STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
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GOVERNOR

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SECRETARY

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B

Date: June 8, 2000

To: George Lightbourn, Secretary
Department of Administration

From: Jeffrey A. Geisler, Budget Analyst JAG

Subject: Request Under s. 16.505/515 from the State Treasurer for 2.0 FTE Positions.

REQUEST

The State Treasurer requests 2.0 FTE permanent positions and ancillary expenses to perform cash management and personnel duties.

s. 20.585 (1) (kb) Request	FY01
Classified FTE Positions	2.0
Ancillary Funding	$80,600

These amounts are requested for FY01 and as an ongoing adjustment to the State Treasurer's base budget.

REVENUE SOURCES FOR APPROPRIATION(S)

The State Treasurer's request mentions s. 20.585(1)(jt), Cash Management Services, but it is clear that the intended funding source is s. 20.585(1)(kb), General program operations. The s. 20.585(1)(kb) appropriation receives its revenues from assessments that state agencies pay to DOA for accounting, auditing, payroll and other financial services. Some of this assessment revenue flows through to this State Treasury appropriation to fund its general program operations.

BACKGROUND

Of the two positions requested 1.5 FTE position would expand the cash management staff of the Treasury. The remaining 0.5 FTE would perform personnel assistant duties.

The State Treasury's web site describes its cash management responsibilities.

> The cash management area of the State Treasury is loosely divided between receipts and disbursements. The receipts section handles all incoming receipts to the State. Each morning Treasury staff download information from the State's bank which shows all previous day bank activity, including lock box receipts. The Treasurer's office insures that these receipts are properly recorded to the State's central accounting system. Additionally, the cash management area is responsible for the monthly collection of fines and forfeitures and tax settlements with county treasurers.
>
> The State Treasurer's Office makes a daily determination for the Investment Board as to funds available for investment purposes, leaving only an amount necessary for liquidity purposes. This calculation involves knowing the incoming receipts and the disbursement patterns for the various check series. The disbursement section is also responsible for signing and controlling checks, stop payments, forgeries, check storage and certified copies of paid checks and coordinating electronic payments.
>
> Additionally, the State Treasurer has responsibility for fiduciary deposits of banks, insurance companies, lottery investments and tax deposits. The office acts as a clearinghouse for all general obligation bond activity that is directed to that state rather than the paying agent.
>
> The Treasurer's office is responsible for the daily and monthly cash reconciliation with the State's working bank. The State's working bank(s) are selected on a competitive bid basis. The state operates on a centralized receipt and disbursement system. All state funds are deposited with the State Treasurer and paid out of the State Treasurer's account.
>
> For ease in cash management, the Treasurer maintains only one working account to which all deposits are made and from which all disbursements are paid. To ensure the most prompt deposit of state revenues, the Treasurer encourages the use of the lock box deposit technique. Under this arrangement, payments to the state are mailed to post office lock boxes. The working bank is authorized to collect the contents of these boxes and process and deposit checks immediately. In fiscal year 1994, excluding investment income and federal funds drawn down on the single letter of credit system, the state collected in excess of 7.6 billion dollars through the lock box collection system.

The State Treasury has 7.25 FTE positions in the two appropriations that fund its cash management activities. There were 7.4 FTE in the 1995-97 biennium and this was reduced to 7.25 in the 1997-99 budget.

In the last year several events have caused significant backlogs to appear in the cash management area. These backlogs are documented by the increased time required to perform routine tasks.

Task	Standard Schedule	Current Schedule
Stop payment Processing	Daily	3 Days
Reissuance of Canceled Drafts	Daily	30 Days
Providing Agencies with Check Copies to Research Forgeries	Daily	15 Days
Cash Reconciliation	Monthly	6 Months
Processing Returned Items	Daily	4 Days

ANALYSIS

The State Treasury's cash management backlog has four causes:

1. A small total agency staff precludes extensive cross training;
2. High staff turnover in the cash management area;
3. Unilateral changes by the State Working Bank to stop payment processing and
4. the Sales Tax Rebate workload impacts.

Small Staff and Turnover

Currently, the Treasury has 18.50 FTE positions funded as follows

Fund Sources	s. 20.585 Alpha Appropriation	Function	FTE Positions
GPR	2a	Administrative expenses - EdVest	1.00
PR	1g	Local Government Investment Pool	1.74
	1j	Unclaimed property	6.51
	1jt	Cash Management Services	0.58
PRS	1kb	General program operations	6.67
SEG	2s	Administrative expenses - EdVest	2.00
Total			18.50

The following table shows the functional distribution of the Treasury's staff.

CLASSIFICATION	Administrative Expenses - Edvest (SEG & GPR)	Cash Management Services (PR)	General Program Operations (PRS)	Local Government Investment Pool (PR)	Unclaimed Property (PR)	Total
State Treasurer		0.04	0.30	0.08	0.58	1.00
Deputy State Treasurer		0.04	0.30	0.08	0.58	1.00
Unclassified Stenographer			0.32	0.08	0.60	1.00
Capital Finance Program Supv	1.00					1.00
Financial Supervisor 5			0.75	0.25		1.00
Capital Finance Officer	1.00					1.00
Records Management Supv 3					1.00	1.00
Accountant-Adv				1.00		1.00
Accountant-Journey		0.50	0.50			1.00
Accountant-Senior			0.50		0.50	1.00
Exec Budget & Fin Prog Spec	1.00					1.00
Financial Specialist 2			0.50			0.50
Financial Specialist 3			1.00			1.00
Financial Specialist 3			1.00			1.00
Financial Specialist 3					1.00	1.00
IS(T) Systms S/P Sp-Senior			0.50	0.25	0.25	1.00
Program Assistant 3			1.00			1.00
Program Assistant 3					1.00	1.00
Program Assistant 4					1.00	1.00
Functional Total	3.00	0.58	6.67	1.74	6.51	18.50

The 0.58 FTE positions in Cash Management Services and the 6.67 FTE positions in General Program Operations comprise the 7.25 FTE positions available to the Treasury for the cash management activities. Of this 7.25, 2.75 are supervisory or support personnel leaving 4.5 FTE positions available for cash management work.

Of these 4.5 FTE positions, 2.0 were vacant for approximately 3 months in mid FY00. These 2.0 FTE vacancies were created by the departure of two very senior and experienced employes. Although both vacancies were filled by the 2nd payperiod in calendar 2000, these vacancies generate backlog effects still felt today. It is likely that the Treasury will need years to regain that level of experience in the affected positions.

State Working Bank

When Firststar merged with the Mercantile Bank of St. Louis, the new bank unilaterally changed the software used to process stop payment requests This change increased the cash management workload.

Sales Tax Rebate

Because the Norwest Bank and not the state's regular working bank was chosen as the sales tax rebate working bank, the Treasury's cash management staff had to implement a separate set of procedures for the sales tax rebate checks and interactions with this new bank. This parallel set of reconciliations, stop payments and requests for reissued checks will affect workload into FY01.

These four issues have had a serious effect on the Treasury's ability to meet cash management deadlines, but it is unclear if the effects are permanent or temporary.

The Treasury has requested 1.5 FTE classified positions to alleviate the cash management workload problem, but the arguably temporary nature of the problem suggests that project positions are a more appropriate solution. Also, the Treasury is not yet able to quantify the workload involved and so granting a new 1.0 FTE project position seems a prudent and conservative response to the request.

The Treasury has requested 0.5 FTE position to perform personnel assistant work, but there appears to be little quantitative documentation of any workload growth in this function.

