Legislative Fiscal Bureau
Vicky LaBelle, Department of Administration

THE STATE OF WISCONSIN

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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: May 9, 2000

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

Attached is a copy of a request from the Department of Administration, received on April 4, 2000, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Department of Health and Family Services and State Fair Park.

Please review the material and notify **Senator Burke** or **Representative Gard**, no later than **Wednesday, May 24, 2000**, 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

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

TOMMY G. THOMPSON
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY



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Date: May 8, 2000

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)

A handwritten signature in cursive script, appearing to read 'George Lightbourn', written over the 'From:' field.

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	1999-2000		2000-01	
		AMOUNT	FTE	AMOUNT	FTE
DHFS 20.435(2)(gk)	Institutional operations and charges		2.00	\$ 36,400	2.00
State Fair Park 20.190(1)(h)	State fair operations	\$ 707,000 *			

* One-time expenditure authority.

As provided in s. 16.515, the request(s) will be approved on May 30, 2000, 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

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



Division of Executive Budget and Finance
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Date: April 19, 2000

To: George Lightbourn, Secretary,
Department of Administration

From: Susan Jablonsky, Budget Analyst
Department of Administration

Subject: Request Under s. 16.505/515 from the Department of Health and Family
Services for Teachers

REQUEST:

The Department of Health and Family Services (DHFS) requests 2.0 PR permanent positions beginning in FY00 and ongoing expenditure authority of \$36,400 PR in FY01 in the Division of Care and Treatment Facilities in s. 20.435(2)(gk), the institutional operations appropriation, to support the costs of a teacher and a teacher's assistant for the Waterwood Day School at Winnebago Mental Health Institute (WMHI).

REVENUE SOURCES FOR APPROPRIATION:

Fees are charged to local school districts when WMHI provides services to children in the schools. They are deposited in s. 20.435(2)(gk), numeric 237, institutional services. No change in fees will be required to fund this request.

BACKGROUND:

In the past, WMHI received requests from surrounding school districts for assistance and training in dealing with children who had severe behavioral problems. In response to those requests, WMHI requested statutory authority in the last biennial budget to provide these services, charge the schools and retain the revenue in order to help eliminate the deficit at the Institute. This request was approved and \$40,000 PR annually was appropriated to support the costs of substitute teachers who would fill in when the regular teacher was out dealing with the child in the school. No position authority was requested at that time because staff had no idea of the volume of the services that would be requested.

The Waterwood Day School has now been in operation for the last one and one-half years. Staff provide short-term, specialized educational services to dually diagnosed children, that is, those with both a mental defect and a developmental disability.

These children have severe behavioral problems, such as using self-inflicted injuries to gain attention, which are extremely difficult for the classroom teacher to deal with. Schools can now contract with WMHI to take the child on an outpatient basis for short-term treatment, generally one to three months. During that time, the WMHI teacher works with the child to teach her or him more appropriate behaviors. When the child is ready to return to her or his local school, the WMHI teacher works with the child's classroom teacher to train him or her how to maintain the newly taught behaviors. The school operates almost all year and provides services to three to four children at a time.

ANALYSIS:

WMHI has been providing these services using limited-term employees (LTEs). However, they have found it difficult to attract and retain qualified individuals willing to be employed as LTEs to provide this service. Working with these children is difficult at best. However, it becomes more complicated if there is continual turnover in staff providing this needed service, because the child has to get to know new staff, which impedes their learning. While it could be argued that WMHI should wait to request these positions in the next biennial budget, staff believe that disruption in the provision of this service through the rest of the biennium would be very detrimental to the children they work with and to the schools that eagerly seek the help of WMHI staff.

Before making this request, DHFS evaluated whether vacant positions could be used rather than creating new positions. However, there are only 23 FTE in numeric 237, which contains positions that are supported by outside revenue sources such as from the school districts, and only one position, a half-time psychiatrist, was vacant. Since that was definitely a position they intended to fill, staff proposed requesting a teacher and a teacher's assistant at this time. A teacher and an assistant serving 3-4 children is the standard ratio currently in place at WMHI.

WMHI charges \$25 per hour for this service and staff estimate that through the end of 1999, \$54,600 was available in revenue. They project that they will provide an additional 2,357 hours of service through the end of the fiscal year. This results in \$113,500 in annual revenue which is sufficient to support annualized costs of the two positions of \$76,400. WMHI estimates that costs of the additional staff in FY00 can be absorbed since the positions won't be filled until the very end of this fiscal year. However, they request that expenditure authority for the balance of \$36,400, which is the difference between base funding and the annualized cost of the positions, be added in FY01.

RECOMMENDATION:

Approve the request.

5J

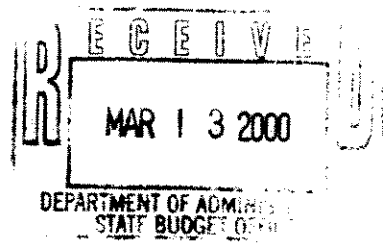


State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leraan, Secretary

March 7, 2000

Mr. Richard Chandler
State Budget Office
10th Floor, 101 East Wilson Street
Madison, WI 53702



Dear Mr. Chandler:

Under the provisions of s.16.505 and s.16.515, the Department requests 2.0 PR permanent positions in FY 00 and permanent expenditure authority of \$36,400 PR in FY 01 for the Division of Care and Treatment Facilities in appropriation s.20.435 (2) (gk) [237]. The positions and expenditure authority are requested for the Waterwood Day School Program at Winnebago Mental Health Institute (WMHI), which provides services to children in school districts around Winnebago. The positions requested are a teacher and teacher assistant.

The Source of Revenue

The source of revenue deposited in the appropriation under s.20.435 (2) (gk) is fees charged to school districts for services to children provided by WMHI.

The Waterwood Day School Program has been in operation one and one-half years. WMHI contracts with school districts to provide short-term, special educational services to children with serious behavioral problems. The children in need of these services are generally dual diagnostic children, that is, children who are both developmentally disabled and mentally ill. These children have developed certain behavior patterns, such as using self-inflicted injuries to gain attention, for which local school districts are unable to provide treatment.

In 1998 several school districts around WMHI approached the Institute with requests for assistance in helping these children to learn other behaviors. In response, WMHI began the operation of a day program that takes children on an outpatient basis for a short term period, generally one to three months. The program focuses on behavior treatment with its goal being the return of these children to their regular school district.

WMHI admits only those children it believes will be appropriate for day programming. Such children include both former patients and those who, without this program, are likely to become patients. Staff first works with a child to help him or her to learn new patterns of behavior. When the child is ready to return to the original school district, teachers from WMHI provide training to the school staff to facilitate the transition of the child to his or her home school. The program provides services to three or four children at a time, depending on the need. It runs for the entire school year at WMHI, which is

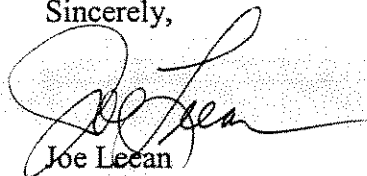
between 44 to 46 weeks long (WMHI has a full summer school program). This program helps to reduce institutionalization and re-institutionalization by treating children with behavior problems before the problems require institutionalization. WMHI provides services that school districts are in need of and that are not provided by other agencies.

The services provided by the Waterwood School to school districts are statutorily authorized [s.51.07 (4)]. The Department was provided \$40,000 PR in 1997 Act 27 (Biennial Budget) for this purpose. Currently WMHI is relying on the use of LTEs to provide these services. However, it has proved difficult to fill the positions on a limited term basis. The Department is, therefore, requesting permanent position authority, in order to be able to provide the services on an ongoing basis. There will be sufficient expenditure authority to pay for the positions in FY 00 but the Department is requesting an additional \$36,400 PR in FY 01 to support the annual costs of the positions and the supplies and services costs associated with the additional students.

WMHI currently charges \$25/hour for its services in this program. The rate was raised from \$19.78/hour in October. For the period from July 1, 1999 to December 31, 1999, revenue for the day school program was \$54,600. Annual revenue is estimated at \$113,500, which will be sufficient to pay for the requested positions, as indicated in the attached worksheet.

Thank you for considering this request. If you have any questions, please call Ellen Hadidian at 266-8155.

Sincerely,



Joe Leca
Secretary

cc: Cindy Daggett
Ellen Hadidian
Lisa Horne
Mike Hughes
Joann O'Connor

S. 16.505 Request for Waterwood School

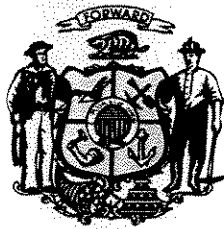
Expenditures

	Hourly Sal.	Annual Sal.	Fringe	S&S	Total
FY 01					
Teacher	13.335	\$ 27,737	\$ 10,565	\$ 1,200	\$ 39,502
Teacher Aide	9.81	\$ 20,405	\$ 7,772	\$ 1,200	\$ 29,377
Total		\$ 48,142	\$ 18,337	\$ 2,400	\$ 68,879
Supplies for additional pupils				\$ 7,500	\$ 7,500
Total Annual Expenditures					\$ 76,379
Current expenditure authority					\$ 40,000
Additional expenditure authority request					\$ 36,379

Revenue

July 99 to Dec. 99	\$ 54,600
Jan. 00 to June 00 (est.)	
Cost/hour	\$ 25
#hours	2357
Total	\$ 58,925
Est. Annual Revenue	\$ 113,525

TOMMY G. THOMPSON
GOVERNOR
GEORGE LIGHTBOURN
SECRETARY



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

Date: May 1, 2000

To: George Lightbourn, Secretary
Department of Administration

From: David P. Schmiedicke *DPS*
Environmental and Commercial Resources Team Leader

Subject: Request under s. 16.515 From State Fair Park for Additional General Operations Spending Authority

REQUEST:

The State Fair Park requests an increase of \$784,000 PR in the appropriation under s. 20.190 (1)(h), State Fair Operations for fiscal year 1999-2000, to meet projected expenses. A request to increase the continuing appropriation for capital expenditures under s. 20.190 (1)(i) by \$333,000 can be met through the Department of Administration allotment process.

