

1993-94 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

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➤ Miscellaneous ... Misc

➤ 9#hrJC-Fi_Misc_pt04
3

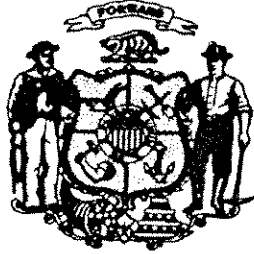
➤ Record of Comm. Proceedings ... RCP

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State of Wisconsin

SENATE CHAIR
JOE LEEAN

Room 119 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-0751



ASSEMBLY CHAIR
BARBARA J. LINTON

Room 127 South, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-7690

JOINT COMMITTEE ON FINANCE

DEC 15 1993

December 15, 1993

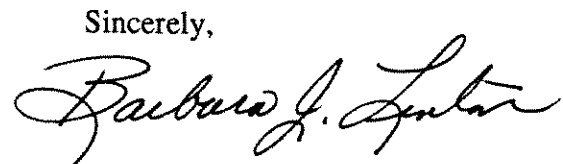
Secretary James R. Klauser
Department of Administration
101 East Wilson Street, 10th Floor
Madison, WI 53702

Dear Secretary Klauser:

On November 29, 1993, your letter approving a request from the Wisconsin Housing and Economic Development Authority under s. 234.93(3) of the statutes to increase the loan guarantee authority for the tourism and target area loan guarantee programs was provided to the Joint Committee on Finance for its approval.

The Co-Chairs have decided that this item should receive further review by the Committee and therefore we will schedule a meeting of the Committee to consider these proposed increases.


JOE LEEAN
Senate Chair

Sincerely,

BARBARA J. LINTON
Assembly Chair

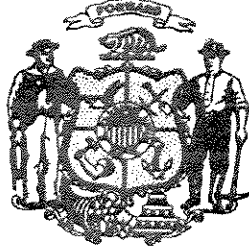
JL/BJL/ns

cc: Members, Joint Committee on Finance
Bob Lang

State of Wisconsin

SENATE CHAIR
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Room 119 South, State Capitol
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BARBARA J. LINTON

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Madison, WI 53708-8952
Phone: 266-7690

JOINT COMMITTEE ON FINANCE

November 29, 1993

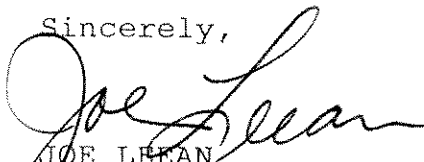
Secretary James R. Klauser
Department of Administration
101 East Wilson Street
10th Floor
Madison WI 53707


Dear Secretary Klauser,

Your letter of November 22, 1993 regarding the approval of the Wisconsin Housing and Economic Development Authority request to increase loan guarantee authority in two programs has just now come to our attention.

Due to the discrepancy in dates between November 22, the date you issued the letter and November 29, the date on which we received the request, the fourteen working day waiting period will begin today, November 29. Subsequently, if no objection is raised, the request would receive approval effective December 16, 1993.

Sincerely,


JOE LEEAN
Senate Chair


BARBARA J. LINTON
Assembly Chair

JL:BJL:ns

cc: Members, Joint Committee on Finance
Bob Lang, LFB

NOV 23 1993



WISCONSIN HOUSING & ECONOMIC DEVELOPMENT AUTHORITY

Richard J. Longabaugh
Executive Director

Tommy G. Thompson
Governor

Wayne R. Peters
Chairman

November 22, 1993

The Honorable Joe Leean
Wisconsin State Senate
Room 139 South State Capitol
Madison, Wisconsin 53707

Re: WHEDA Target Area and Tourism Funds

Dear Senator Leean:

Immediately following the Finance Committee hearing on October 6, WHEDA and Representative Jim Holperin put in a drafting request for a bill to increase the loan guarantee limits on the Target Area and Tourism Funds by \$3 million and \$2 million, respectively. I am advised by Representative Holperin's office that the bill is not yet out of drafting.

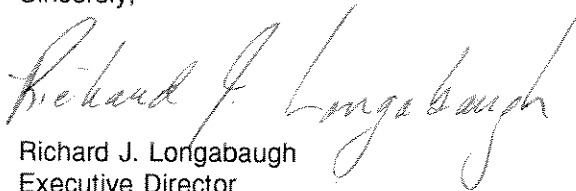
Of greatest concern to WHEDA is the Target Area Fund that was shut down following the October 6 hearing. Due to the suspension of the program, WHEDA was not able to consider fifteen pending applications. We anticipate the Tourism Fund will run out of resources early in 1994.

The Governor and WHEDA Board view the renewal of the Target Area and Tourism Funds as critical for the benefit of those businesses awaiting their use for expansion. Therefore, the Authority has again followed the procedures outlined in the statutes by seeking administrative increases in the Funds. A letter was sent to Secretary Klauser on November 8 seeking his approval of the increases.

It is my hope the Legislature does not again object to these proposed increases. The Target Area and Tourism Funds have been responsible for the creation or retention of more than 700 jobs for Wisconsin workers, and investments in small businesses totaling more than \$10 million. Should these proposed increases be made effective, we anticipate these program will produce from \$3 million and \$4 million of investment in the first six months of 1994 alone.

I would be pleased to answer any questions you may have about these programs. Thank you for your interest in this matter.

Sincerely,


Richard J. Longabaugh
Executive Director

cc: Governor Tommy G. Thompson

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



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

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY

NOV 29 1993

November 22, 1993

Senator Joseph Leean
Room 115 South
State Capitol
Madison WI 53702

12/10/93

Representative Barbara Linton
Room 127 South
State Capitol
Madison WI 53702

Dear Senator Leean and Representative Linton,

This is to inform you that I have approved a Wisconsin Housing and Economic Development Authority (WHEDA) request to increase loan guarantee authority in two programs which operate under the Wisconsin Development Reserve Fund (WDRF).

This is a reasonable request which seeks to maximize the programs' effectiveness by increasing their loan guarantee authority to levels commensurate with their actual demand. I have therefore approved increases in loan guarantee authority of \$3 million for the Target Area Fund and \$2 million for the Tourism Fund. WHEDA is not requesting new funding be appropriated for this purpose because excess capacity already exists within the WDRF.

Under s. 234.93 (3), the Joint Committee on Finance has fourteen (14) working days within which it may object to this action. I have attached a copy of a letter sent to WHEDA that explains the Committee's fourteen day review process. The authority is aware that the transfer cannot take place until the review is complete.