RECOMMENDATION

Approve 1.0 FTE Financial Specialist 2 project position and $41,400 in salaries, fringe benefits, supplies and one-time expenses for the position in FY01. Assign this position an ending date of 12/31/2001 (i.e., the middle of FY02) and increase Treasury's base budget by this 1.0 project position and $17,400. This increase to the base and FY01 ending date will give the Treasury time to address the backlog and to compile quantitative data if the project position needs to be made permanent in the 2001-03 budget.

JG

Jack C. Voight
State Treasurer of Wisconsin

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Date: March 6, 2000

To: Richard Chandler, Budget Director
Department of Administration

From: Nicholas J. Voegeli, Deputy State Treasurer

Subj: Request under ss. 16.505 and 16.515 from the Office of the State Treasurer for two Financial Specialist positions

Request

The Office of the State Treasurer requests the creation of and associated funding for two additional cash management appropriation positions, one each at the Financial Specialist 1 and Financial Specialist 2 levels. We are requesting these two positions because the recent departure of two key personnel has clearly demonstrated this office's limitations, both in sufficiency of number of staff and in their capability, to continue adequately and promptly to perform its cash management duties at peak performance. Though the two vacant positions have been filled, the new employes have not yet proved capable of performing to the level of their predecessors, who had combined experience of nearly 15 years. Due to the extremely tight labor market in Madison, we remain concerned that the Treasurer's Office will experience additional turnover as employes seek more lucrative positions either elsewhere in state service or in private industry, thus further stressing our ability to perform our core cash management responsibilities.

We would like .5 FTE of the 2.0 FTEs requested to be utilized for agency payroll, fringe benefit programs, and general human resource duties. Currently, these responsibilities are an ancillary responsibility of an Unclaimed Property (UP) Financial Specialist 3 (FS 3). The Assembly and Senate are currently considering passing the Uniform Unclaimed Property Act, which will require annual, rather than biennial, holder reports of unclaimed property, as well as annual, rather than biennial, publication of new receipts. Our UP supervisor anticipates a corresponding doubling of the workload of her staff and does not foresee her FS 3 being able to continue to perform this collateral duty. Even if the act does not pass, the payroll, benefits, and human resources functions are more appropriate to a position designed for such tasks, rather than to be attached as an appendage to an UP staff position description (PD). Also, as you know, the office has been employing an LTE in UP since last summer. UP is clearly understaffed for the amount of work they perform. Recently, the most productive of the UP staff left for another job. Hiring the LTE was a necessity, not a luxury. The LTE has proved indispensable. With payroll, employe benefits, and general human resources duties taking consuming approximately 25% of our FS 3's time, if we are ever to dispense with the LTE we have to dish the non-UP related tasks to one of the new cash management FTEs.

Benefit

The creation of these two positions will provide several important benefits to the State of Wisconsin:

First, a larger cash management staff will permit an expansion of employes capable of performing backup duties. Our current staff is entirely consumed with the completion of their assigned duties and have severely limited time available to perform backup or training should one of the other staff take ill or vacation, thus leaving critical cash management functions vulnerable to nonperformance.

Second, despite the office's best efforts to document all required procedures and the steps to perform them, with the departure of two long-term employes has come the loss of important institutional memory, causing new staff great frustration as they attempt, with little or no relevant experience, to immediately assume their duties. Current staff, burdened in their attempt to remain atop their own primary functions, has been unable to provide training to new employes sufficient to permit them to assume the entirety of their responsibilities.

Third, the creation of the requested positions will free this office from resorting to the use of excessive overtime to complete its daily cash management functions. Specifically, cash management personnel will be better able to:

- Complete stop payments in a timely manner;
- Maintain records of cancelled drafts;
- Process forgery research requests;
- Perform monthly statewide cash reconciliation and account adjustments;
- Process return items.

Background

Currently, the Treasurer's office has 18.5 FTEs. Those not dedicated specifically to one appropriation include the elected Treasurer, his Deputy, his Executive Assistant, a senior accountant, and one information technology position. Four positions are dedicated to Unclaimed Property, 3 positions are dedicated to EdVest Wisconsin, and 6.5 positions are dedicated to Cash Management. However, of these 6.5 FTEs, one is exclusively devoted to the administration of the $3 billion Local Government Investment Pool (LGIP). The remaining cash management staff is responsible for the processing of transactions totaling in the hundreds of millions of dollars each day under very strict deadlines.

The paramount responsibility of the Office of the State Treasurer is to provide cash management services to all state agencies in a timely and accurate manner. The office had experienced a decline in the level of customer service we have been able to provide other state agencies, however. Specifically, our stop payment processing is now 2-3 days late. Our reissuance of cancelled drafts is a month behind. We are now three weeks late providing check copies relating to forgeries (Our standard has always been five days.). Our Financial Supervisor 5 is six months behind on statewide cash reconciliations. Finally, what was a daily task, processing return items, is now 3-4 days behind. Each of these tasks is critical to efficient cash management. Three events occurring during the previous six months have contributed significantly to this degradation and have constrained our ability to seamlessly fulfill our responsibilities.

First, the office lost two long-term and highly qualified personnel who possessed a wealth of cash management experience. Their departure left a void in the office's ability to perform all cash management tasks without resorting to exceptionally high use of overtime. Despite concerted efforts on our new employes' part, neither has yet been able to fully assume the totality of his predecessor's PD. Our office supervisor, a Financial

Supervisor 5, with considerable and ongoing responsibilities of her own, has been devoting significant time to train our new staff, and has consequently been required to work nearly 200 overtime hours since November, 1999 to accomplish not only her own tasks but the tasks our new staff have been unable to assume themselves. To deflect any thought that any new employe, in time, would be able to perform all the tasks on the PDs of our departed employes, it must be noted that these erstwhile employes were extraordinary in their efficiency and ability to multi-task. It is unlikely this office will ever see the level of their quality or output again.

Second, Firstar Bank, the state's current working bank, recently merged with Mercantile Bank of St. Louis. During the merger process, cash management staff noted a serious degradation in the service Firstar provided the state. Most noticeably, Firstar converted to new software to process stop payments. This was done without consulting State Treasury personnel, and the resultant problems have been great and ongoing and continue to consume a large number of man-hours in order for this office to continue to keep up with its stop payment processing. We have not received assurances that such unilateral adoption of new software will not recur. Should it, similar disruptions of cash management processing may develop. Further, with the expiration of the current working bank contract approaching, additional disruptions surrounding the switch to another bank may occur.

Third, the sales tax rebate placed a tremendous burden on the cash management staff of this office. Unlike the other agencies affected by this rebate, (Revenue and Administration), the Treasurer's Office does not have the large numbers of employes necessary to absorb the additional tasks that such a contingency operation demands. In addition to the daily tasks performed by our staff relating to the Firstar relationship, the rebate place on our office the weight of having to coordinate and implement an entirely new banking relationship with Norwest Bank. This has essentially doubled the amount of time our cash management team devotes to bank reconciliations, stop payments, and requests for reissued checks. The perception is that the rebate is complete, but for this office it has only just begun. Tasks relating to the tail end of the rebate will carry easily into the next fiscal year.