REVENUE SOURCES FOR APPROPRIATION(S):

The sources of revenue deposited in the appropriation under s. 20.190 (1)(h), State Fair Operations, are funds collected from activities held at the fairgrounds throughout the year. These activities include admissions and sales during the annual State Fair as well as rental charges for use of the property by other organizations.

BACKGROUND:

Near the end of each fiscal year, the State Fair Park (SFP) reviews its revenues and expenditures and requests any necessary transfers or increases of expenditure authority based on the year's activities. This year, SFP projects a shortfall in its general operations appropriation of \$784,000 PR, excluding salary and fringe benefit supplements. The additional need for expenditure authority is due to a combination of several factors, including higher wages for LTE's, maintenance and repair work on park facilities, general inflationary increases and additional costs associated with more activity at the fair park.

In the past two fiscal years, SFP was able to transfer spending authority between expenditure lines within the general operations appropriation to offset shortfalls in LTE salaries and permanent property. However, current Chapter 20 appropriation levels are insufficient to match projected expenditures associated with more activity

at the State Fair Park and efforts to attract and retain LTE's for the State Fair through higher wages.

The following tables show expenditures and balances for general operations from FY 98 through FY00:

	FY 98		
	<u>Budget Authority</u>	<u>Expenditures</u>	<u>Balance</u>
<i>General Operations</i>			
Perm/Proj Salaries	\$ 1,588,600	\$ 1,549,400	\$ 39,200
LTE Salaries	\$ 1,865,900	\$ 2,268,000	\$(402,100)
Fringe Benefits	\$ 800,600	\$ 786,200	\$ 14,400
Supplies & Services	\$ 7,809,600	\$ 7,410,000	\$ 399,600
Permanent Property	\$ 86,600	\$ 99,900	\$(13,300)
Operations Total	\$12,151,300	\$12,113,500	\$ 37,800
PR Debt Service	\$ 1,534,500	\$ 1,451,200	\$ 83,300
TOTAL	\$13,685,800	\$13,564,700	\$ 121,100

	FY 99		
	<u>Budget Authority</u>	<u>Expenditures</u>	<u>Balance</u>
<i>General Operations</i>			
Perm/Proj Salaries	\$ 1,690,200	\$ 1,681,800	\$ 8,400
LTE Salaries	\$ 1,858,900	\$ 2,384,100	\$ (525,200)
Fringe Benefits	\$ 850,300	\$ 847,800	\$ 2,500
Supplies & Services	\$ 7,824,000	\$ 7,289,200	\$ 534,800
Permanent Property	\$ 86,600	\$ 42,300	\$ 44,300
Operations Total	\$12,310,000	\$12,245,200	\$ 64,800
PR Debt Service	\$ 1,889,500	\$ 1,475,200	\$ 414,300
TOTAL	\$14,199,500	\$13,720,400	\$479,100

	FY 00		
	<u>Budget Authority</u>	<u>Projected Expenditures</u>	<u>Balance</u>
<i>General Operations</i>			
Perm/Proj Salaries	\$ 1,827,000	\$ 1,826,300	\$ 700
LTE Salaries	\$ 1,845,600	\$ 2,496,400	\$ (650,800)
Fringe Benefits	\$ 778,400	\$ 900,200	\$ (121,800)
Supplies & Services	\$ 7,935,200	\$ 7,982,400	\$ (47,200)
Permanent Property	\$ 86,600	\$ 46,100	\$ 40,500
Operations Total	\$12,472,800	\$13,251,400	\$ (778,600)
PR Debt Service	\$ 1,559,800	\$ 1,559,800	\$ -0-
TOTAL	\$14,032,600	\$14,811,200	\$(778,600)

Total operating expenditures projected for FY00 represent an 8.2% increase over FY99. During the same period, revenues are expected to increase 4.3%. However, revenues and expenditures increased by 5.8% and 1.8%, respectively, between FY98 and FY99. To some extent, the higher percentage increase in FY00 represents the

efforts of SFP to accommodate FY99 costs within its existing budget authority. Continued cost increases will not allow that practice to continue in FY00.

Despite the large overall increase in costs, sufficient revenue balances remain to support the requested increase in spending authority (see table below).

	<u>FY 99</u>	<u>FY 00</u> <u>(projected)</u>
Opening Balance	\$ 1,267,100	\$ 1,597,600
Revenue	\$14,197,800	\$14,815,100
All Expenditures	<u>\$13,867,300</u>	<u>\$15,591,800</u>
(inc. debt svc. and capital expenditures)		
Ending Balance	\$ 1,597,600	\$ 820,900

The projected closing balance for FY00 will be lower than the closing balance in the last two fiscal years. However, the projected ending balance remains higher than in previous biennia. Annual revenues in excess of expenditures for operations and debt service are transferred into a capital account under s. 20.190 (1)(i) to finance construction projects. The projected overall ending balance listed above of \$820,900 PR represents the amount available for expenditures from the capital account in FY01. Expenditures from this appropriation were \$146,900 PR in FY99 and are estimated at \$780,600 PR for FY00.

ANALYSIS:

Anticipated expenditures for the last three months of the fiscal year are comparable to the actual expenditures in the last three months of FY99. Increases over FY99 are focused on the LTE salaries and supplies and services expenditure lines:

	<u>FY99</u> <u>Expenditures</u>	<u>FY00</u> <u>Projected</u> <u>Expenditures</u>	<u>Difference</u>
<i>General Operations</i>			
LTE Salaries	\$ 2,384,100	\$ 2,496,400	\$ 112,300
Supplies & Services	\$ 7,289,200	\$ 7,982,400	\$ 693,200

Additional expenditure authority is necessary to address the following issues:

LTE Costs – SFP instituted a new LTE wage scale that increased salaries by up to 50 cents per hour. Additional LTE costs were also incurred for buildings and grounds workload associated with vacancies, staffing the Holiday Folk Fair and addressing marketing and development needs.

Food – Additional costs were incurred associated with a hockey camp that utilized the dormitory facility, concessions provided at new events and inflation.

Prizes and Awards – Prizes paid to judged participants increased at the State Fair and the World Beef Expo.

Capital Equipment and Information Technology – Additional costs were incurred for software upgrades associated with Year 2000 compliance and acquisition of police radios and dairy bakery equipment.

Repairs and Maintenance – Additional repair costs were incurred, including \$25,000 to repair floor damage associated with a tool show at the park. Other repair and maintenance work is necessary to protect and improve infrastructure investments at the fairgrounds.

FY99 Costs – Some FY99 costs were shifted forward to FY00 so that the FY99 expenditures would remain within budgeted amounts. Given the cost increases experienced in the above categories, this practice cannot continue in FY00. Assuming revenue growth at the State Fair Park continues, expenditure authority may need to be adjusted in the 2001-03 biennial budget to better reflect actual experience.

Because anticipated expenditures for the remaining three months of FY00 are largely for salaries, fringe benefits and preparations for the summer season and the State Fair, it would be difficult to cut back expenses or delay purchases until the next fiscal year. Furthermore, some of these costs represent activities associated with protecting and improving investments in fairground facilities. These repair and maintenance efforts are important in ensuring the future financial health of the State Fair Park.

Some of the additional expenditure authority related to fringe benefit costs can be met through the pay plan supplement process. This amount is estimated at \$72,000 PR and will be provided in June. In addition, the request includes increased expenditure authority of \$5,000 PR for debt service. Since debt service is funded from a sum-sufficient appropriation, any expenditure authority increases can be met through the DOA allotment process. Taking these two items together, the request can be reduced by \$77,000 PR.

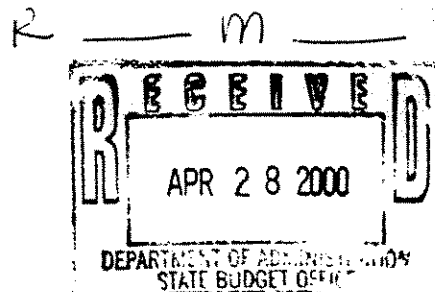
This request does not address anticipated pay increases associated with pending collective bargaining contracts for represented positions. The salary adjustments associated with those contracts have not yet been determined. Pay plan supplements are expected to occur in late May or early June. Salary and fringe benefit supplements to State Fair Park appropriations will reduce surplus revenues that are normally maintained in the capital account.

RECOMMENDATION:

Modify the request to provide \$707,000 PR in FY00 to the appropriation under s. 20.190 (1) (h).



Wisconsin State Fair Park



CC DS

April 26, 2000

Richard Chandler
State Budget Director
Division of Executive Budget and Finance
101 East Wilson Street
10th Floor, Administration Building
P.O. Box 7864
Madison, WI 53707-7864

Dear Richard,

The charge of State Fair Park Board is to operate the Park grounds throughout the year, utilizing the facilities to provide activities that support the operation and maintenance of the Park, the largest one event being the annual State Fair. As a result of occurrences that were unforeseen at the time of the budget preparation, such as significant development projects for the Fair Park, changes in the labor market for our area, and enhancement of events and new events held at the Park, we have identified the need for additional spending authority for the fiscal year.

The additional development expenditures resulted from a sweeping development plan that will occur over the next few years for the Park. We anticipate the additional costs incurred for this fiscal year will be covered by the Capital Expense appropriation, as they are not tied to a new revenue stream for this year. We also know there will be additional needs in the next fiscal year, but have not as yet finalized what they will be, as the next phase of development has not yet been unveiled.

The additional expenditures for LTE wages and supplies and services for adding or enhancing events has generated additional revenues in areas such as product sales, building rentals, labor charges, etc. We believe the revenue generated from the events is sufficient to fund the added expenditures.

We have been working over the last few months to better quantify the amount needed for the fiscal year. Based on the best information we have for FY2000, we anticipate the need for an additional \$784,000 in spending authority in the General Program Operations appropriation (1H), which will then total \$14,811,600 and \$133,000 of additional spending authority in the Capital Expense appropriation (1I), which will then total \$581,000.