Please inform me of your decision on this matter at your earliest convenience. WHEDA has already run out of loan guarantee authority in the Target Area Fund and may need to suspend the Tourism Fund in the near future.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Klauser".

James R. Klauser
Secretary

cc: Members, Joint Committee on Finance

Bob Lang, LFB

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



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

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY

November 22, 1993

Mr. Richard Longabaugh
Executive Director
Wisconsin Housing and Economic Development Authority
1 South Pinckney Street
Suite 500
Madison WI 53703

Dear Mr. Longabaugh,

I have approved your request to increase loan guarantee authority for the Business Improvement Loan Guarantee Program (Tourism Fund) and the Targeted Development Loan Guarantee Program (Target Area Fund). I agree with your goal of maximizing the effectiveness of these programs by assigning loan guarantee levels which are commensurate to the level of actual demand on the programs.

I am therefore authorizing an increase in loan guarantee authority from \$5 million to \$8 million for the Target Area Fund. I am also authorizing an increase in loan guarantee authority from \$5 million to \$7 million for the Tourism Fund.

Please be advised that under s. 234.93 (3) the Joint Committee on Finance has fourteen (14) working days within which they may object to this authorization. If the Committee does not object within that time frame, then the increases may be made. If an objection is raised, the Committee will schedule a meeting to discuss and act on the loan guarantee request.

Thank you for your efforts to make WHEDA's programs as effective as possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'James R. Klauser', written over a horizontal line.

James R. Klauser
Secretary

cc: Senator Joseph Leraan
Representative Barbara Linton
Members, Joint Committee on Finance Bob Lang, LFB

WISCONSIN DEVELOPMENT RESERVE FUND

November 2, 1993

Pursuant to *Wisconsin Statutes* s. 234.93 (3)(a), the Wisconsin Housing and Economic Development Authority (the "Authority") is submitting this report in conjunction with its request to increase the loan guarantee amounts in the Target Area and Tourism Funds. Specifically the statutes require:

"Included with its request, the authority shall provide to the secretary a projection, for the next June 30, that compares the amounts required on that date to pay outstanding claims and to fund guarantees under all of the programs guaranteed by funds from the Wisconsin development reserve fund, and the balance remaining in the Wisconsin development reserve fund on that date after deducting such amounts, if the increase is approved, with such amounts and the balance remaining, if the increase is not approved."

PROJECTED OUTSTANDING GUARANTEES at June 30, 1994

Program Name	With Projected Increases	Without Projected Increases
Agribusiness Fund	\$4,000,550	\$4,000,550
Contract Fund	\$189,040	\$189,040
CROP	\$27,000,000	\$27,000,000
Drought	\$80,000	\$80,000
NonPoint Source Pollution	\$125,000	\$125,000
Recycling Fund	\$1,666,156	\$1,666,156
Taliesin	\$7,200,000	\$7,200,000
Target Area Fund	\$4,891,864	\$7,891,864
Tourism Fund	\$4,366,859	\$4,606,475
TOTAL	\$49,519,469	\$52,759,085

Note: The reader should recognize that the projected outstanding guarantee amounts assume that loans and guarantees are amortizing over time.

There is no real change to the Wisconsin Development Reserve Fund (the "Fund") on June 30, 1994 as a result of the requested increases except for the increase in outstanding guarantees. The Fund balance at June 30, 1994 is projected as follows:

Fund Balance @ 09/30/93	\$16,819,109
Plus: Projected Interest Income	731,631
Less: Projected G&A	(952,363)
Projected Interest Subsidies	(569,499)
TOTAL Fund Balance	<u>\$16,028,878</u>

WHEDA Guarantee Loan Funds

As of November 1, 1993

Current Guarantee Authority

	Agri.	Contract	Target	Tourism	Recycling
Guarantee Authority used	\$3,318,050	\$690,892	\$4,994,315	\$3,972,971	\$1,812,125
Total Guarantee Authority	\$10,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$10,000,000
Guarantee Authority Available	\$6,681,950	\$4,309,108	\$5,685	\$1,027,029	\$8,187,875
Applications Pending Review	\$245,000	\$0	\$0	\$591,000	\$750,000

Proposed Changes in Guarantee Authority

	Agri.	Contract	Target	Tourism	Recycling
Guarantee Authority used	\$3,318,050	\$690,892	\$4,994,315	\$3,972,971	\$1,812,125
Total Guarantee Authority	\$10,000,000	\$5,000,000	\$8,000,000	\$7,000,000	\$10,000,000
Guarantee Authority Available	\$6,681,950	\$4,309,108	\$3,005,685	\$3,027,029	\$8,187,875
Applications Pending Review	\$245,000	\$0	\$0	\$591,000	\$750,000

November 29, 1993

Secretary James R. Klauser
Department of Administration
101 East Wilson Street
10th Floor
Madison WI 53707

Dear Secretary Klauser,

Your letter of November 22, 1993 regarding the approval of the Wisconsin Housing and Economic Development Authority request to increase loan guarantee authority in two programs has just now come to our attention.

Due to the discrepancy in dates between November 22, the date you issued the letter and November 29, the date on which we received the request, the fourteen working day waiting period will begin today, November 29. Subsequently, if no objection is raised, the request would receive approval effective December 16, 1993.

Sincerely,

JOE LEEAN
Senate Chair

BARBARA J. LINTON
Assembly Chair

JL:BJL:ns

cc: Members, Joint Committee on Finance
Bob Lang, LFB

December 3, 1993

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director
Legislative Fiscal Bureau

SUBJECT: WHEDA Request to Increase Tourism and Target Area Loan Guarantee
Authority Amounts

The Committee has received a letter, dated November 22, 1993, from DOA Secretary James Klauser requesting the approval by the Committee of a request from the Wisconsin Housing and Economic Development Authority (WHEDA) to increase the maximum amount of loans that may be guaranteed by WHEDA. Secretary Klauser indicated that he has approved a request from WHEDA to increase: (1) from \$5 million to \$7 million the total amount of loans that may be guaranteed under the tourism loan guarantee program; (2) from \$5 million to \$8 million the total amount of loans that may be guaranteed under the target area loan guarantee program.

In its request, WHEDA indicates that it has already issued loan guarantees using all of the currently available \$5 million amount under the target area program and that as of November 8, 1993, had about \$1 million in loan guarantee authority unused under the tourism program.

This request is similar, but not identical to, an earlier request from WHEDA that was considered by the Committee at its October 6, 1993, meeting under s. 13.10. A brief review of the Committee's previous action is provided below.