These three events have had a tremendous effect on this office, clearly demonstrating the dire need for additional personnel. Our ability to adequately complete requests for stop payments and forgery materials, and to respond to inquiries relating to cancelled drafts has been degraded, as has our ability to perform our monthly statewide cash reconciliation, and to process account adjustments and return items. Due to the historically low number of staff in this office, we have always found providing adequate backup coverage a challenge. Most recently, however, due to departure of highly experienced, long-term employes and their replacement with staff of limited relevant experience, in conjunction with unavoidable computer systems changes, the challenge of providing adequate backup has developed into the crisis of providing same. Employes are frequently now unable to perform their own core duties because emergencies in the areas in which they provide support demand immediate attention.

In order to free herself to perform more pressing cash management tasks, our Financial Supervisor 5 has not performed a complete reconciliation of the state's cash position since October. The time the Financial Supervisor 5 has had to devote to this monthly task has been virtually eliminated. In an effort to prioritize the importance of cash management services, the processing of stop payments and return items consistently rises to the top of the list. These functions were performed by one of our recently departed employes whose replacement not yet demonstrated the capacity to assume these tasks. Rather than allowing agency checks to be deposited by persons not entitled to them after this office has been requested to place a stop, this task has risen to the top. Consequently, the cash reconciliation, which is terribly complicated and which could assume a quarter of the time of the supervisor, has been set aside until a suitable solution to our staffing problem has been reached. In order to complete all cash reconciliations prior to the FY00 LAB audit, however, our Financial Supervisor 5 will, again, incur tremendous amounts of overtime.

Analysis

State Treasurer staff has evaluated the PDs of our cash management employes to determine what efficiencies the shifting of responsibilities of current staff to the two new positions we are requesting could create. Historically, as new responsibilities have devolved to cash management, they have been assigned to the employe with the least number of tasks at the time. We have taken a higher level look at the duties of the cash management appropriation and have determined a more efficient and equitable allocation of responsibilities, incorporating the two new employes we are requesting herein. We have considered alternatives to the creation of these new positions. Unfortunately, all fall flat as either nonviable, unreasonable, or impractical.

Included as addenda to this request are the PDs to the two new positions, as well as an analysis of the anticipated costs of implementing this request. Consider, also the following information: Our cash management personnel have been working a great deal of overtime which until recently had been underreported. All personnel working overtime were requested to begin reporting it so as to accrue compensatory time off, in recognition of the extraordinary amount of personal time staff were devoting. When it became clear that our Financial Supervisor, in particular, was consistently putting in 60-hour weeks uncompensated, overtime pay was approved for as long as the office could afford it, after which time compensatory time has been earned. If the cash management staff was to take all the compensatory time earned, however, this office would be unable to fulfill its obligations. In order to reduce the amount of overtime worked, the most reasonable alternative considered is the creation of the two new positions requested.

Funding for the requested positions would be provided for as is the funding for the current 6.5 cash management personnel. Per ss. 20.585(1)(jt) of the state statutes, the Office of the State Treasurer is appropriated funds charged against the earnings of the State Investment Fund (SIF) equal to the cost of banking services cost analysis and cash management assistance for state agencies and state funds. Currently, the balance of the SIF is greater than $6 billion, and with earnings over the past year averaging nearly 5.0% annualized, ample resources are available to fund the salaries of the two requested positions.

The office's senior accountant has estimated the total cost of these two positions for the second year of the 2000-2001 biennium to be $80,639. However, given Madison's extremely tight labor market, a decision will have to be made about hiring at the FS 2 and 3 levels rather than the requested FS 1 and 2, and total costs may approach $100,000 for the year. The entire amount of the actual cost should be added to our agency's base for the cash management appropriation.

The three events detailed in the Background section, above, appear to justify project rather than permanent positions. A very important consideration ought to be taken into account, though, which makes a case for at least one of the two requested positions to be permanent. Our financial supervisor has always had precious little time to perform the primary function of her classification, inherent in her title—supervision. The cash reconciliation is a function much more appropriate for a subordinate. Rather than perform the reconciliation herself, the supervisor's responsibility should be to evaluate the work of the subordinate. The time thus freed up will be more productively used in the performance of the supervisor's management functions. While the three events described above could be argued to be, potentially, one-time events whose effects are of somewhat limited duration, the situation just described has always been the case, has always been a problem, and if left unresolved, will continue to devil this office. Of some importance is the fact that, even when the office is fully staffed with highly competent employes, the supervisor's time available to train a cash reconciliation backup was so limited, and the staff's availability for training being equally limited (leaving alone entirely the fact that, even if trained, staff would have no time to perform the reconciliation given their primary responsibilities), no one other than our Financial Supervisor 5 knows how to reconcile our state cash position. If she ever leaves, we will be sorely hobbled for a very long time.

Alternatives

- Reduce the frequency of the statewide cash reconciliation from monthly to quarterly
- Contract with outside parties to perform stop payment processing and cash reconciliations
- Demand a renegotiation of the state's working bank contract with Firstar to provide for the outsourcing of cash management services for a fee.
- Maintain current staff levels and impose lengthened response times on agencies requiring Treasury cash management services

Analysis of Alternatives

Reducing the frequency of the statewide cash reconciliation, the most time-consuming of cash management functions, from monthly to quarterly has of necessity already taken place. Due to the importance of maintaining a monthly accounting of the state's cash account, however, to permit this scenario to actually become office policy is unthinkable.

Contracting with outside parties to perform stop payment processing and account reconciliations would be a prohibitively expensive alternative. The level of understanding required to complete many of the tasks assigned to the Treasurer's Office is quite high. Even the most capable consultants would require six months to achieve any sort of competence. The pay rates of the employes we are requesting are a fraction of the cost of bringing in outside professional assistance.

We cannot have the bank perform reconciliation services for the state due to the necessity of a segregation of responsibilities.

To maintain current staff levels and impose lengthened response times on agencies requiring Treasury cash management services is exactly what we do not want to see happen. This office is the nexus of the state's cash management function. One central office through which all banking concerns flow, through which all banking functions are transacted. Agencies trust that we will be efficient, competent, and timely in our response to requests. To decide to deliberately delay our response to our customers is unacceptable.

Statutory Language

None.

Internal and External Impact

Approval of this request will allow the Treasury to retain an appropriate level of support for the critical cash management functions described above. Daily and monthly deadlines will be met and agency requests will be responded to in sufficient time. The costs of implementing this request will result in an increase of the statutorily provided billing against all state agencies for banking services provided by the Treasury.

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
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TOMMY G. THOMPSON
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SECRETARY

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Date: June 6, 2000

To: George Lightbourn, Secretary
Department of Administration

From: Brett Coomber, Budget Analyst BC
State Budget Office

Subject: Request Under 16.515 from the Department of Corrections for Telephone Revenues.

REQUEST:

The Department of Corrections requests a one-time increase of $700,000 in spending authority in appropriation s. 20.410(1)(gt), Telephone Company Commissions to partially fund a projected health care deficit within the Division of Adult Corrections.

REVENUE SOURCES FOR APPROPRIATION(S):

The revenue for this request is derived from appropriation s. 20.410(1)(gt), Telephone Company Commissions. These funds are obtained through inmate use of the telephones and are earmarked by statute to be spent "to purchase for inmates."

Wisconsin statute s. 302.105 provides that the department "shall collect monies for commissions from telephone companies contracts to provide telephone services to inmates." Subsection (2) of the statutes specifies that one-third of all monies collected shall be appropriated to s. 20410(1)(gt). The remaining two-thirds is deposited in the state's general fund as GPR earned.