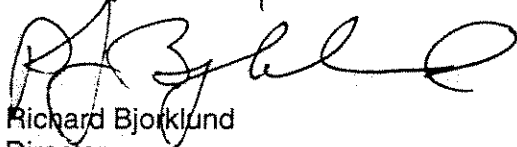
Revenue Sources For Appropriations. The sources of revenue deposited in the appropriation under s.20.190(1)(H) General Program Operations, are fees charged for rentals, sales, and

services provided by the Park. This would include all revenues earned during the State Fair and other sponsored events. The sources of revenue deposited in the appropriation under s.20.190 (1)(I) Capital Expenses are not revenues, but rather, transfers of excess revenues at the end of each fiscal year from the General Program Operations appropriation (1)(H).

We have projected additional revenues to be collected for April through June in General Program Operations to be approximately \$2,399,400. This added to current revenues of \$12,415,600, will provide \$14,815,000 in available funds. Our expenditures for April through June have been projected to be approximately \$2,439,400 in the General Program Operations appropriation, for a total of \$14,811,200 in expenditures for the fiscal year. Our projected expenditures for April through June in the Capital Expenses appropriation are anticipated to be \$189,000, for a total of \$580,600 for the fiscal year. More detail is attached to show specific line items.

Should you need further information or have questions about the information provided, please feel free to contact our Controller, Vonnie Buske, at (414) 266-7011.

Sincerely,



Richard Bjorklund
Director

Attachment

FY00 Allotment changes
4/26/00

Expenses	Budget	Expenditures to 3/31/00	Expected April to June 2000	Total FY 2000	Additional Needs	Transfers	FY 2000 Additional Allotment Request	Spending Authority Balance
132 - General Operations								
Line 1 Salaries	1,827,000	1,300,962	525,349	1,826,311	(689)	(600)		89
Line 2 LTE Salaries	1,725,100	2,058,627	295,416	2,354,043	628,943	600	628,500	157
Line 3 Benefits	769,200	678,676	210,493	889,169	119,969		120,000	31
Line 4 Supplies & Services	5,516,100	4,630,981	1,118,165	5,749,146	233,046	232,600	500	54
Line 5 Perm Property	86,600	10,834	35,222	46,056	(40,544)	(40,500)		44
Total 132	9,924,000	8,680,080	2,184,645	10,864,725	940,725	192,100	749,000	375
128 - Advertising								
Line 4 Supplies & Services	537,300	356,850	210,450	567,300	30,000		30,000	
130 - Entertainment								
Line 2 LTE Wages	120,500	118,941	23,454	142,395	21,895	21,900		5
Line 3 Benefits	9,200	9,098	1,901	10,999	1,799	1,800		1
Line 4 Supplies & Services	1,881,800	1,661,184	4,800	1,665,984	(215,816)	(215,800)		16
Total 130	2,011,500	1,789,223	30,155	1,819,378	(192,122)	(192,100)		22
134 - Debt Service								
Line 7 Transfers	1,554,800	1,545,607	14,164	1,559,771	4,971		5,000	29
TOTAL EXPENDITURES	14,027,600	12,371,760	2,439,414	14,811,174	783,574		784,000	426
Revenue								
128 - Advertising								
130 - Entertainment								
132 - General Operations		12,415,692	2,399,400	14,815,092				
134 - Debt Service								
Operations Cash Balance		43,932	(40,014)	3,918				
133 - Capital Expenses								
Line 4 Supplies & Services	448,000	391,557	189,000	580,557	132,557		133,000	443
* Note: \$133,000 of expenses in capital account are general operations expenses funded by capital account								
Master Plan/Development for 2000 fair								
Staff overtime		60,000						
RV Park staff		6,250						
Benefits		24,115						
Supplies & services		12,750						
Advertising		30,000						
		133,115						

included in Capital Expenses

Revenue to FY00 end

Fair

Grandstand Tickets	75,000	
Exhibitor Tickets	70,000	
Building rent	200,000	
Outside rent	30,000	
% Contract rent	250,000	
Outside Storage	30,000	
Sundry	1,000	
Electric	50,000	
Sponsor	80,000	
Advertising	25,000	
Dairy Bakery	-	
	<hr/>	811,000

Events

Dorm rental	4,000	
Electric	69,000	
Grandstand	14,000	
Advertising	8,000	
Concessions	244,000	
Grounds Services	52,000	
Public Safety	34,000	
Building rent	270,000	
Equipment rent	25,000	
	<hr/>	716,000

Racing

Debt Service	251,000	
1999 Season advance	100,000	
Concessions & % Contracts	200,000	
	<hr/>	551,000

Wed Nite Live

Sponsor	5,000	
Concessions	6,000	
	<hr/>	11,000

WBE

Building rental	-	-
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Harvest Fair

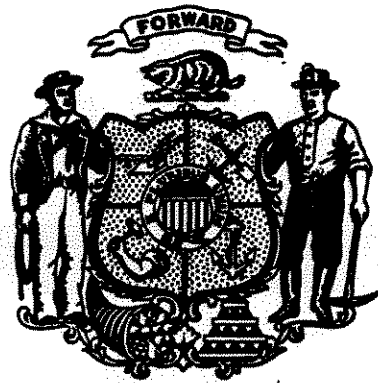
Sponsor	-	-
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General Operations

Camping/Reservations	53,400	
Storage/Rent	5,000	
Rent (UW)	27,000	
Rent (Pettit)	225,000	
	<hr/>	310,400

TOTAL		<hr/>	2,399,400
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END



END

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
JOHN GARD

315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

May 8, 2000

Secretary George Meyer
Department of Natural Resources
101 South Webster Street
Madison, WI 53707-7921

Dear Secretary Meyer:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your request, received on April 28, 2000, pursuant to s. 23.0915(4), Stats., regarding a proposed 197.0 acre land purchase from Lawrence Hull in the amount of \$360,000 located in Fond du Lac County.

A meeting will be scheduled to further discuss this request. Therefore, the request is not approved at this time.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD
Assembly Chair

BB:JG:dh

cc: Members, Joint Committee on Finance
Vicky LaBelle, Department of Administration

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
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: May 1, 2000

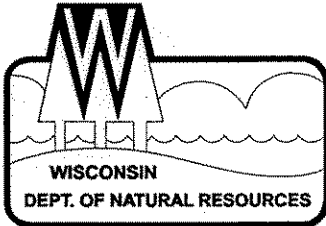
Re: 14 Day Passive Review/Land Purchase

Attached is a copy of a request from Secretary George Meyer, received on April 28, 2000, regarding a proposed 197.0 acre land purchase in Fond du Lac County from Lawrence Hull for \$360,000. This request is pursuant to s. 23.0915(4), Stats., which requires the Department of Natural Resources to notify the Joint Committee on Finance of all stewardship projects in excess of \$250,000.

Please review this item and notify **Senator Burke** or **Representative Gard** no later than **Tuesday, May 16, 2000**, if you have any questions about this request or would like the Committee to meet formally to consider it. If no objections are heard by that date, the request will be approved.

Also, please contact us if you need further information.

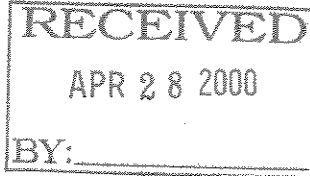
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State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor
George E. Meyer, Secretary

101 S. Webster St.
Box 7921
Madison, Wisconsin 53707-7921
Telephone 608-266-2621
FAX 608-267-3579
TDD 608-267-6897



IN REPLY REFER TO: W-1373

→ Honorable Brian Burke
Member State Senate
Room 316S
CAPITOL

Honorable John Gard
Member State Assembly
Room 315N
CAPITOL

Brian *John*
Dear Senator Burke and Representative Gard:

The Department is notifying you as co-chairs of the Joint Committee on Finance of a proposed 197.0 acre land purchase from Lawrence Hull for \$360,000. This notice is pursuant to s. 23.0915(4), Stats., which requires the Department to notify the Joint Committee on Finance of all Stewardship projects more than \$250,000 in cost. The Natural Resources Board approved the purchase at the April meeting. The land is required for wildlife management and public recreation.

The file number is W-1373 and the land is located in Fond du Lac County. Attached please find a memo and maps describing this transaction.

I certify that this request for consideration meets all applicable state and federal statutes, rules, regulations, and guidelines. This certification is based upon a thorough and complete analysis of this request.

If you do not notify the Department within 14 working days after this notification that the Committee has scheduled a meeting to review the proposed transaction, the Department will proceed with the approval process. If the Committee has no objections, the Department will forward the proposal to the Governor for his consideration. If you need additional information, please contact Richard Steffes at 266-0201. Mr. Steffes is available to answer any questions you may have in this matter.

Thank you for this consideration.

Sincerely,

George
George E. Meyer
Secretary

Attach.

cc: Legislative Fiscal Bureau
Department of Administration

CORRESPONDENCE/MEMORANDUM

DATE: March 22, 2000
 TO: Governor Thompson
 FROM: George E. Meyer *George*
 SUBJECT: Proposed Land Acquisition, Lawrence Hull Tract, File # W-1373,
 Option Expires May 17, 2000

FILE REF: W-1373

1. PARCEL DESCRIPTION:

Glacial Habitat Restoration Area
 Fond du Lac County

Grantor:

Lawrence Hull
 c/o Ron Brath and Adashun Jones
 785 S. Main Street
 Fond du Lac, WI 54935

Acres: 197.0Price: \$360,000Appraised Value: \$350,000, \$362,000Interest: Purchase in fee.Improvements: Two sheds, two steel grain bins, well and septic systemLocation: The tract is located two miles northeast of Waupun, in southwestern Fond du Lac County.Land Description: The subject area consists of flat to gently rolling cropland, with various old terrace levels surrounding. Some large boulders are in evidence on the edge along the Rock River.

<u>Covertypes Breakdown:</u>	<u>Type</u>	<u>Acreage</u>
	Wooded Lowland	20
	Wooded Upland	21
	Cropland	108
	Wetland	23
	Grasslands	23
	Building Site	<u>2</u>
	TOTAL	197

Zoning: Agriculture, Agricultural Transition and FloodplainPresent Use: Leased AgricultureProposed Use: Wildlife Management and Public RecreationTenure: 33 yearsProperty Taxes: \$1,802.40Option Date: February 17, 20002. JUSTIFICATION:

The Department proposes to purchase the 197-acre Hull tract to allow wildlife management and restoration, to protect the natural, geologic, and cultural values of the property, and to provide opportunities for public recreation and education on the Glacial Habitat Restoration Area.