The specific request that was previously received by the Committee from WHEDA was as follows: to "transfer" principal loan guarantee amounts between four of its loan guarantee programs: the Small Business Loan Guarantee Program (contract loans); the Business Improvement Loan Guarantee Program (tourism loans); the Targeted Development Loan Guarantee Program (target area loans); and the Agricultural Development Loan Guarantee Program (agribusiness loans). As identified by WHEDA, the intended net result of that requested action was to: (1) increase from \$5 million to \$7 million the maximum amount in total principal loans that may be guaranteed under the tourism loan guarantee program; (2) increase from \$5 million to \$8 million the maximum guarantee authority for the target area loan guarantee

program; (3) decrease from \$10 million to \$7 million the maximum amount in total principal loans that may be guaranteed under the agribusiness loan guarantee program; and (4) decrease from \$5 million to \$3 million the maximum guarantee authority for the contract loan guarantee program.

The statutes [s. 234.93(3)(a)] provide authority for WHEDA to request permission from the Secretary of the Department of Administration to increase the total principal amount of loans it may guarantee under any of its loan guarantee programs. If the Secretary authorizes an increase, the Committee Co-chairs have 14 working days after receiving notice of the Secretary's approval to schedule a meeting to review the request. If a meeting is scheduled, the proposed increase may take effect only upon approval of the Committee. If no meeting is scheduled within that period, the Authority may proceed with the proposed increase.

There was objection by the Committee to that original request from WHEDA that was submitted to the Committee in August of 1993. Therefore, that request was scheduled for consideration by the Committee at its quarterly s. 13.10 meeting in October of 1993.

When the Committee considered that request at its s. 13.10 meeting, two particular issues were discussed in the course of the Committee taking action on the item. The first issue reviewed was whether Committee had the statutory authority to in effect decrease loan guarantee amounts by the transfer of loan guarantee authority requested by WHEDA. There was no question that the Committee had the authority to increase the maximum loan guarantee amounts specified in the statutes. However, there was question whether the Committee could decrease the statutory level of total loan guarantee authority since the statute specifically mentions only increases in authority.

The second issue considered by the Committee was more of a procedural question. It was noted that WHEDA had known about the potential problem since at least April of 1993 but had not contacted the Committee concerning possible statutory modification of the loan guarantee maximums. Further, it was pointed out that since the Legislature was currently then in session, it might be preferable to effectuate the increases and decreases requested by WHEDA through the consideration of legislation in the October floor period.

The action of the Committee on the request was "to table WHEDA's request to transfer maximum loan guarantee authority between its target area, agribusiness, contract and tourism loan guarantee funds and to the direct the administration to submit draft legislation to statutorily change the current loan guarantee maximums for these four programs and to make any other statutory modifications in this area which the administration believes is needed."

The October floor period concluded without any legislation being introduced to change the statutory loan guarantee authority amounts. On November 8, 1993, WHEDA initiated a new request to the Secretary Klauser which dealt only with the proposed increases in loan guarantee authority for the tourism and target area loan guarantee programs. That is the substance of the request which has been presented to the Committee in the November 22, 1993, letter from Secretary Klauser.

Based on the date this request was received by the Co-chairs, the Co-chairs have until December 17, 1993, to schedule a meeting to review this request. As noted above, if a meeting of the Committee is not scheduled by that date, WHEDA is authorized to proceed with the proposed increases.

The Committee may also wish to note that the governing statute relating to authorizing increases such as those currently requested by WHEDA was modified by Act 16 to include the following new requirement: "Included with its request [for an increase in loan guarantee authority], the authority shall provide to the secretary [of DOA] a projection, for the next June 30, that compares the amounts required on that date to pay outstanding claims and to fund guarantees under all of the programs guaranteed by funds from the Wisconsin development reserve fund, and the balance remaining in the Wisconsin development reserve fund on that date after deducting such amounts, if the increase is approved, with such amounts and the balance remaining, if the increase is not approved." This language was not in effect when WHEDA's previous request was originally made, but does apply to the current request pending before the Committee.

A copy of the request submittal letter from the Executive Director of WHEDA and the approval letters from the Secretary of DOA are attached.

Prepared by: Terry Rhodes

Attachments

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



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

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY

November 22, 1993

Senator Joseph Leean
Room 115 South
State Capitol
Madison WI 53702

Representative Barbara Linton
Room 127 South
State Capitol
Madison WI 53702

Dear Senator Leean and Representative Linton,

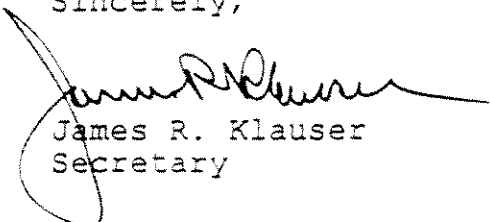
This is to inform you that I have approved a Wisconsin Housing and Economic Development Authority (WHEDA) request to increase loan guarantee authority in two programs which operate under the Wisconsin Development Reserve Fund (WDRF).

This is a reasonable request which seeks to maximize the programs' effectiveness by increasing their loan guarantee authority to levels commensurate with their actual demand. I have therefore approved increases in loan guarantee authority of \$3 million for the Target Area Fund and \$2 million for the Tourism Fund. WHEDA is not requesting new funding be appropriated for this purpose because excess capacity already exists within the WDRF.

Under s. 234.93 (3), the Joint Committee on Finance has fourteen (14) working days within which it may object to this action. I have attached a copy of a letter sent to WHEDA that explains the Committee's fourteen day review process. The authority is aware that the transfer cannot take place until the review is complete.

Please inform me of your decision on this matter at your earliest convenience. WHEDA has already run out of loan guarantee authority in the Target Area Fund and may need to suspend the Tourism Fund in the near future.

Sincerely,


James R. Klauser
Secretary

cc: Members, Joint Committee on Finance

Bob Lang, LFB



TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY

November 22, 1993

Mr. Richard Longabaugh
Executive Director
Wisconsin Housing and Economic Development Authority
1 South Pinckney Street
Suite 500
Madison WI 53703

Dear Mr. Longabaugh,

I have approved your request to increase loan guarantee authority for the Business Improvement Loan Guarantee Program (Tourism Fund) and the Targeted Development Loan Guarantee Program (Target Area Fund). I agree with your goal of maximizing the effectiveness of these programs by assigning loan guarantee levels which are commensurate to the level of actual demand on the programs.