BACKGROUND:

Each biennial budget the Department of Corrections reestimates the projected costs for variable health care costs. Variable health care costs include medical and dental supplies, lab tests, pharmaceuticals, the contract services with University Hospital and Clinics, ambulance service, emergency room and hospital visits in local communities and non-state employee physician and nursing services.

In the last budget, variable health care costs were budgeted based on the Department of Administration's 1999-01 budget instructions. The budgeted increases were 3.9%

over FY99 for FY00 and 3.8% over FY00 for FY01. This resulted in a total variable health care budget of $16,857,800 in FY00, of which $4,356,900 was allocated for pharmaceutical drugs. DOC expenditures are projected to exceed the budgeted amounts in FY00 by $2,716,800 (pharmaceuticals expenditures are projected to exceed the budgeted amount by $2,523,900, other variable health care expenditures are projected to exceed the budgeted amount by $192,900).

ANALYSIS:

The majority of the $2,716,800 variable health care deficit is due to the increase in pharmaceutical drug costs ($2,523,900). Per capita pharmaceutical drug costs for FY99 were 18.7% over FY98 expenditures and for FY00 are projected to be 45.1% over FY99 expenditures.

The Department's experience with increased pharmaceutical costs is a trend experienced nationally. This increase is often caused when new drugs are introduced to the market; they are usually patented for the first seven years, precluding the purchase of more economical generic versions.

Projected revenues combined with the opening balance will be sufficient to fund the additional expenditure authority. The Department projects a year end balance of $701,511, which would cover the request of $700,000 and leave an ending balance of $1,511.

RECOMMENDATION:

Approve the request.

Tommy G. Thompson
Governor

Jon E. Litscher
Secretary

State of Wisconsin
Department of Corrections

Mailing Address

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DATE: May 23, 2000

TO: Richard Chandler, Director
Division of Executive Budget and Finance
Department of Administration

FROM: Jon E. Litscher, Secretary
Department of Corrections

SUBJECT: §16.515 Request – Telephone Revenues

RECEIVED
MAY 23 2000
DEPARTMENT OF ADMINISTRATION
STATE BUDGET OFFICE

Request:

The Department of Corrections (DOC) requests a one-time increase of $700,000 in FY00 PR expenditure authority in the appropriation under §20.410(1)(gt) to partially fund a projected health care deficit within the Department.

Revenue Source for the Appropriation:

Revenues in the appropriation under §20.410(1)(gt) are derived from telephone company commissions obtained through inmate use of the telephones. This statutory language states that these funds are to be used "to purchase for inmates."

Wisconsin Statutes at §301.105 provide that the department "shall collect monies for commissions from telephone companies for contracts to provide telephone services to inmates." Subsection (2) of the statutes provides that one-third of all monies collected shall be appropriated under §20.410(1)(gt). The remaining two thirds is deposited in the general fund as GPR-earned.

Background:

In each biennial budget, the Department re-estimates the projected costs for variable health care costs. Variable health care funding for DOC includes the costs associated with medical and dental supplies, lab tests, pharmaceuticals, the contract for services with University Hospital and Clinics, ambulance, emergency room and hospital visits in local communities, and non-state employee physician and nursing services.

In 1999 Wisconsin Act 9, variable health care costs were budgeted based on the Department of Administration's 1999-01 Budget Instructions issued in June 1998. The budgeted increases for FY99, FY00 and FY01 were: 2.3% over FY98 expenditures for FY99, 3.9% over FY99 budget for FY00, and 3.8% over FY00 budget for FY01. This resulted in a total variable health care budget of $16,857,800 in FY00, of which $4,356,900 was allocated for pharmaceutical drugs. DOC expenditures are projected to exceed the budgeted amounts for FY00. Table 1 shows the variable health budget, anticipated expenditures and the projected deficit for FY00, broken down between pharmaceuticals and other variable health care.

Table 1
FY00 Budget vs. Projected Expenditures
Variable Health Care

	FY00 Budget	Projected FY00 Expenditures	Balance
Pharmaceuticals	$ 4,356,900	$6,880,800	$(2,523,900)
Other Variable Health Care	$12,500,900	$12,693,800	$ (192,900)
Total	$16,857,800	$19,574,600	$(2,716,800)

Analysis:

The majority of the $2,716,800 variable health care deficit is due to increased pharmaceutical drug costs. Per capita pharmaceutical drug costs for FY99 were 18.7% over FY98 expenditures, and for FY00 are projected to be 45.1% over FY99 expenditures. As Table 1 indicates, the Department estimates a deficit of $2,523,900 for pharmaceutical drugs in FY00. Table 2 below compares budgeted amounts to actual costs for FY99 and projected costs in FY00 for pharmaceutical drugs.

Table 2
FY98, FY99, FY00 Budget vs Actual Expenditures
Pharmaceutical Drugs

	BUDGETED			ACTUAL			DIFFERENCE		
	Total	$ Per Capita	% Change	Total	$ Per Capita	% Change	Total	$ Per Capita	% Change
FY98 (Base)	$3,569,200	$271.44		$3,569,200	$271.44				
FY99	$4,186,400	$277.69	2.3 %	$4,504,500	$322.14	18.7 %	($318,100)	$44.45	16.4 %
FY00*	$4,356,900	$288.52	3.9 %	$6,880,800	$467.44	45.1 %	($2,523,900)	$178.92	41.2%

* Projected FY00 costs

The Department's experience with increased pharmaceutical costs is a trend experienced nationally. Pharmaceutical costs are increasing significantly because "some new, successful drug therapies are less expensive overall than previous therapies, such as surgery" and "as successful new drug therapies are introduced, more patients may be treated, increasing the overall cost of health care" [1](Mehl, Santell, 2000). When new drugs are introduced to the market, they are usually patented for the first seven years, precluding the purchase of more economical generic versions. An example of this is the use of Rebetron to treat Hepatitis C.

[1] Mehl, B., Santell, J., (2000, January) Projecting Future Drug Expenditures – 2000. American Journal Health-System Pharmacies. 57, 129-137

Prior to the introduction of Rebetron (approved by the FDA on June 3, 1998), there was no available treatment for Hepatitis C, so DOC did not purchase drugs for the treatment of this disease at all in FY98. The expenditures for Rebetron in FY99 were $32,700 (52 kits) and it is expected that $238,250 (393 kits) will be spent in FY00. This one new drug therapy alone impacts the per capita rate by over $16.00 per inmate.

Through the careful monitoring of other expenditures, the Department anticipates being able to absorb approximately $800,000 of the variable health care costs deficit in FY00. This request for additional expenditure authority of $700,000 would partially offset the $2,716,800 projected deficit. The DOC will be coming before the Committee at the next regularly scheduled s.13.10 meeting to address the remainder of the projected deficit.

Summary

The Department of Corrections is requesting a one-time increase in expenditure authority in §20.410(1)(gt) of $700,000 in FY00 to partially offset the Department's projected health care deficit related to pharmaceutical drug cost increases.