The Glacial Habitat Restoration Area (HRA) was established in 1990 to restore 38,600 acres of grasslands and 11,000 acres of wetlands to increase populations of ring-necked pheasants, waterfowl, and grassland songbirds in 24 townships in Dodge, Fond du Lac, Columbia and Winnebago Counties. The project uses a landscape scale approach to habitat management that incorporates a patchwork of wetland and grasslands with cropland to create habitat conditions more favorable for self-sustaining wildlife populations in the glacial moraines of east central Wisconsin. The intent is to widely scatter suitable habitat throughout the area, rather than concentrating the habitat in one area. The mix of agricultural land, grasslands, and wetlands is the key to productive wildlife populations.

The Department uses perpetual easements, fee title acquisition, other agency programs, volunteer agreements, and cost-share activities to establish 38,600 acres of grassland nest cover, (10% of the available upland area) and restore 11,000 acres of wetland, (10% of the drained wetlands) within the 24 township project area.

The need for the GHA is based on a documented decline in grassland and wetland wildlife populations. Reductions in habitat quality and quantity because of land use changes have contributed to the decline of grassland nesting wildlife populations. Also, wetland loss or degradation has been an important factor in the decline of many wetland wildlife species. Since the 1830s, the area encompassed by the GHA has lost 99% of its prairie and savanna and over 50% of its wetlands.

Applying the habitat management practices that restore and enhance grasslands and wetlands will create more favorable conditions for self-sustaining populations of blue-winged teal, mallards, ring-necked pheasants, and non-game grassland birds.

The Hull parcel is about 197 acres in size and is roughly half agriculture land. Covertypes consists of approximately 108 acres of cropland, 41 acres of woods, 23 acres of marsh, 23 acres of grassland, and a 2-acre building site. The agricultural land is mostly class II cropland. The wooded area is a mixture of upland and lowland hardwoods, including red and white oak and hickory of large dimension, and modest stands of low quality aspen. Some timber values are present in the stand. However, the stand is past prime in many areas and is in a state of decline. An immediate timber harvest would greatly enhance the vitality of this forest resource.

There are low value improvements located on the subject parcel that will be included in the purchase. They consist of a 60 foot by 24 foot frame machine shed; a small, 27 foot by 16 foot concrete block storage shed; two small metal grain bins; and a well and septic system. All improvements are in the range of 50 or more years old, with a condition of fair to average. The improvements will be sold for removal or salvage.

The parcel has about 3,300 feet of straight-line frontage on both banks of the West Branch of the Rock River, as well as two small ponds of about one-half acre each. The West Branch of the Rock is a tributary of the Horicon Marsh and contains northern pike and some panfish. The recent carp treatment and restocking of Horicon Marsh should improve the fishery in the river as well, and may add bass and walleye to the species found in the river.

Management for the property will include a slow restoration of natural grasslands, woodlands, and wetlands as well as providing parking area. The building site will serve as a good parking lot. All of the cropland will continue to be leased for the next five years, and then a portion of it will be either leased or share-cropped for an additional one to three years as it is planted to permanent nesting cover in stages. The nesting cover will consist of native forbs and warm-season grasses. The woodlot will be marked for a selective cut to improve the timber stand quality. It will be managed for sustained yield timber production that is consistent with wildlife habitat and esthetic enjoyment.

All of the non-wooded upland on the Hull property meets at least two of the models for grassland nesting cover, and some of it meets all three models (pheasants, ducks and songbirds). Planting the cropland to permanent grass will allow this potential to be realized. The wooded area, with its close proximity to the river and ponds, provides habitat for wood ducks, especially since there are a fair number of large, old trees

that provide suitable cavities for wood duck nesting. Many other species will also utilize this combination of grassland, woodland and riparian habitat.

A major benefit of acquiring this parcel will be the enhanced protection of the Horicon Marsh watershed. The property is situated on the Rock River, a couple of miles upstream of the Horicon Marsh. The marsh is judged to be the most endangered watershed within the entire Rock River basin, since it receives a tremendous load of silt and nutrients that settle in the marsh. The Hull property has 3,300 feet of river frontage, and establishing and maintaining permanent grass and wooded cover on this parcel will insure that a significant stretch of river is protected from silt and nutrient inflow.

The parcel is located in the rapidly-growing southeastern part of the state, and is about a one-hour drive from each of the major population centers of Madison, Milwaukee, and the Fox River Valley. The potential for acquiring additional recreational lands within this area is rapidly diminishing as more and more land is developed. The Hull parcel is adjacent to a 29-lot subdivision and developers have been interested in the Hull property also. The subject provides excellent opportunities for many types of outdoor recreation with its diversity of coverts and water features. The river is crossed by a steel-frame bridge that connects with a system of hiking trails through the wooded area. There are opportunities for hiking, cross-country skiing, fishing, and hunting for deer, geese, ducks, rabbits and squirrels.

The Department recommends acquisition of the parcel to allow management of the area for wildlife, to allow restoration of the cropland to grassland, and to provide for additional public recreation and education.

3. FINANCING:

State Stewardship bond funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$3,076,673	\$17,623

4. ACQUISITION STATUS OF THE GLACIAL HABITAT RESTORATION AREA:

Established: 1990
Acres Purchased to Date: 11,285.81
Acquisition Goal: 28,400.0 Acres
Percent Complete: 39.7%
Cost to Date: \$7,438,695

5. APPRAISAL:

Appraiser: Michael P. Augustyn (Private Appraiser)
Valuation Date: November 12, 1999
Appraised Value: \$350,000
Highest and Best Use: Rural Residential-Agricultural

Allocation of Values:

- a. land: 197 acres @ \$1,750 per acre: \$345,000 (Rounded)
- improvements: \$5,000
- Total: \$350,000
- b. market data approach used, three comparable sales cited
- c. adjusted value range: \$1,765 to \$1,775 per acre

Appraisal Review: Ron Olson -- January 27, 2000

Comments: Two appraisals of the subject parcel were completed for this transaction. Both appraisals indicated values for the entire parcel with improvements. The first appraisal was completed by Mr. Michael Augustyn (Private Appraiser) on November 12, 1999 with a valuation of \$350,000. The second appraisal was completed by Mr. Paul Scott (Staff Appraiser) on December 14, 1999 with a valuation of \$362,000. Mr. Olson reviewed both appraisals and assigned a just compensation value at \$350,000. Further negotiations with the grantor increased the purchase price to \$360,000, above the appraisal by Mr. Augustyn, but below the appraisal value by Mr. Scott.

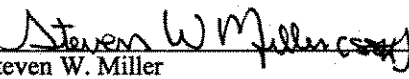
RECOMMENDED:

Richard E. Steffes 

3-22-00
Date

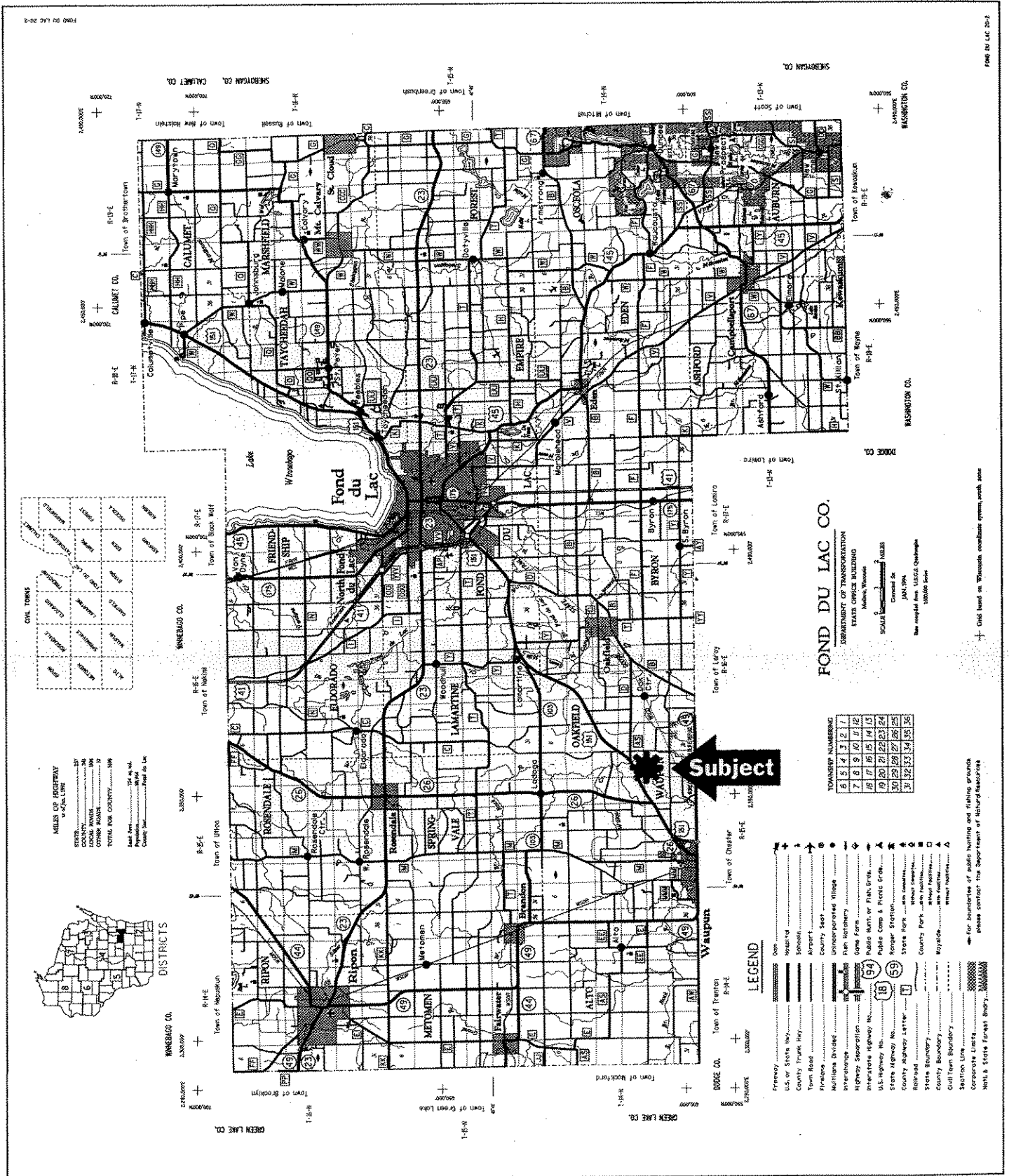
Bureau of Legal Services 

3/24/00
Date

Steven W. Miller 

3/27/00
Date

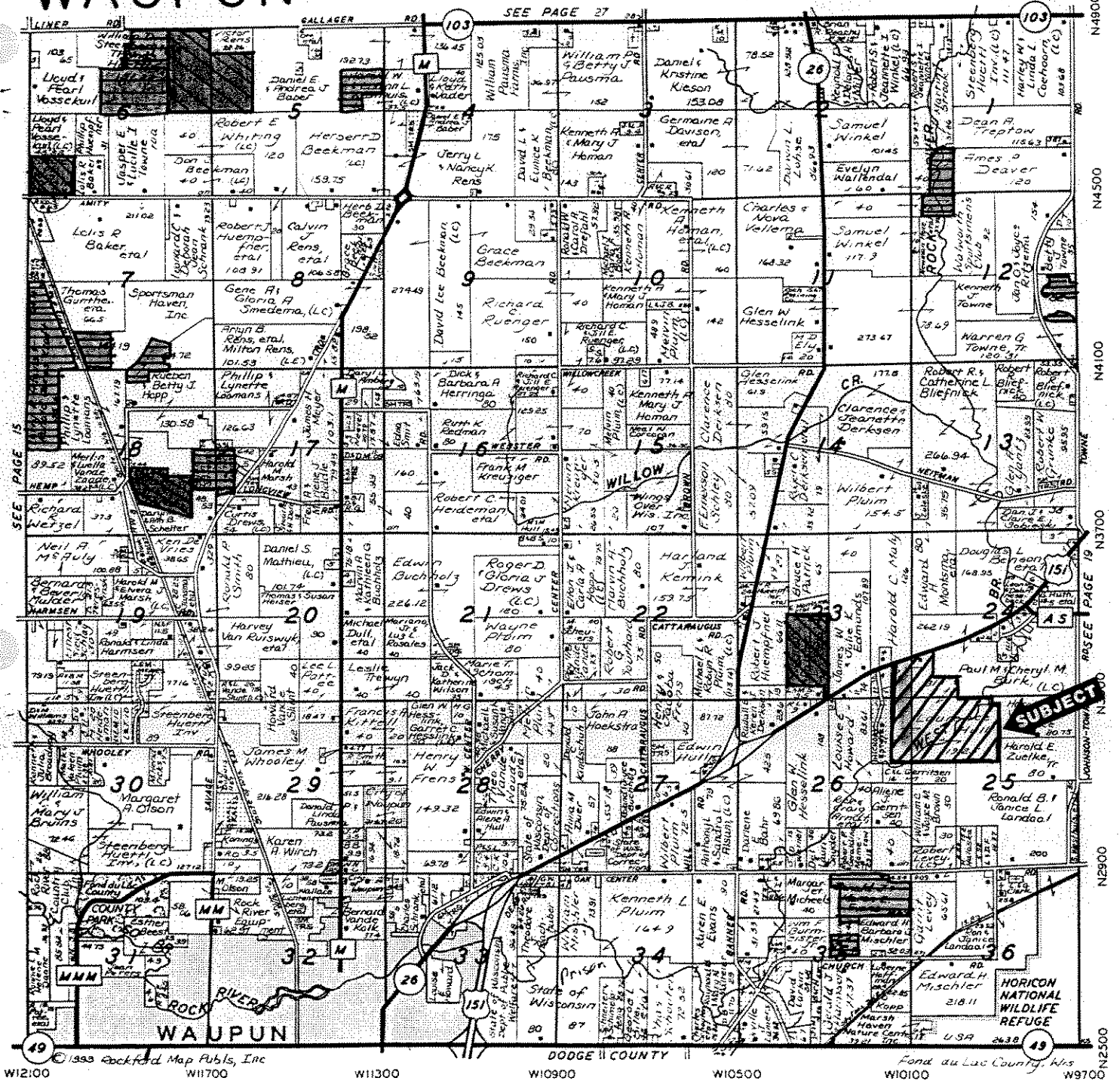
RES:jp






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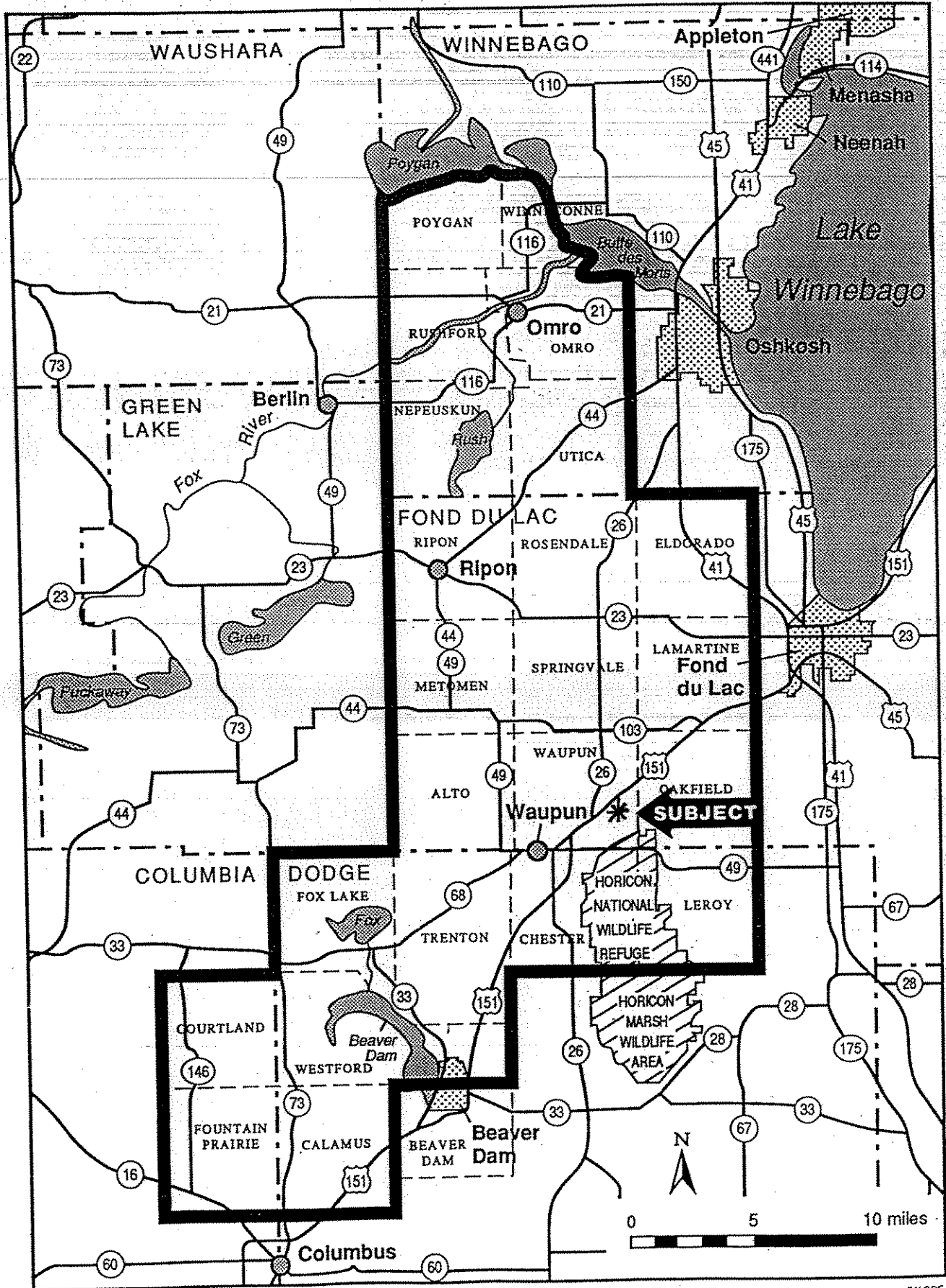
T.14 N.-R.15 E. 17