I am therefore authorizing an increase in loan guarantee authority from \$5 million to \$8 million for the Target Area Fund. I am also authorizing an increase in loan guarantee authority from \$5 million to \$7 million for the Tourism Fund.

Please be advised that under s. 234.93 (3) the Joint Committee on Finance has fourteen (14) working days within which they may object to this authorization. If the Committee does not object within that time frame, then the increases may be made. If an objection is raised, the Committee will schedule a meeting to discuss and act on the loan guarantee request.

Thank you for your efforts to make WHEDA's programs as effective as possible.

Sincerely,

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James R. Klauser
Secretary

cc: Senator Joseph Leean
Representative Barbara Linton
Members, Joint Committee on Finance Bob Lang, LFB

WISCONSIN DEVELOPMENT RESERVE FUND

November 2, 1993

Pursuant to *Wisconsin Statutes* s. 234.93 (3)(a), the Wisconsin Housing and Economic Development Authority (the "Authority") is submitting this report in conjunction with its request to increase the loan guarantee amounts in the Target Area and Tourism Funds. Specifically the statutes require:

"Included with its request, the authority shall provide to the secretary a projection, for the next June 30, that compares the amounts required on that date to pay outstanding claims and to fund guarantees under all of the programs guaranteed by funds from the Wisconsin development reserve fund, and the balance remaining in the Wisconsin development reserve fund on that date after deducting such amounts, if the increase is approved, with such amounts and the balance remaining, if the increase is not approved."

PROJECTED OUTSTANDING GUARANTEES at June 30, 1994

Program Name	With Projected Increases	Without Projected Increases
Agribusiness Fund	\$4,000,550	\$4,000,550
Contract Fund	\$189,040	\$189,040
CROP	\$27,000,000	\$27,000,000
Drought	\$80,000	\$80,000
NonPoint Source Pollution	\$125,000	\$125,000
Recycling Fund	\$1,666,156	\$1,666,156
Taliesin	\$7,200,000	\$7,200,000
Target Area Fund	\$4,891,864	\$7,891,864
Tourism Fund	\$4,366,859	\$4,606,475
TOTAL	\$49,519,469	\$52,759,085

Note: The reader should recognize that the projected outstanding guarantee amounts assume that loans and guarantees are amortizing over time.

There is no real change to the Wisconsin Development Reserve Fund (the "Fund") on June 30, 1994 as a result of the requested increases except for the increase in outstanding guarantees. The Fund balance at June 30, 1994 is projected as follows:

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Less: Projected G&A	(952,363)
Projected Interest Subsidies	(569,499)
TOTAL Fund Balance	<u>\$16,028,878</u>

WHEDA Guarantee Loan Funds

As of November 1, 1993

Current Guarantee Authority

	Agri.	Contract	Target	Tourism	Recycling
Guarantee Authority used	\$3,318,050	\$690,892	\$4,994,315	\$3,972,971	\$1,812,125
<u>Total Guarantee Authority</u>	<u>\$10,000,000</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>	<u>\$10,000,000</u>
Guarantee Authority Available	\$6,681,950	\$4,309,108	\$5,685	\$1,027,029	\$8,187,875
Applications Pending Review	\$245,000	\$0	\$0	\$591,000	\$750,000

Proposed Changes in Guarantee Authority

	Agri.	Contract	Target	Tourism	Recycling
Guarantee Authority used	\$3,318,050	\$690,892	\$4,994,315	\$3,972,971	\$1,812,125
<u>Total Guarantee Authority</u>	<u>\$10,000,000</u>	<u>\$5,000,000</u>	<u>\$8,000,000</u>	<u>\$7,000,000</u>	<u>\$10,000,000</u>
Guarantee Authority Available	\$6,681,950	\$4,309,108	\$3,005,685	\$3,027,029	\$8,187,875
Applications Pending Review	\$245,000	\$0	\$0	\$591,000	\$750,000



WISCONSIN HOUSING & ECONOMIC DEVELOPMENT AUTHORITY

Richard J. Longabaugh
Executive Director

Tommy G. Thompson
Governor

Wayne R. Peters
Chairman

November 8, 1993

Secretary James R. Klauser
Department of Administration
101 E. Wilson Street, 10th Floor
Madison, WI 53702

RE: Wisconsin Development Reserve Fund

Dear Secretary Klauser:

In a letter to you, dated April 29, 1993, the Wisconsin Housing and Economic Development Authority ("the Authority") requested a reallocation of guarantee authority among four of the programs supported by the Wisconsin Development Reserve Fund. The request was made to better utilize the funds available under these loan guarantee programs and would have transferred \$3 million from the Agribusiness Fund to the Target Area Fund and \$2 million from the Contract Fund to the Tourism Fund. WHEDA's request was approved by your office and forwarded to the Joint Finance Committee for their review. On October 6, 1993 the Committee refused to consider the Authority's request and asked WHEDA to pursue separate legislation to accomplish the transfer of guarantee authority.

As a result of this action by the Joint Finance Committee, the Authority was forced to suspend the Target Area Fund. The Target Area Fund had become the Authority's most popular economic development program. WHEDA has used the entire \$5 million of guarantee authority originally allocated for this program, approving 52 projects in 30 different counties that have retained or created over 600 jobs in Wisconsin. Unfortunately, the suspension of the program has prevented WHEDA from considering fifteen Target Area Fund applications pending at the Authority. The Authority had requested an increase of \$3 million in Target Area Fund guarantee authority so that WHEDA could continue to offer this tremendously successful program.

WHEDA has approved 83 projects under the Tourism Fund and currently has \$1,027,029 of guarantee authority available. We anticipate an increase in Tourism Fund activity during the fall, winter and spring months as tourism related businesses prepare for next year's peak summer season. To insure adequate guarantee authority for this program in the future the Authority had requested an increase of \$2 million in loan guarantee authority.

The Authority followed the Finance Committee's direction and worked closely with Representative Jim Holperin's office during the past month to have legislation drafted and introduced that would transfer guarantee authority among these loan guarantee programs. We were hopeful that the legislation would be approved during the fall legislative floor session. Unfortunately, the legislative session ended last week without any action on this matter.