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

Prepared by: Nathan White, Bureau of Budget and Facilities Management
264-6749

Department of Corrections
Appropriation §20.410(1)(gt)
Summary – Appropriation 184, Telephone Company Commissions

	FY00
Opening Cash Balance	$ 735,117
Plus Revenue:	
Revenue through 5/16/00	$ 901,983
Additional Revenue Projections to 6/30/00	$ 136,517
Total Revenue	$ 1,038,500
Less Expenditures:	
Expenditures through 5/16/00	$ 512,165
Additional Expenditures	$ 559,941
Total Expenditures	$ 1,072,106
Year End Cash Balance Projections	$ 701,511

Expenditure Authority

Chapter 20	$ 1,053,700
Prior Year Encumbrances	$ 18,406
Re-estimates of Revenue & Expenditures YTD	$ 0
Total Current Expenditure Authority	$ 1,072,106
Additional Expenditure Authority Requested	$ 700,000
New Proposed Expenditure Authority	$ 1,772,106

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
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: June 6, 2000

To: George Lightbourn, Secretary
Department of Administration

From: Brett Coomber, Budget Analyst BC
Executive Budget Office

Subject: Request Under s.16.515 from the Department of Corrections for additional expenditure authority.

REQUEST:

The Department of Corrections (DOC) requests one-time additional supplies and services expenditure authority of $760,500 PR in FY2000 in appropriation s. 20.410(1)(gf), probation, parole and extended supervision. The additional expenditure authority will be utilized to address projected supplies and services deficits in the Division of Community Corrections (DCC).

REVENUE SOURCES FOR APPROPRIATION(S):

Revenue for this request is derived from supervision fees charged to probation, parole or extended offenders under s. 304.074(2).

BACKGROUND:

1995 Wisconsin Act 27 created an annual, program revenue appropriation, s. 20.410(1)(gf), for the receipt of revenues from charges to offenders to support probation and parole operations. Act 27 also creates statutory language (s. 304.074) that requires DOC to charge a fee to inmates on probation, parole or extended supervision, to partially offset DOC's cost for providing supervision and services.

ANALYSIS:

Projected revenues combined with the opening balance will be sufficient to fund the additional expenditure authority request. The table below outlines revenues and expenditures for appropriation s. 20.410(1)(gf).

Revenues

Opening balance (July 1, 1999) ----------- $518,400
Projected FY00 Revenues -------------------$5,603,000

Total Revenues ------------------------------$6,121,400

Expenditures

FY00 Expenditure Authority ---------------$5,200,000
Requested Expenditure Authority -----------$760,500

Total Expenditure Authority --------------$5,960,500

Remaining Balance ------------------------$160,900

Projected S & S Deficit:

T-1 Line Charges --------------- ($515,000)
Rent -------------------------------($40,500)
Warrant Returns ----------------($205,000)

Total Projected Deficit ----------($760,500)

RECOMMENDATION:

Approve the request.

Tommy G. Thompson
Governor

Jon E. Litscher
Secretary

State of Wisconsin
Department of Corrections

Mailing Address

149 East Wilson Street
Post Office Box 7925
Madison, WI 53707-7925
Telephone (608) 266-2471
Fax (608) 267-3661

DATE: May 23, 2000

TO: Richard Chandler, Director
Division of Executive Budget and Finance
Department of Administration

RECEIVED
MAY 23 2000
DEPARTMENT OF ADMINISTRATION
STATE BUDGET OFFICE

FROM: Jon E. Litscher, Secretary
Department of Corrections

SUBJECT: §16.515 Request – Additional Expenditure Authority for Supplies and Services in the Division of Community Corrections

Request:

The Department of Corrections (DOC) requests one-time additional supplies and services expenditure authority of $760,500 PR in FY00 in appropriation §20.410(1)(gf), probation, parole and extended supervision. The additional expenditure authority will be utilized to address projected supplies and services deficits in the Division of Community Corrections (DCC).

Revenue Sources for Appropriations:

Revenue for appropriation §20.410(1)(gf) is derived from supervision fees charged to probation, parole or extended supervision offenders under §304.074(2).

Background:

1995 Wisconsin Act 27 created an annual, program revenue appropriation, §20.410(1)(gf), for the receipt of revenues from charges to offenders to support probation and parole operations. 1995 Wisconsin Act 27 also created statutory language (§304.074) that requires DOC to charge a fee to probationers, parolees and persons on extended supervision to partially reimburse DOC for the costs of providing supervision and services. DOC is required to set varying rates for probationers, parolees or persons on extended supervision with the goal of receiving at least $1 per day, if appropriate, from each probationer, parolee and person on extended supervision.

Current FY00 expenditure in appropriation §20.410(1)(gf) is $5,200,000. It should be noted that the department's GPR expenditure authority in §20.410(1)(b) was reduced by $4.0 million in 1995 Wisconsin Act 27 when §20.410(1)(gf) was established and by an additional $1,135,000 in 1999 Act 9 when probation and parole supervision fee revenues were reestimated.

Analysis:

As Table 1 below indicates, projected revenues combined with the opening balance will be sufficient to fund current and additional expenditure authority requested in appropriation §20.410(1)(gf).

Table 1
FY00 Fund Condition
§20.410(1)(gf), Probation, Parole and Extended Supervision

Revenues	
Opening Balance (July 1, 1999)	$518,400
Projected FY00 Revenues	$5,603,000
Total Revenues Anticipated	**$6,121,400**
Expenditures	
FY00 Expenditure Authority	$5,200,000
New Expenditure Authority Requested	*$760,500*
Total Expenditure Authority	**$5,960,500**
Remaining Funding	**$160,900**

As Table 2 below indicates, DCC's projected $760,500 supplies and services deficit is comprised of unfunded T-1 line charges, a rent deficit and increased costs due to Transcor warrant returns.

Table 2
DCC FY00 Supplies and Services Expenditures

S&S Expenditure Authority (187)	$5,170,800
Projected S&S Expenditures (187)	($5,931,300)
Projected Deficit	**($760,500)**
Deficit Components	
T-1 Line Charges	($515,000)
Rent Deficit	($40,500)
Warrant Returns	($205,000)
Total Components	**($760,500)**

Summary

DOC requests one-time increased supplies and services expenditure authority of $760,500 in FY00 in appropriation §20.410(1)(gf) to address projected year end supplies and services deficits in the Division of Community Corrections.

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

Prepared By: Doug Percy, Bureau of Budget and Facilities Development
266-6658

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

FORWARD

Division of Executive Budget and Finance
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1736
Fax (608) 267-0372
TTY (608) 267-9629

Date: June 6, 2000

To: George Lightbourn, Secretary
Department of Administration

From: Brett Coomber, Budget Analyst
Executive Budget Office

Subject: Request Under s. 16.505 from the Department of Corrections for the conversion of project positions to permanent positions.

REQUEST:

The Department of Corrections requests the conversion of 6.50 PR-S project positions (.50 Program Assistant, 1.00 Nurse Clinician, 2.00 Treatment Specialists, 1.00 Social Worker and 1.00 Psychologist) to permanent positions in appropriation s. 20.410(1)(kx), interagency and intra-agency programs.

REVENUE SOURCES FOR APPROPRIATION(S):

The revenue for appropriation s. 20.410(1)(kx) is attained from the Federal Residential Substance Abuse Treatment (RSAT) grant, allocated through the Office of Justice Assistants (OJA). Since these funds pass through OJA they are designated as PR-S funds.

BACKGROUND:

In 1975 DOC opened its first residential substance abuse treatment program. Since then, DOC has continued to add treatment programs as the population has grown and as new institutions have been constructed.

On January 22, 1997 DOC received a $303,643 Federal RSAT grant through OJA. These grant funds are awarded to states to assist them in implementing and enhancing residential Alcohol and Other Drug Abuse (AODA) programs that provide individual and group treatment activities for offenders. DOC is using these grant funds to service 25 male inmates in need of Mental Illness-Chemical Abuse (MICA) treatment at the Oshkosh Correctional Institution (OSCI).