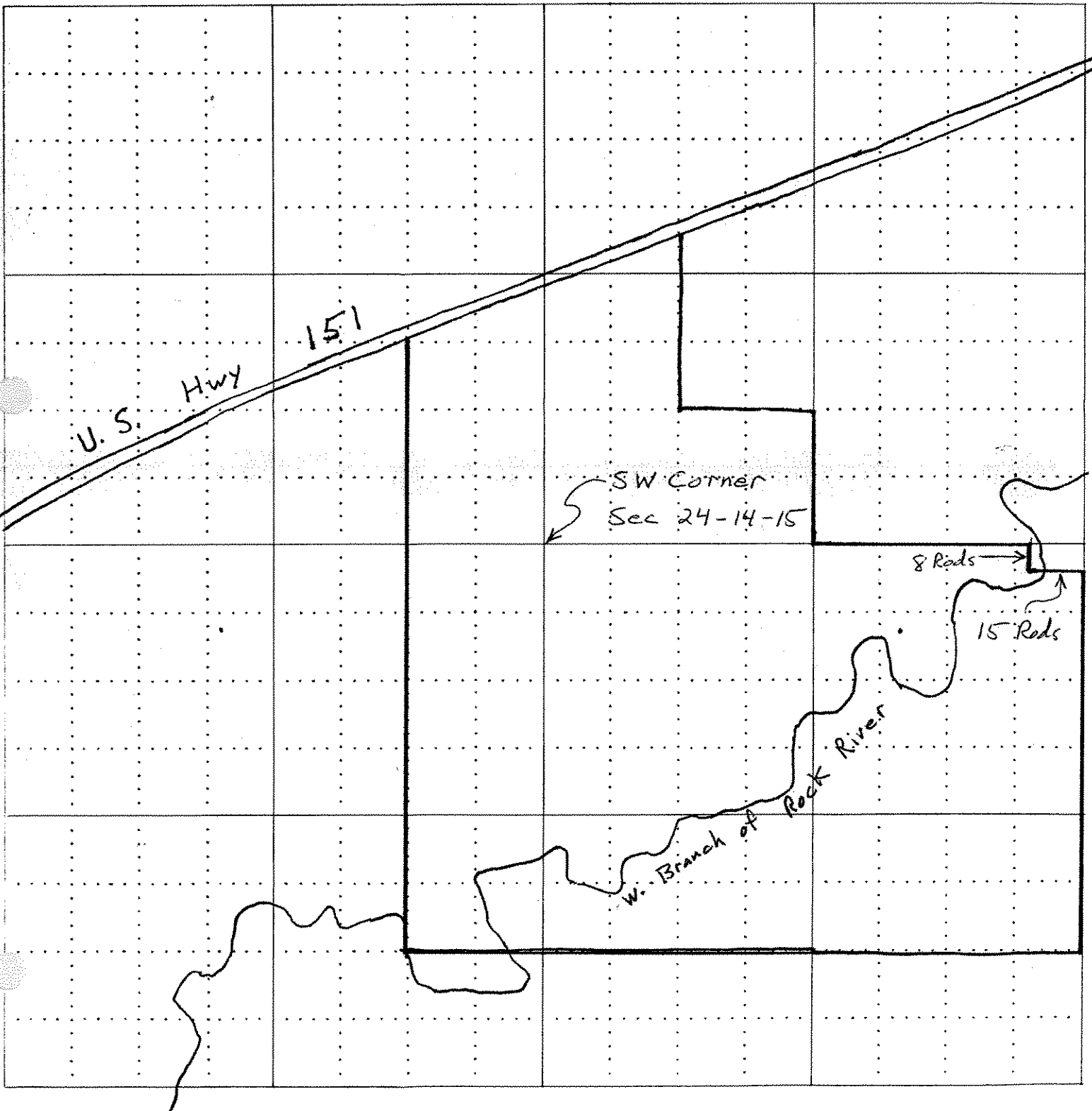
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-  State-owned Lands
-  State-owned Easements
-  Subject Property

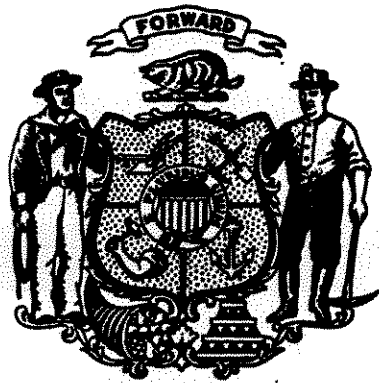
Glacial Habitat Restoration Area



PROJECT <i>Glacial Habitat Area</i>		MAPPED BY <i>P. Scott</i>	
COUNTY <i>Fond du Lac</i>	LANDOWNER <i>Lawrence Hull</i>		
TOWN <i>Waupun</i>	ADDRESS		
SECTION <i>23, 24, 26, 25</i>	TOWNSHIP <i>14 N</i>	RANGE <i>15 E</i>	SCALE <i>1" = 660'</i>
			ACREAGE acres <i>197 m/1</i>



END



END

STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-8535



ASSEMBLY CHAIR
JOHN GARD

315 North, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

May 8, 2000

Secretary George Meyer
Department of Natural Resources
101 South Webster Street
Madison, WI 53707-7921

Dear Secretary Meyer:

We are writing to inform you that the members of the Joint Committee on Finance have reviewed your request, received on April 28, 2000, pursuant to s. 23.0917(6), Stats., regarding a proposed 126.86 acre land purchase from Windway Capital Corporation in the amount of \$800,000 located in Sheboygan County.

A meeting will be scheduled to further discuss this request. Therefore, the request is not approved at this time.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD
Assembly Chair

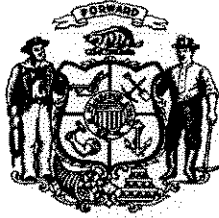
BB:JG:dh

cc: Members, Joint Committee on Finance
Vicky LaBelle, Department of Administration

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
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: May 1, 2000

Attached is a copy of a letter from the Department of Natural Resources, received April 28, 2000, concerning a proposed 126.86 acre land purchase in Sheboygan County from Windway Capital Corporation for \$800,000.

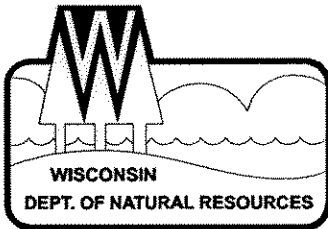
The notice is pursuant to s. 23.0915(4), Stats., which requires the Department to notify the Joint Finance Committee of all stewardship projects of \$250,000 or more in cost.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Tuesday, May 16, 2000**, 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

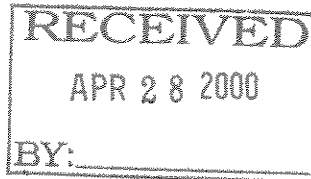


State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor
George E. Meyer, Secretary

101 S. Webster St.
Box 7921
Madison, Wisconsin 53707-7921
Telephone 608-266-2621
FAX 608-267-3579
TDD 608-267-6897

APR 28 2000



IN REPLY REFER TO: Fi-2659

→ Honorable Brian Burke
Member State Senate
Room 316S
CAPITOL

Honorable John Gard
Member State Assembly
Room 315N
CAPITOL

Dear Senator *Brian* Burke and Representative *John* Gard:

The Department is notifying you as co-chairs of the Joint Committee on Finance of a proposed 126.86 acre land purchase from Windway Capital Corporation for \$800,000. This notice is pursuant to s. 23.0915(4), Stats., which requires the Department to notify the Joint Committee on Finance of all Stewardship projects more than \$250,000 in cost. The Natural Resources Board approved the purchase at the April meeting. The land is required for water quality protection, fisheries management and public recreation.

The file number is Fi-2659 and the land is located in Sheboygan County. Attached please find a memo and maps describing this transaction.

I certify that this request for consideration meets all applicable state and federal statutes, rules, regulations, and guidelines. This certification is based upon a thorough and complete analysis of this request.

If you do not notify the Department within 14 working days after this notification that the Committee has scheduled a meeting to review the proposed transaction, the Department will proceed with the approval process. If the Committee has no objections, the Department will forward the proposal to the Governor for his consideration. If you need additional information, please contact Richard Steffes at 266-0201. Mr. Steffes is available to answer any questions you may have in this matter.

Thank you for this consideration.

Sincerely,

George
George E. Meyer
Secretary

Attach.

cc: Legislative Fiscal Bureau
Department of Administration

CORRESPONDENCE/MEMORANDUM

DATE: March 27, 2000 FILE REF: Fi-2659
 TO: Governor Thompson
 FROM: George E. Meyer *George*
 SUBJECT: Proposed Land Acquisition, Windway Capital Corporation Tract, File # Fi-2659,
 Option Expires September 4, 2000

1. PARCEL DESCRIPTION:

Onion River Streambank Protection Area
 Sheboygan County

Grantor:

Windway Capital Corporation
 c/o Barbara Quasius
 630 Riverfront Drive, Suite 200
 Sheboygan, WI 53081

Acres: 126.86Price: \$800,000Appraised Value: \$800,000 and \$812,000Interest: Purchase in fee.Improvements: Beach shelter, concrete raceways, and other land improvements associated with a private fisheries operationLocation: The tract is located 2 miles west of Plymouth, in west central Sheboygan County.Land Description: The subject area consists of a high ridge along the west part of the property, sloping down to the east where the parcel is low and wet, with gently rolling hills.Covertypes Breakdown:TypeAcreage

Wooded Upland	82.20
Pine Plantation	9.00
Cropland (CRP)	15.40
Wetland	8.00
Water (2 ponds)	12.26
TOTAL	126.86

Zoning: C-2 Upland Conservation, A-2 Agricultural Land DistrictPresent Use: Outdoor RecreationProposed Use: Water quality protection, fisheries management, and public recreationTenure: The parcel was acquired on March 26, 1999 by Windway Capital Corp. as part of a larger 242-acre farm for \$1.3 million from the Kamrath Family who owned the property since the 1970's.Property Taxes: \$1,630.94Option Date: March 8, 2000

2. JUSTIFICATION:

The Department proposes to purchase a 126.86-acre parcel from Windway Capital Corporation in Sheboygan County. The land would be added to the Onion River Streambank Protection Area to protect the stream from runoff and erosion, to allow fishery management and restoration, and to provide opportunities for public recreation. An extensive restoration project will be done to improve cold water resources.

The Onion River is a Class II trout stream flowing through a primarily agricultural area in Sheboygan County. The Onion was one of the first Priority Watershed Projects selected in the state for this program in 1992, but there has been low landowner participation in the project. The stream has been heavily impacted by agricultural and development-related runoff and stream channel modification. Current management includes improving trout populations, restoration and protection of instream habitat, bank stabilization, fencing of livestock, and re-vegetation of eroded areas. The goal of the Streambank Protection Program is to protect water quality, instream fisheries, and aquatic habitat from urban and rural nonpoint source pollution.

The Windway Capital Corporation parcel is 126.86 acres in size, and is part of a larger 242-acre farm property. Covertypes consists of northern hardwood timber with some large sugar maple and ash trees on the western ridge line; a pine and spruce plantation; a small area of marsh grass is located between two ponds; and a small amount of agricultural land currently enrolled in the Conservation Reserve Program.

The parcel also includes approximately 26 separate spring sources and roughly 4,000 feet of two-bank frontage along a perennial headwater stream. Historically, this stream flowed directly east where it was a tributary to Ben Nut Creek, and ultimately to the Onion River. However, in the 1950's the stream was altered to flow into two impoundment areas creating two ponds located on the parcel, one approximately eight acres and the other four acres in size. The outflow stream from the lower impoundment runs to Ben Nut Creek and is estimated at 1.1 million gallons per day.