Secretary James R. Klauser

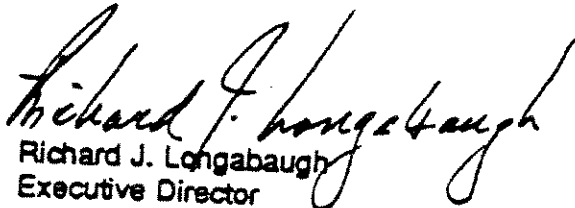
November 8, 1993

Page 2

At this time the Authority would like to modify and renew its request under s. 234.93 (3) of the Wisconsin Statutes. In order to remain in compliance with this Statute which states, "The Authority may request permission from the secretary of administration to increase the total principal amounts of loans that it may guarantee under a program guaranteed by funds in the Wisconsin development reserve fund," the Authority is requesting an increase in the principal guarantee amount for the Business Improvement Loan Guarantee Program (Tourism Fund) to \$7,000,000 and the Targeted Development Loan Guarantee Program (Target Area Fund) to \$8,000,000, without decreasing guarantee authority available under any of the other funds. Both funds currently have principal guarantee authority of \$5,000,000. The Authority will continue to monitor guarantee loan fund activity to maintain the established 4:1 ratio of guarantee authority to reserve fund balance.

Thank you for your assistance in this matter. The increase in allocation will allow the Authority to continue programs that have been well-utilized and much needed around the state. Attached is a report which demonstrates the effect that this increase will have on the Wisconsin Development Reserve Fund and our programs. Please contact David Lepak, Director of Economic Development, at 266-2184 with any questions you may have regarding this request.

Sincerely,


Richard J. Longabaugh
Executive Director

Enclosures

cc: Governor Tommy G. Thompson
David Lepak

WISCONSIN DEVELOPMENT RESERVE FUND
November 2, 1993

Pursuant to *Wisconsin Statutes* s. 234.93 (3)(a), the Wisconsin Housing and Economic Development Authority (the "Authority") is submitting this report in conjunction with its request to increase the loan guarantee amounts in the Target Area and Tourism Funds. Specifically the statutes require:

"Included with its request, the authority shall provide to the secretary a projection, for the next June 30, that compares the amounts required on that date to pay outstanding claims and to fund guarantees under all of the programs guaranteed by funds from the Wisconsin development reserve fund, and the balance remaining in the Wisconsin development reserve fund on that date after deducting such amounts, if the increase is approved, with such amounts and the balance remaining, if the increase is not approved."

PROJECTED OUTSTANDING GUARANTEES
at June 30, 1994

Program Name	With Projected Increases	Without Projected Increases
Agribusiness Fund	\$4,000,550	\$4,000,550
Contract Fund	\$189,040	\$189,040
CROP	\$27,000,000	\$27,000,000
Drought	\$80,000	\$80,000
NonPoint Source Pollution	\$125,000	\$125,000
Recycling Fund	\$1,666,156	\$1,666,156
Taliesin	\$7,200,000	\$7,200,000
Target Area Fund	\$4,891,864	\$7,891,864
Tourism Fund	\$4,366,859	\$4,606,475
TOTAL	\$49,519,469	\$52,759,085

Note: The reader should recognize that the projected outstanding guarantee amounts assume that loans and guarantees are amortizing over time.

There is no real change to the Wisconsin Development Reserve Fund (the "Fund") on June 30, 1994 as a result of the requested increases except for the increase in outstanding guarantees. The Fund balance at June 30, 1994 is projected as follows:

Fund Balance @ 09/30/93	\$16,919,109
Plus: Projected Interest Income	731,631
Less: Projected G&A	(952,363)
Projected Interest Subsidies	(569,499)
TOTAL Fund Balance	\$16,028,878

WHEDA Guarantee Loan Funds

As of November 1, 1993

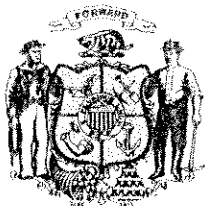
Current Guarantee Authority

Guarantee Authority used	\$3,318,060	\$690,892	\$4,994,315	\$3,972,971	\$1,812,125
Total Guarantee Authority	\$10,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$10,000,000
Applications Pending Review	\$245,000	\$0	\$0	\$591,000	\$750,000

Proposed Changes in Guarantee Authority

Guarantee Authority used	\$3,318,050	\$690,892	\$4,994,315	\$3,972,971	\$1,812,125
Total Guarantee Authority	\$10,000,000	\$5,000,000	\$8,000,000	\$7,000,000	\$10,000,000
Applications Pending Review	\$245,000	\$0	\$0	\$591,000	\$750,000

DEC 27 1993



TOMMY G. THOMPSON

Governor
State of Wisconsin

December 17, 1993

The Honorable Senator Joe Llean, Senate Chair
Joint Committee on Finance
Room 119 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882

The Honorable Representative Barbara J. Linton, Assembly Chair
Joint Committee on Finance
Room 127 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Dear Senator Llean and Representative Linton:

Section 119.80 (2) of the statutes, as amended by 1993 Act 16, requires the submission of the attached joint expenditure proposal. This proposal is for the expenditure of funds in the appropriation under §20.255 (2) (ec) during the 1994-95 school year.

The appropriation under §20.255 (2) (ec), Aid to Milwaukee Public Schools, was established at \$8 million for fiscal year 1994-95. The funds are to be used to correct the academic deficiencies of educationally and economically disadvantaged pupils and to achieve a more effective and responsive educational program in the Milwaukee public school district.

Approval of this plan by the Joint Committee on Finance is required prior to the distribution of any funds in this appropriation under §20.255 (2) (ec) by the Department of Public Instruction.

The proposed plan maintains the funding levels approved in 1993-94 under §119.80 (1) for expenditures from this appropriation. The appropriation under §20.255 (2) (ec) was also \$8 million in 1993-94.

The Milwaukee public school district has requested an increase of \$620,000 (7.75%) in 1994-95 to reflect salary increases since 1992-93. We recommend that no increase be provided as a part of this expenditure plan. There have been no changes in the condition affecting this appropriation since the legislature approved the \$8 million funding level in 1993 Act 16. However, this program will be reviewed during the 1995-97 budget deliberations.

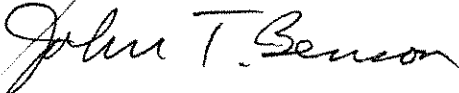
December 17, 1993
Page Two

As required, this plan has also been submitted to the chief clerks of the Senate and Assembly.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tommy".

TOMMY G. THOMPSON
Governor

A handwritten signature in cursive script, appearing to read "John T. Benson".