On April 2, 1997, the Joint Committee of Finance (JCF) approved position authority for 4.50 PR-S four-year project positions and approved the redeployment of 2.0 permanent FTE vacant positions to project position to staff the RSAT program.

On October 16, 1998 an increase in RSAT grant funding allowed the Department to begin a RSAT program for 30 female inmates at the Robert E. Ellsworth Correctional Center (REECC) called Women in Need of Substance Abuse Treatment (WINSAT). On April 15, 1999, JCF approved position authority for 8.50 FTE, PR-S permanent positions.

ANALYSIS:

The four-year project positions will expire on April 1, 2001. Federal funding for the RSAT program is available through federal FY2002. Although RSAT funding depends on yearly allocations from Congress, funding for this program is expected to be ongoing. This likelihood for ongoing federal support appears to have influenced the decision to provide permanent positions for the Ellsworth WINSAT program. If the positions are not made permanent the program will have funding, however, it will be more difficult to attract and retain staff to administer the program.

RECOMMENDATION:

Approve the request.

Tommy G. Thompson
Governor

Jon E. Litscher
Secretary

State of Wisconsin
Department of Corrections

Mailing Address

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Telephone (608) 266-2471
Fax (608) 267-3661

RECEIVED
MAY 23 2000
DEPARTMENT OF ADMINISTRATION
STATE BUDGET OFFICE

DATE: May 23, 2000

TO: Richard Chandler, Director
Division of Executive Budget and Finance
Department of Administration

FROM: Jon E. Litscher, Secretary
Department of Corrections

SUBJECT: §16.505 Request - Conversion of 6.50 FTE PR-S project positions to permanent at the Residential Substance Abuse Treatment (RSAT) program at the Oshkosh Correctional Institution

Request:

The Department of Corrections (DOC) requests the conversion of 6.50 project positions (.50 Program Assistant, 1.00 Officer, 1.00 Nurse Clinician, 2.00 Treatment Specialists 1.00 Social Worker, and 1.00 Psychologist) to permanent in appropriation §20.410(1)(kx), interagency and intra-agency programs.

Revenue Sources for Appropriations:

The source of revenue deposited in the appropriation under §20.410(1)(kx), interagency and intra-agency programs, is funding received from other state agencies. This particular funding is provided by a Federal grant, Residential Substance Abuse Treatment (RSAT), allocated through the Office of Justice Assistance (OJA).

Background:

The State of Wisconsin has a long-standing commitment to providing meaningful residential substance abuse treatment to offenders dating back to 1975 when it opened its first residential program. Since that time, DOC has continuously added treatment units as its population has grown and as new institutions are constructed.

Beginning January 22, 1997, DOC received $303,643 Federal RSAT grant funds through OJA. These grant funds are awarded to states to assist them in implementing and enhancing residential Alcohol and Other Drug Abuse (AODA) programs that provide individual and group treatment activities for offenders. DOC uses these grant funds to service 25 male inmates in need of

Mental Illness—Chemical Abuse (MICA) treatment at the Oshkosh Correctional Institution OSCI). On April 2, 1997, the Joint Committee on Finance (JCF) approved position authority for 4.50 PR-S four-year project positions and approved the redeployment of 2.00 permanent FTE vacant positions to project positions to staff the new RSAT program. Since that time, Federal funds have been made available each year to continue this programming at OSCI. The 6.50 FTE project positions expire on April 1, 2001.

Beginning October 16, 1998, an increase in RSAT grant funding allowed the Department to begin an RSAT program for 30 females at the Robert E. Ellsworth Correctional Center (REECC) called Women in Need of Substance Abuse Treatment (WINSAT). On April 15, 1999, JCF approved position authority for 8.50 PR-S permanent positions.

Analysis:

Permanent position authority was granted for the RSAT program at REECC on April 19, 1999. The four-year project positions at OSCI will expire on April 1, 2001 with Federal funding available through Federal Fiscal Year 2002. As with any formula grant program, RSAT depends on yearly allocations from Congress. However, permanent positions are requested because funding for this program is expected to be ongoing.

Summary:

The Department of Corrections requests the conversion of 6.50 project positions to permanent for the RSAT AODA program at the Oshkosh Correctional Institution.

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

Prepared By: Elaine Vélez, Bureau of Budget and Facilities Development
267-7193

END

END

STATE OF WISCONSIN

SENATE CHAIR
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ASSEMBLY CHAIR
JOHN GARD

315 North, State Capitol
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Madison, WI 53708-8952
Phone: 266-2343

JOINT COMMITTEE ON FINANCE

June 27, 2000

Mr. Richard G. Chandler
State Budget Director
Department of Administration
101 East Wilson Street, 10th Floor
Madison, WI 53702

Dear Director Chandler:

On June 13, 2000, we received from you a request, submitted under s. 20.928(2m) of the statutes, for approval of a number of proposed supplementations for agency 1999-00 appropriations for increased fringe benefit costs. Based on the date the request was received by our offices, the Committee would have until July 3, 2000, to act on this request under a 14-day passive review process. However, in your memorandum, you also indicated that this request represents only the first round of expected requests for supplementation. A second round of requested supplements for adjustments to salary and fringe benefit funding for agencies are now expected to be presented to the Committee on about June 30, 2000.

To ensure that the Committee is able to review the total fiscal impact of all proposed 1999-00 supplementations on the amounts budgeted for compensation reserves, it is the Committee's preference to act on all of the proposed 1999-00 supplementations at the same time. Therefore, we will hold your June 13, 2000, request in abeyance until all supplementation requests have been submitted to the Committee, at which time a 14-day review period will commence. We request that every effort be made to include all such supplementation requests, including those for length of service payments, with that second submittal.

Sincerely,

Brian Burke

BRIAN BURKE
Senate Chair

John G. Gard

JOHN GARD
Assembly Chair

BB:JG:js
cc: Members, Joint Committee on Finance
Secretary George Lightbourn, DOA

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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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: June 14, 2000

Attached is a memo from the Department of Administration, received June 13, 2000, which notifies the Committee of the recommended fiscal year 2000 Round 1 fringe benefit supplement amounts. The recommendations require 14-day passive review and approval by the Joint Committee on Finance.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Thursday, June 29, 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 ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY

Division of Executive Budget and Finance
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TTY (608) 267-9629

Date:	June 13, 2000
To:	Senator Brian Burke, Senate Co-Chair Representative John Gard, Assembly Co-Chair The Joint Committee on Finance
From:	Richard G. Chandler John Montgomery (for) State Budget Director
Subject:	Submission of FY00 Round 1 Fringe Benefit Supplements

A summary of the fiscal year 2000 Round 1 fringe benefit supplement amounts approved by the Department of Administration is attached. The worksheet indicates total amounts by appropriation and funding source. However, as in the past, it may be necessary to submit requested modifications if the need is discovered. The fringe costs reflected here do not include the variable costs of contract pay adjustments, which were recently approved. Agencies will be asked to include these costs based on need in the next round of supplements covering salaries for FY00.

If the Committee does not raise an objection to the recommendations, they will be considered approved in 14 working days, at the close of business on July 3rd.