The ponds have had a profound impact on trout resources in the Upper Onion River, causing unnatural water temperatures during the course of the year – warm water in the summer and very cold in the winter. In addition, the impoundments have fragmented the habitat so that trout from the Onion or other tributaries were not able to access high-quality spawning habitat upstream of the ponds. Fish populations have changed over time from native brook trout to warm-water fisheries dominated by largemouth bass, green sunfish, yellow perch, and white suckers.

The overall goal of the acquisition is to restore the natural flow pattern of the stream so it will enhance water quality and provide high quality trout spawning and rearing habitat. The restoration plan includes removal of the lower impoundment that created the four-acre pond, restoration of the original flow pattern, removal of other restrictions to migration of trout, and restoration of the stream channel. The stream will be bypassed around the eight-acre pond to flow directly to Ben Nut Creek, and the outlet of the pond will be retrofitted to a bottom release in order to reduce unnatural water temperatures in the outflow. Eventually, another significant tributary that had been straightened and dredged will be rebuilt to its original meander, cross-sectional, and pool-riffle geometry.

The four-acre pond was drained in May of 1999 and removal of the impoundment structure is set to follow. Once removed, Department and Trout Unlimited personnel can start the channel design phase of the project. Geomorphologic measurements of the stream above and below the ponds, as well as those of a similar size (but undisturbed) stream nearby will be taken as a model for the restored channel. This phase of the restoration will be to both restore the original hydrology and geomorphology of the stream and reconstruct a suitable channel. Once the habitat restoration is complete, the state will locate a good source of wild brook trout brood stock to use to restore brook trout reproduction in the stream.

Completion of this project will extend habitat available for trout migration by removing barriers within the stream and will significantly lower water temperatures within these trout waters improving habitat and water quality downstream.

The other improvements on the parcel include concrete raceways where trout and some warm-water fish were raised in an unsuccessful and now defunct private hatchery by former owners. There is also a small wood-framed shelter building near the beach of the upper, larger pond. The shelter and raceways contribute very little to the property value, in fact the cost to remove them, which is intended, is considered to be equal to any value contribution they may give to the property.

There are approximately 44 acres of the proposed acquisition that are outside of the established project boundary. Analysis by Department and Trout Unlimited managers designate this portion as critical acreage requiring inclusion and protection in order to sustain the water quality and habitat gains on the rest of the unique property. If not acquired and incorporated into the management of the project, that portion will face high development pressures in this area of the state.

Negotiations for this parcel have been unsuccessful in the past due to the Department's desire to purchase only half of the entire property. The previous owner did not wish to split up the property for resale and so was unwilling to come to an agreement. Windway Capital Corporation has worked as a cooperator to the acquisition, purchasing the entire parcel March 1999 at the price of \$1.3 million, and then agreeing to sell to the Department the portion with the water resources.

The Department recommends acquisition of this property to provide protection of the water resource and surrounding springs, to re-establish a native trout population to the Onion River watershed area, and to allow for public recreation opportunities.

3. FINANCING:

State Stewardship 2000 funds are anticipated:

Funds allotted to program:	Balance after proposed transaction:
\$24,000,000	\$14,500,000

Comments: The Department will not seek the Governor's approval until funds become available (after July 1, 2000).

4. ACQUISITION STATUS OF THE STREAMBANK PROTECTION FEE PROGRAM:

Established: 1994
Acres Purchased to Date: 3,290.72
Acquisition Goal: 30,344.0 Acres
Percent Complete: 10.8%
Cost to Date: \$2,870,641

5. APPRAISAL:

Appraiser: Michael Augustyn (Private Appraiser)
Valuation Date: December 28, 1999
Appraised Value: \$800,000
Highest and Best Use: Rural Residential-Recreational

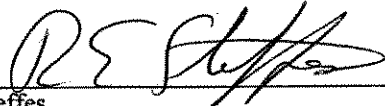
Allocation of Values:

- a. land: 126.86 acres @ \$6,306 per acre: \$800,000
- b. market data approach used, three comparable sales cited
- c. adjusted value range: \$6,146 to \$6,254 per acre


Appraisal Review: Rodney Bush

Comments: Two appraisals were completed on the Windway Capital Corporation parcel. The first appraisal was completed by Michael Augustyn (Private Appraiser) on May 28, 1998 and later updated on December 28, 1999 with a valuation of \$800,000. The second appraisal was completed by Robert Steiro (Private Appraiser) on December 14, 1999 with a valuation of \$812,000.

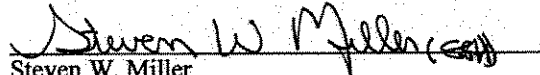
RECOMMENDED:


Richard E. Steffes

3-27-00
Date


Bureau of Legal Services

3-28-00
Date


Steven W. Miller

3/28/00
Date

RES:jp

SHEBOYGAN 59-1

FOND DU LAC CO.

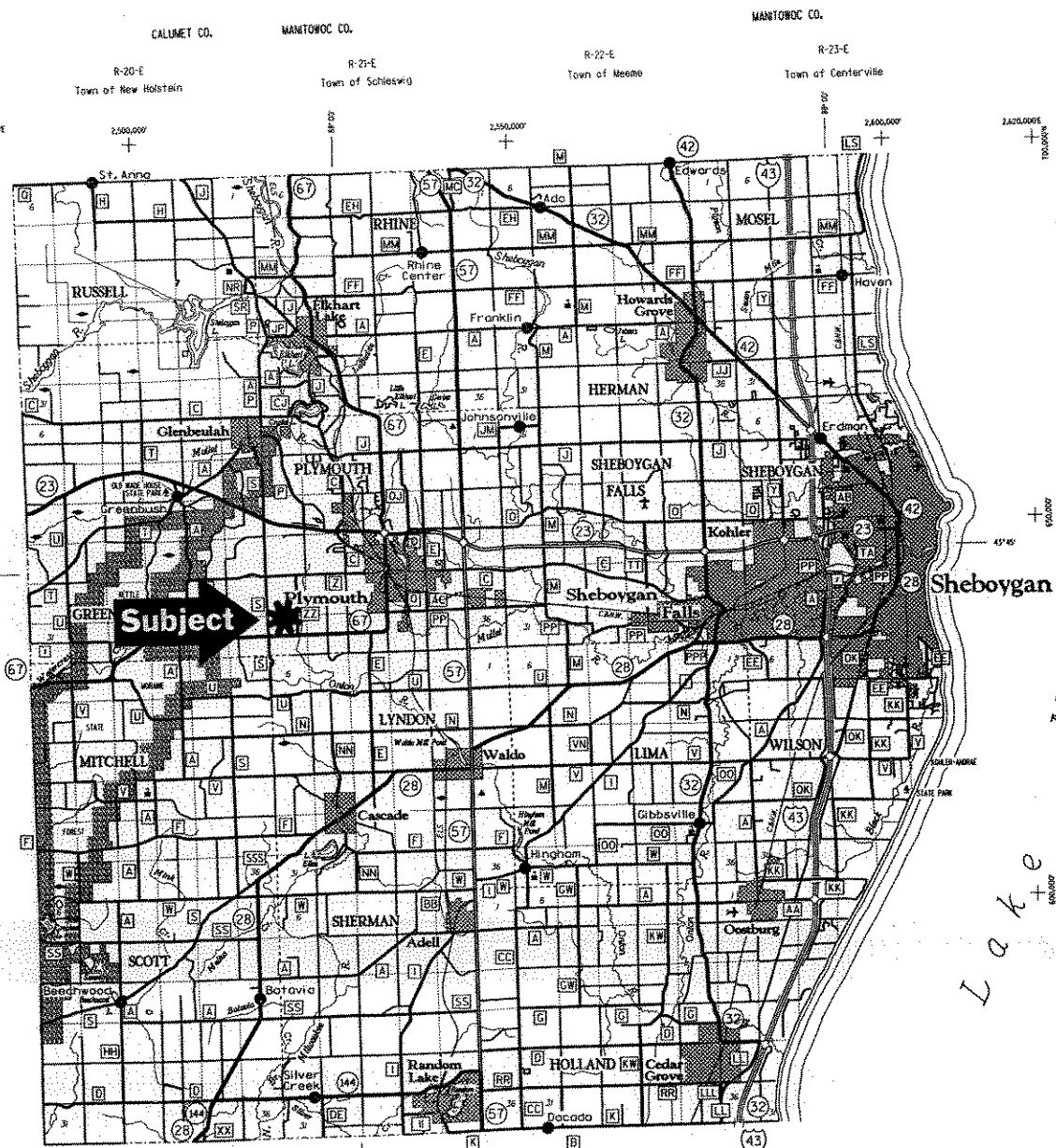
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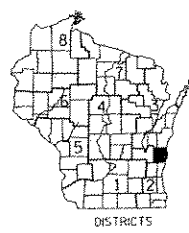
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Michigan
Lake

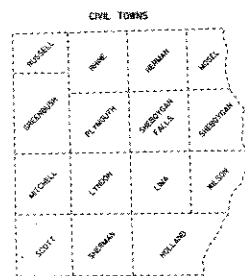
LEGEND

- Freeway
- U.S. or State Hwy.
- County Trunk Hwy.
- Town Road
- Firelane
- Multilane Divided
- Interchange
- Highway Separation
- Interstate Highway No.
- U.S. Highway No.
- State Highway No.
- County Highway Letter
- Railroad
- State Boundary
- County Boundary
- Civil Town Boundary
- Section Line
- Corporate Limits
- Nat'l. & State Forest Boundary
- Dam
- Hospital
- Schools
- Airport
- County Seat
- Unincorporated Village
- Fish Hatchery
- Game Farm
- Public Hunt. or Fish Grds.
- Public Camp & Picnic Grs.
- Ranger Station
- State Park
- Compartes.
- County Park
- Wm. Facilities
- Wayside
- Wm. Facilities
- Wm. Facilities
- Atletle Marine Connections
- Use of Wis. Color - Sheboygan Co.