JOHN T. BENSON
State Superintendent

TGT/wcelp

Desegregation Settlement Funded Programs

Program	Administration Recommendation		
	Actual <u>1992-93</u>	Approved <u>1993-94</u>	Proposed <u>1994-95</u>
All-day kindergarten (high scope curriculum)	\$5,000,000	\$5,090,000	\$5,090,000
First grade (high scope curriculum)	\$955,000	\$1,070,000	\$1,070,000
Day care kindergarten programs	\$910,900	\$910,000	\$910,000
Extended day programs	\$430,000	\$430,000	\$430,000
Parent information centers	\$200,000	—0—	—0—
Alternative education programs	<u>\$504,100</u>	<u>\$500,000</u>	<u>\$500,000</u>
Total	\$8,000,000	\$8,000,000	\$8,000,000



State of Wisconsin \ BUILDING COMMISSION

Tommy G. Thompson
Governor

Robert N. Brandherm
Secretary

101 E. WILSON ST.
P.O. BOX 7866
MADISON, WISCONSIN 53707

March 18, 1994

Senator Joseph Leraan, Senate Chair
Representative Barbara J. Linton, Assembly Chair
Joint Committee on Finance
113 South Capitol
Madison, WI 53702

Dear Senator Leraan and Representative Linton:

Re: Land Exchange
University of Wisconsin

Attached is a copy of a request by the University of Wisconsin System that was approved by the State Building Commission at their March 16, 1994 meeting. The approval grants the authority to the University System to accept a gift of 137 acres from the Nature Conservancy in the Chiwaukee Prairie in Kenosha County. The approval also authorizes a trade with the State Lands Commission so that the University secures ownership of the Pigeon Lake Field Station land.

The final results of this authorization by the State Building Commission, as well as prior action by the Department of Natural Resources Board, will result in the University System owning the Pigeon Lake Field Station, the Department of Natural Resources owning the land gifted to the University at Chiwaukee Prairie and the Lands Commission owning property formerly under the jurisdiction of the Department of Natural Resources.

This request is forwarded to you since Wis. Stats. 13. 48 (14) (d)(4) requires Joint Committee on Finance's approval for any transfers of surplus lands having a value of at least \$20,000.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert N. Brandherm", written in dark ink.

Robert N. Brandherm
Secretary

UNIVERSITY OF WISCONSIN SYSTEM

Agency Request for
State Building Commission Action

March 1994

1. Institution: The University of Wisconsin - System
2. Request: Requests authority to accept a gift from The Nature Conservancy of approximately 137 acres of land located in the Chiwaukee Prairie in Kenosha County; and authority to exchange that land plus 97 additional acres of land (total of approximately 234 acres) also located in the Chiwaukee Prairie, for 86 acres of land located in Bayfield County owned by the state's Board of Commissioners of Public Lands and leased by the University for the UW-River Falls Pigeon Lake Field Station.

3. Description and Scope of Project:Land to be received: Pigeon Lake Field Station

UW-River Falls has operated the 86-acre Pigeon Lake Field Station under lease arrangements since 1959. Until 1989, the lease was between the University and U.S. Forest Service. Ownership of the land was transferred to the state Board of Commissioners of Public Lands in 1989. The cost of this open-ended lease is \$4,000 per year. The site is improved with approximately 30 University-owned buildings.

In 1966, the Board of Regents acquired 0.46 of contiguous lake front property on Pigeon Lake. A Pigeon Lake Field Station map is attached.

Land to be exchanged: Chiwaukee Prairie

The Chiwaukee Prairie lies south of the city of Kenosha and extends southward from Tobin Road (116th Street) to the Illinois state line, and between the Chicago and Northwestern Railway tracks and Lake Michigan. The Chiwaukee Prairie is the largest unbroken sweep of prairie in the State. All of the state-owned land within Prairie is dedicated as a State Natural Area, which limits the ability to develop the land. Over the past 27 years, the Board of Regents has been given 234 acres of land within the Chiwaukee Prairie, including the 137-acre donation from The Nature Conservancy included in this request. In each case, the gifts stipulated that the land remain in its natural state. The University's holdings within the Prairie are considered part of UW-Parkside, and are used by that institution for field trips associated with biology, botany and other courses. The Department of Natural Resources owns approximately 312 acres in the Chiwaukee Prairie. A map is attached showing University ownership within the Prairie.

4. Justification of the Project:

Historically, the costs of land acquisition for University purposes have been paid for by GPR funds administered by the State Building Commission. However, those funds have been extremely limited and/or non-existent for the past few years. Therefore, the Building Commission has encouraged the sale of surplus lands and the use of exchanges as means of meeting ownership goals. This request represents an exchange of lands to meet the best interests of the state, and at no cost to any of the participants in the transaction. University use of both properties will be unchanged as a result of the proposed exchange.

In the 1930's, the Pigeon Lake site was established as a camp for the Civilian Conservation Corps. It was taken over by the U.S. Forest Service which rented out the Field Station to such groups as the Girl and Boy Scouts, church groups, and other organizations. Accommodations were somewhat primitive. The kitchen utilized a wood-burning stove and out-time ice box; cabins were unheated and without electricity. In 1959, the Board of Regents began leasing the site and began a modernization program. During the 1960's and 1970's several more cabins were built by students from UW-Stout. The kitchen and mess hall were enlarged updated. Two classroom buildings were constructed. Today, the Pigeon Lake Field Station consists of 16 student cabins, five faculty and staff cabins, four comfort stations, three classroom buildings, a mess hall, recreation/administration building and maintenance buildings. The Field Station can accommodate about 130 students at a time. The facilities have a current value of approximately \$700,000, and a replacement value of approximately \$1.1 million. The property is operated by the University as a combined instructional/research facility. Of particular significance is the Pigeon Lake Summer Session, a joint enterprise of 14 campuses within the UW System. The Summer Session features courses in art, biology, geography, zoology, education, literature, philosophy, women's studies, recreation, physical education, and business. Approximately 450 students attend these for-credit courses per year. There are various non-credit programs offered before and after the summer session, such as the week-long Science World program held each July, adult bike classes held each spring and fall, and various elementary education programs. In all, there about 2,000 non-credit users per year. The University System expects the success of the Pigeon Lake Field Station to continue.

The Wisconsin Board of Commissioners of Public Lands currently holds title to the Pigeon Lake property. However, due to the instructional mission/potential of the property, ownership of the Pigeon Lake property is best vested with the University.