Should you have questions regarding these numbers, please address them to Dawn Currier, 266-8777.

cc: Bob Lang

FY00 Pay Plan Summary:
Fringe Benefits, First Round
(All figures rounded to nearest $100)

FY00 Fringe Benefit Summary

	Agency	Appr	Fringe Approved	GPR Fringe Approved	PR Fringe Approved	SEG Fringe Approved	FED Fringe Approved
115	DATCP	122	12,600				
115	DATCP	339	1,100				
115	DATCP	833	100				
115	DATCP	841	5,700				
115	**DATCP**	**Total PR**			**19,500**		
115	DATCP	760	15,000				
115	**DATCP**	**Total SEG**				**15,000**	
143	Commerce	120	600				
143	**Commerce**	**Total PR**			**600**		
145	Insurance	461	5,600				
145	**Insurance**	**Total SEG**				**5,600**	
155	PSC	132	2,000				
155	PSC	135	700				
155	**PSC**	**Total PR**			**2,700**		
190	St Fair Pk	130	1,700				
190	St Fair Pk	132	88,900				
190	**St Fair Pk**	**Total PR**			**90,600**		
215	Arts Bd	134	1,200				
215	Arts Bd	141	400				
215	**Arts Bd**	**Total PR**			**1,600**		
225	ECB	106	2,500				
225	**ECB**	**Total GPR**		**2,500**			
245	Hist Soc	204	2,700				
245	Hist Soc	211	1,000				
245	**Hist Soc**	**Total GPR**		**3,700**			

FY00 Pay Plan Summary:
Fringe Benefits, First Round
(All figures rounded to nearest $100)

	Agency	Appr	Fringe Approved	GPR Fringe Approved	PR Fringe Approved	SEG Fringe Approved	FED Fringe Approved
255	DPI	102	4,600				
255	**DPI**	**Total GPR**		**4,600**			
255	DPI	129	4,100				
255	DPI	132	22,400				
255	**DPI**	**Total PR**			**26,500**		
292	VTAE	174	4,900				
292	**VTAE**	**Total GPR**		**4,900**			
292	VTAE	136	11,000				
292	**VTAE**	**Total PR**			**11,000**		
292	VTAE	147	18,500				
292	**VTAE**	**Total FED**					**18,500**
370	DNR	101	8,000				
370	DNR	103	108,500				
370	DNR	109	3,000				
370	DNR	901	15,800				
370	**DNR**	**Total GPR**		**135,300**			
370	DNR	336	400				
370	DNR	338	2,600				
370	DNR	832	7,800				
370	DNR	907	900				
370	DNR	921	1,000				
370	DNR	929	9,400				
370	**DNR**	**Total PR**			**22,100**		
370	DNR	161	952,500				
370	DNR	362	800				
370	DNR	371	3,700				
370	DNR	373	8,500				

FY00 Pay Plan Summary:
Fringe Benefits, First Round
(All figures rounded to nearest $100)

	Agency	Appr	Fringe Approved	GPR Fringe Approved	PR Fringe Approved	SEG Fringe Approved	FED Fringe Approved
370	DNR	376	900				
370	DNR	377	400				
370	DNR	961	208,700				
370	DNR	963	5,700				
370	DNR	984	900				
370	**DNR**	**Total SEG**				**1,182,100**	
380	Tourism	261	4,700				
380	**Tourism**	**Total SEG**				**4,700**	
395	DOT	563	330,100				
395	**DOT**	**Total SEG**				**330,100**	
432	BOALTC	131	1,000				
432	**BOALTC**	**Total PR**			**1,000**		
433	CANPB	180	**3,800**				
433	**CANPB**	**Total PR**			**3,800**		
435	HFS	203	115,800				
435	HFS	401	33,600				
435	**HFS**	**GPR**		**149,400**			
435	HFS	320	600				
435	HFS	321	400				
435	HFS	339	12,900				
435	HFS	366	1,600				
435	HFS	426	500				
435	HFS	488	3,500				
435	**HFS**	**Total PR**			**19,500**		
435	HFS	145	11,500				
435	HFS	465	38,300				
435	**HFS**	**Total SEG**				**49,800**	

FY00 Pay Plan Summary:
Fringe Benefits, First Round
(All figures rounded to nearest $100)

	Agency	Appr	Fringe Approved	GPR Fringe Approved	PR Fringe Approved	SEG Fringe Approved	FED Fringe Approved
455	DOJ	201	323,800				
455	DOJ	206	6,600				
455	DOJ	210	5,900				
455	DOJ	301	4,100				
455	**DOJ**	**Total GPR**		**340,400**			
455	DOJ	223	2,200				
455	DOJ	228	9,200				
455	DOJ	229	33,000				
455	DOJ	235	1,900				
455	DOJ	236	23,900				
455	DOJ	238	4,300				
455	DOJ	533	3,800				
455	DOJ	537	1,500				
455	**DOJ**	**Total PR**			**79,800**		
465	DMA	301	9,600				
465	**DMA**	**Total GPR**		**9,600**			
465	DMA	132	2,800				
465	DMA	135	2,100				
4654	DMA	150	1,400				
465	**DMA**	**Total PR**			**6,300**		
485	DVA	262	1,900				
485	DVA	460	2,500				
485	**DVA**	**Total SEG**				**4,400**	
505	DOA	302	1,400				
505	DOA	403	2,300				
505	**DOA**	**Total GPR**		**3,700**			
505	DOA	115	16,500				
505	DOA	129	6,400				
505	DOA	134	9,500				

FY00 Pay Plan Summary:
Fringe Benefits, First Round
(All figures rounded to nearest $100)

	Agency	Appr	Fringe Approved	GPR Fringe Approved	PR Fringe Approved	SEG Fringe Approved	FED Fringe Approved
505	DOA	136	2,600				
505	DOA	227	22,600				
505	DOA	437	1,100				
505	DOA	531	39,900				
505	DOA	835	4,600				
505	DOA	836	2,600				
505	**DOA**	**Total PR**			**105,800**		
512	DER	134	7,100				
512	DER	138	5,900				
512	**DER**	**Total PR**			**13,000**		
521	Ethics	101	1,000				
521	**Ethics**	**Total GPR**		**1,000**			
521	Ethics	135	100				
521	**Ethics**	**Total PR**			**100**		
525	Gov Offc	201	29,400				
525	**Gov Offc**	**Total GPR**		**29,400**			
550	SPD	105	19,800				
550	**SPD**	**Total GPR**		**19,800**			
550	SPD	135	1,000				
550	SPD	137	1,800				
550	**SPD**	**Total PR**			**2,800**		
566	DOR	123	6,000				
566	DOR	129	1,100				
566	DOR	130	5,200				
566	DOR	131	7,400				
566	DOR	135	2,600				
566	**DOR**	**Total PR**			**22,300**		

FY00 Pay Plan Summary:
Fringe Benefits, First Round
(All figures rounded to nearest $100)

	Agency	Appr	Fringe Approved	GPR Fringe Approved	PR Fringe Approved	SEG Fringe Approved	FED Fringe Approved
566	DOR	164	1,000				
566	**DOR**	**Total SEG**				**1,000**	
575	Sec of State	130	8,900				
575	**Sec of State**	**Total PR**			**8,900**		
585	Treas	134	10,100				
585	**Treas**	**Total PR**			**10,100**		
680	Supreme Ct.	201	89,300				
680	Supreme Ct.	401	7,300				
680	**Supreme Ct.**	**Total GPR**		**96,600**			
680	Supreme Ct.	223	700				
680	Supreme Ct.	225	51,200				
680	Supreme Ct.	331	19,500				
680	Supreme Ct.	333	17,500				
680	**Supreme Ct.**	**Total PR**			**88,900**		
765	LAB	303	40,100				
765	**LAB**	**Total GPR**		**40,100**			
Subtotals All Agencies				**841,000**	**536,900**	**1,592,700**	**18,500**