TOWNSHIP NUMBERING

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
20	19	18	17	16	15
21	20	19	18	17	16
22	21	20	19	18	17
23	22	21	20	19	18
24	23	22	21	20	19
25	24	23	22	21	20
26	25	24	23	22	21
27	26	25	24	23	22
28	27	26	25	24	23
29	28	27	26	25	24
30	29	28	27	26	25
31	30	29	28	27	26
32	31	30	29	28	27
33	32	31	30	29	28
34	33	32	31	30	29
35	34	33	32	31	30
36	35	34	33	32	31



MILES OF HIGHWAY
as of July 1, 1991

STATE	171
COUNTY	444
LOCAL ROADS	341
OTHER ROADS	14
TOTAL FOR COUNTY	1470

Land Area 506 sq. mi.
Population 85,875
County Seat Sheboygan

SHEBOYGAN CO.
DEPARTMENT OF TRANSPORTATION
STATE OFFICE BUILDING
MADISON, WISCONSIN

0 1 2
SCALE _____ MILES

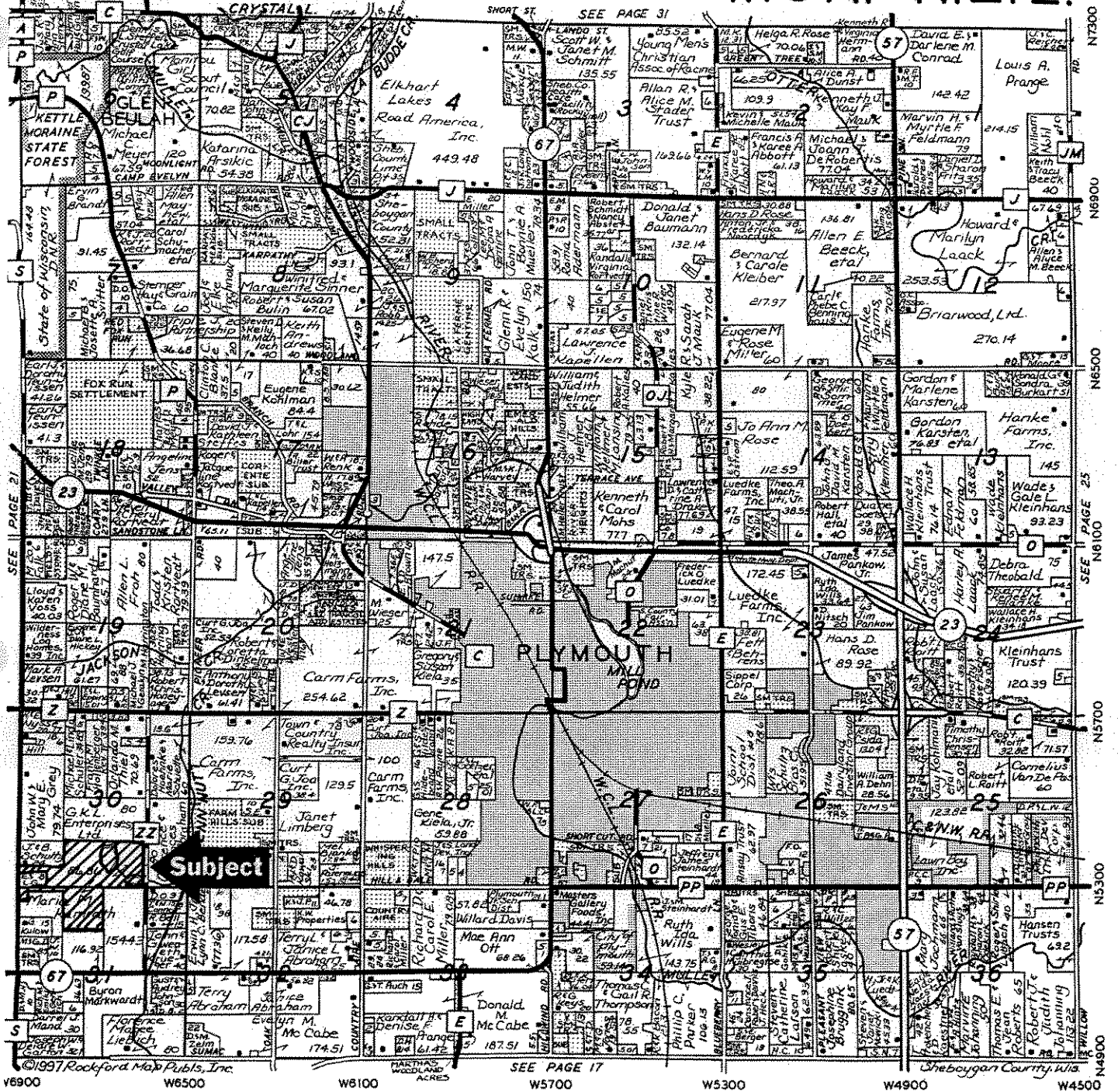
Corrected for
JAN. 1992

Scale compiled from U.S.G.S. quadrangles
1:50,000 Series

+ Grid based on Wisconsin coordinate system, south zone

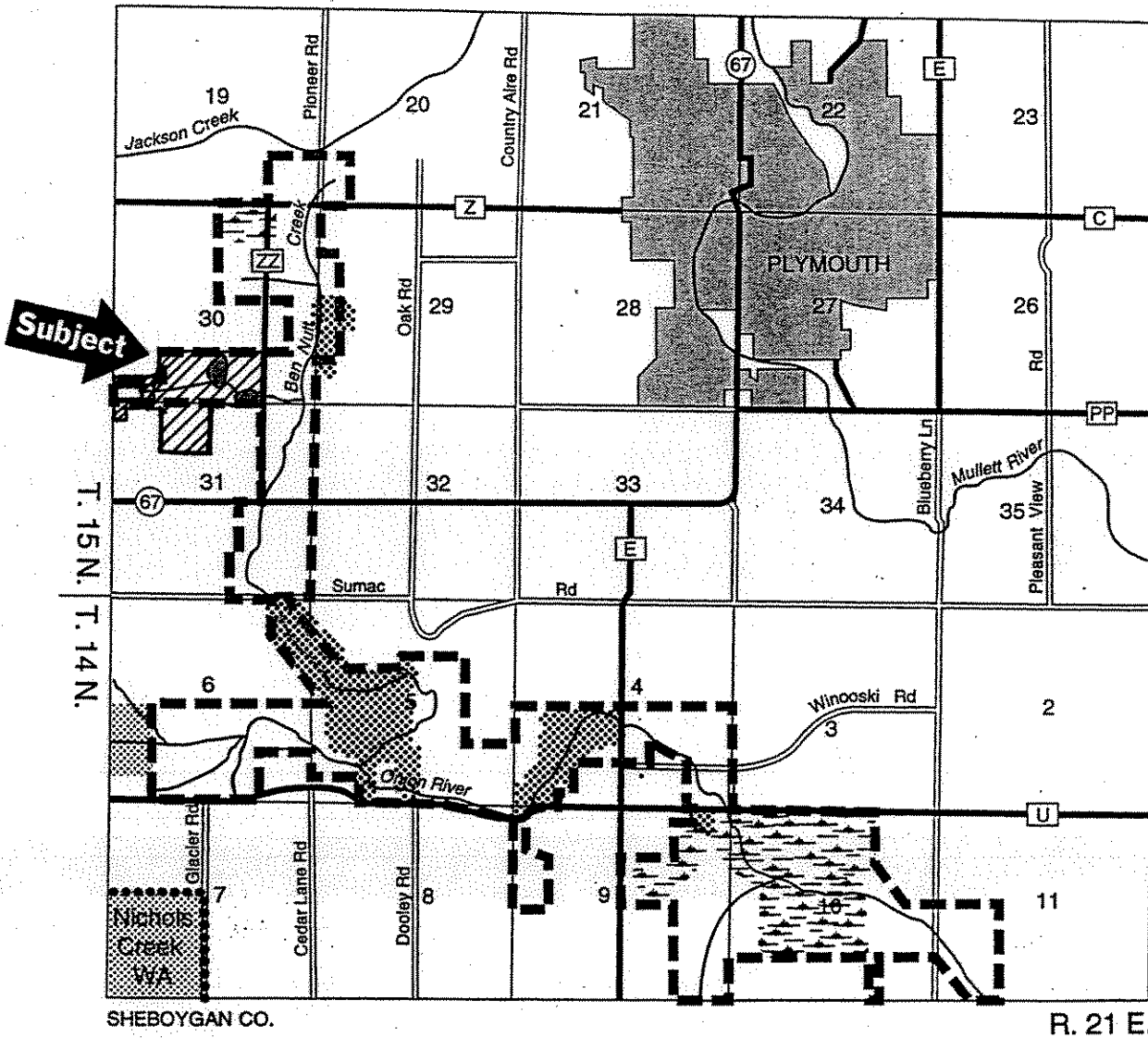
PLYMOUTH



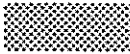



T.15N.-R.21E.

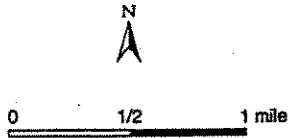
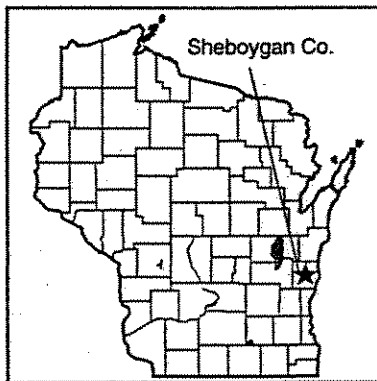


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Stream Bank Protection - Fee Area Onion River (Sheboygan County)

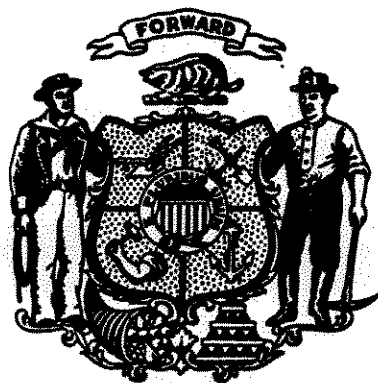


-  Project Boundary
-  Other DNR Project Boundary
-  State Owned
-  Highways and County Roads
-  Local Roads
-  Wetlands



STATE OF WISCONSIN DEPT. OF NAT. RESOURCES DIVISION OF SERVICES	
PROJECT NO. 2425	DATE

END



END