The university land within the Chiwaukee Prairie is assigned to UW-Parkside. UW-Parkside makes occasional use of the Prairie for field trips associated with biology, botany, and other courses. The Chiwaukee Prairie constitutes land of statewide significance, as indicated by its designation as a State Natural Area. The federal government, too, has recognized the value of this

unique land. In 1974, the Chiwaukee Prairie was included in the Natural Registry of Landmarks, a program which recognizes significant illustrations of the nation's natural history. As previously stated, the Department of Natural Resources owns a significant amount of land in the Chiwaukee Prairie. Typically, ownership of state natural areas such as Chiwaukee Prairie is vested in the Department of Natural Resources.

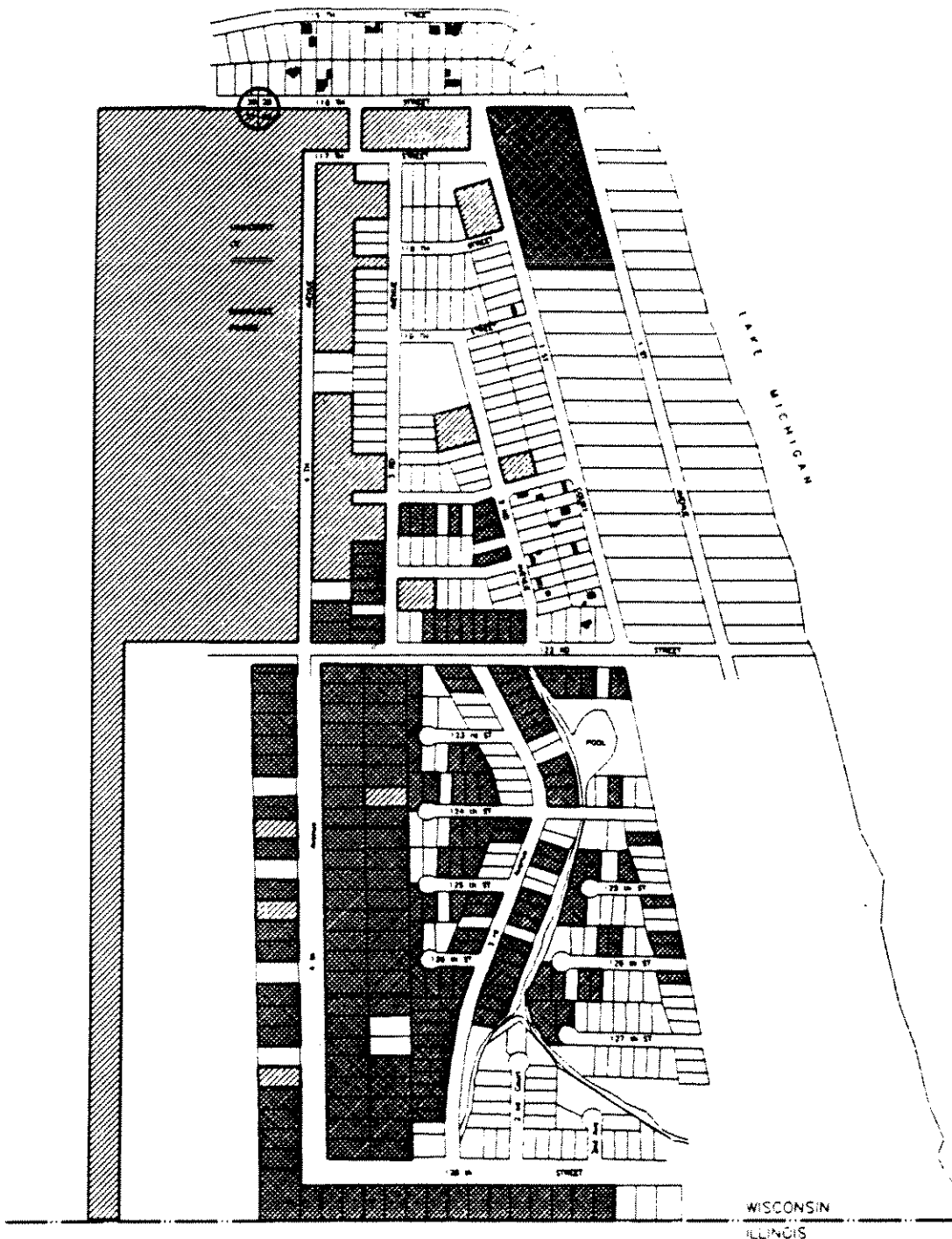
The Department of Natural Resources and Board of Commissioners of Public Lands have placed a value on the Pigeon Lake land of approximately \$150,000. No appraisals have been done on the University's Chiwaukee Prairie holdings. Due to the larger acreage and urban location, it is assumed that the Chiwaukee Prairie land would have a higher value. However, the gifts of land in the Chiwaukee Prairie have carried the stipulation that the lands be maintained in a natural state. That limitation would be transferred to any future owners, and influence the sale value accordingly. Since this transaction involves only state agencies, it is believed that the procurement of formal appraisals would add an unwarranted expense to this mutually-acceptable transaction. Further, the University System's highest priority land needs are located within main campus boundaries. Neither the DNR nor the Board of Commissioners of Public Lands has funds that could be used for those purposes.




An environmental audit was performed by the Nature Conservancy in July 1993 of the Chiwaukee Prairie property. The entire area of the Chiwaukee Prairie site was assessed and no hazardous materials were found. A 1993 environmental audit of Pigeon Lake Field Station found no hazardous materials.

5. Previous Action:

None.

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-  EXISTING UNIVERSITY PROPERTY
-  PROPOSED NATURE CONSERVANCY
-  PRIVATE LAND OWNERSHIP

NO SCALE



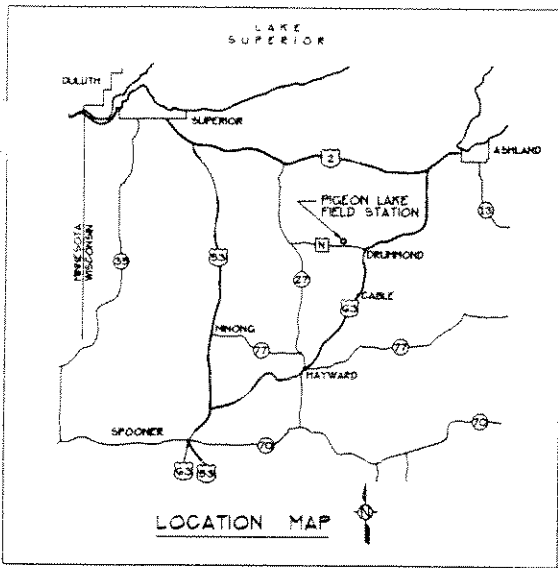
The University of Wisconsin System
 Division of Capital Budget
 and Architectural/Engineering Services
 1930 Monroe Street, P.O. Box 9010
 Madison, Wisconsin 53706 FAX # 608-263-4400