Legislative Service Agencies							
765	Assem. Staff	101	90,300				
765	**Assembly**	**Total GPR**		**90,300**			
765	Senate Staff	103	344,100				
765	**Senate**	**Total GPR**		**344,100**			
765	Revisor	301	11,500				
765	**Revisor**	**Total GPR**		**11,500**			
765	LRB	302	79,600				
765	**LRB**	**Total GPR**		**79,600**			

FY00 Pay Plan Summary:
Fringe Benefits, First Round
(All figures rounded to nearest $100)

	Agency	Appr	Fringe Approved	GPR Fringe Approved	PR Fringe Approved	SEG Fringe Approved	FED Fringe Approved
765	LFB	304	38,400				
765	**LFB**	**Total GPR**		**38,400**			
765	Leg Council	305	33,300				
765	**Leg Council**	**Total GPR**		**33,300**			
765	Leg Tech	311	43,800				
765	**Leg Tech**	**Total GPR**		**43,800**			
Subtotals Legislative Service Agencies				**641,000**	**0**	**0**	**0**

GRAND TOTALS	**1,482,000**	**536,900**	**1,592,700**	**18,500**

END

END

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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JOINT COMMITTEE ON FINANCE

June 30, 2000

Secretary Joe Leean
Department of Health and Family Services
1 West Wilson Street, Room 650
Madison, Wisconsin 53702

Dear Secretary Leean:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, received on June 12, 2000, concerning funding for the initial costs of a lead-free/lead-safe certificate registry information system.

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

Sincerely,

BRIAN BURKE
Senate Chair

JOHN G. GARD
Assembly Chair

BB:JG:dh

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

THE STATE OF WISCONSIN

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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: June 13, 2000

Attached is a copy of a letter from the Department of Health and Family Services, received June 12, 2000, which requests funding to pay the initial costs of a lead-free/lead-safe certificate registry information system. The notice is pursuant to 1999 Wisconsin Act 113, Section 32 (2), which requires 14-day passive review and approval by the Joint Committee on Finance.

Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Thursday, June 29, 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 Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary

RECEIVED
JUN 12 2000
BY:

June 7, 2000

The Honorable Brian Burke
Senate Co-Chair, Joint Committee on Finance
Room 316 S, State Capitol
Madison, WI 53702

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

Dear Senator Burke and Representative Gard:

The Department of Health and Family services (DHFS) requests, pursuant to 1999 Wisconsin Act 113, Section 32 (2), that the Joint Committee on Finance transfer $520,000 GPR from the Committee's supplemental appropriation, s.20.865(4)(a) to s.20.435(1)(a) in DHFS in FY01. These funds will be used to pay initial costs of establishing a registry of properties that are issued certificates of lead-free status or certificates of lead-safe status. Pursuant to Section 30 of 1999 Wisconsin Act 113, these requested start-up funds will be repaid to the general fund when the Secretary of Administration has determined that program revenues from fees imposed under the Lead Training Accreditation and Certification Program are sufficient to make such a transfer.

The requested funding level is based on an estimated $450,000 for the development of the database and $70,000 for hardware, software licenses and training. This estimate is based on a review of other registries currently used by the Division of Public Health for the regulation of certain industries and includes costs for modification and migration of the existing database system to accommodate increased data and comply with state database software standards. An attachment detailing cost estimates of the database is included with this request.

This request is subject to a 14-day passive review by the Committee. The Department will begin work on the registry database once the fund transfer is approved.

Sincerely,

Joe Leean

Joe Leean
Secretary

Enclosure

Cc: JFC Members
Bob Lang, LFB
Bob Wood, Governor's Office
George Lightbourn, DOA
Sue Jablonsky, DOA

Plan Submission for Funding of the Lead-Free/Lead-Safe Certificate Registry Information System

Description and Goals

As mandated in 1999 Wisconsin Act 113, this project will develop an information system for the Lead-Free/Lead-Safe Certification Registry. The system will support registry business functions including: property registration, individual certification, course accreditation, complaint investigation, compliance monitoring, fee collection and data evaluation and reporting. Work on the registry is expected to begin in June 2000 and completion of the final production system is projected on or before June 30, 2001. Specifically, the Lead-Free/Lead-Safe Certification Registry design includes creation and development of a product with:

- ✓ A computerized registry of certified properties and of trained owners, employees and agents in a common and compatible operating environment that supports necessary existing and planned Lead and Asbestos Section business functions.
- ✓ An integrated comprehensive database, which will be used to provide information to property owners, renters, and other relevant public and private entities.
- ✓ Components of compliance monitoring of the lead-free/lead-safe registry for the monitoring of field and validation activities.
- ✓ The capability to analyze and display data for use on projects such as legislative annual reporting requirements on the effectiveness of the registry program.
- ✓ The capability of data integration and interchange with other appropriate state and local lead programs to ensure adequate assessment and implementation of the registry process.
- ✓ An information system deployed via the DHFS Intranet to be delivered as an Internet browser based application with on-line access to and submission of business transactions including, application forms, inspection reports, property registration, and fee collection.
- ✓ An associated Internet general access web site for outreach activities and public health queries.

Projected Timetable

The project will consist of three phases:

Phase 1: System requirements gathering and analysis. To define the features and business processes required, assign priorities. (July 2000)

Phase 2: The business unit will define the business processes required to support compliance with Act 113. Initial design of system registry including compatibility with migration of existing database. (August 2000 – October 2000)

Phase 3: Design and build the new registry and associated business processes, and integrate with the replacement system. Design and build the Internet web site. (November 2000 – June 2001)

Technical Specifications

- ✓ DHFS Core Data Standards will apply, which improves the ability of the data to be shared with other systems.
- ✓ The system will maximize use of Internet tools to reduce maintenance costs and improve public contact.
- ✓ Programming Language: IBM Visual Age for Java
- ✓ Business Logic: IBM Websphere
- ✓ Database Management System: Microsoft SQL Server
- ✓ Geographic Information Systems integration for mapping and address standardization.

Cost estimates

Software Design and Implementation

This Lead Certification Registry information system is similar in size and scope to two recently designed DHFS licensing systems. These systems are the Emergency Medical Services System which incorporates 1779 function points, and the Environmental Sanitation System which incorporates 2120 function points. As a general rule, system sizes are measured in "function points," which correspond to the complexity of the business processes and required features and are used to estimate staffing levels and expenses. The Lead Certification Registry system requires functionality similar to both of these systems and is projected to incorporate approximately 2100 function points.

DHFS's cost per function point in SFY 1999 was $190. The estimated cost per function point in SFY 2001 is projected to be approximately $215. As a result, the estimated cost to design and implement the registry is $451,500. It is anticipated that these funds will be used to pay for technical design/development staff and a project manager.

Hardware and Other Systems Requirements

1 high production laser printer @ $3,500	$ 3,500
1 flatbed scanner @ $1,000	$ 1,000
1 color inkjet printer @ $500	$ 500
7 replacement work stations @ $4,000	$ 28,000
5 new work stations @ $4,000	$ 20,000
10 licenses on special software @ $500	$ 5,000
20 certificate entry training sessions @ $600	$ 12,000

Total Hardware and Other Expenditures	**$ 70,000**
Total Software Expenditures	**$451,500**
Total Expenditures	**$521,500**

END

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