CAMPUS UNIVERSITY OF WISCONSIN - PARKSIDE

PROJECT TITLE SH-WAUKEE PRAIRIE

REVISIONS DATE INITIAL DESCRIPTION

PROJECT NO	-----	SHEET NO	1
DWG FILE	CHIWAU2.DWG		
DATE	11/17/93		
PLOT SCALE	NO SCALE		
DRAWN BY	NAI		
CHECKED BY	GAB		

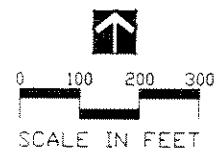
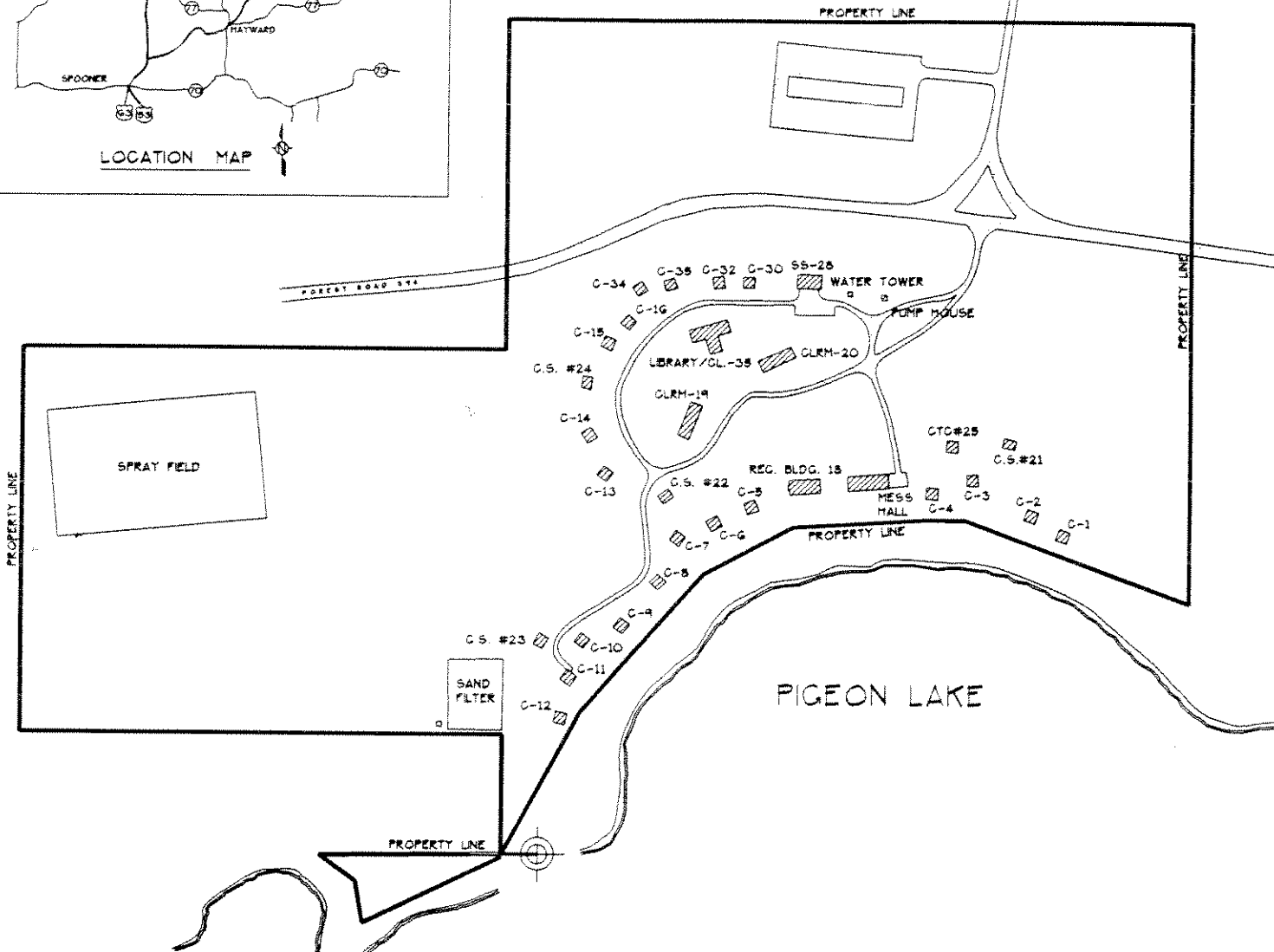



LEGEND:
 GRAVEL ROADWAYS
 EXIST. BUILDINGS
 PROPERTY LINE



ABBREVIATIONS:
 COMFORT STATION
 COTTAGES
 CARETAKER'S CABIN
 CLASSROOM BUILDING
 SHOP + STORAGE

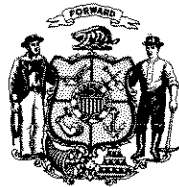
C.S.
 C
 CTC
 CLRM
 SS



 <p>The University of Wisconsin System Division of Capital Budget and Architectural/Engineering Services 1930 Monroe Street, P.O. Box 8010 Madison, Wisconsin 53708 FAX # 608-263-4400</p>	CAMPUS: UNIVERSITY OF WISCONSIN - SYSTEM		PROJECT NO.:	SHEET NO. 01 OF 01
	PROJECT TITLE: PIGEON LAKE BASE MAP		DWG FILE: PIG8X11.DWG DATE: 02/15/94	
	REVISIONS	DATE	INITIAL	

JAN 25 1994

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



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

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY

January 21, 1994

The Honorable Joseph Leean, Co-Chair
The Honorable Barbara F. Linton, Co-Chair
Joint Committee on Finance
115 South, State Capitol
Madison, WI 53702

Dear Senator Leean and Representative Linton:

This report is required by sec. 18.16(7), Stats., and specifies the reason for not complying with subsections (2) to (5) of the same section for a specific issuance of debt. On January 19, 1994 the Building Commission awarded the sale of \$20,000,000 State of Wisconsin General Obligation Bonds of 1994, Series 1. This was a private sale of bonds to the Clean Water Fund pursuant to 18.06 (9) of the statutes.

Since the bonds were sold at private sale directly to the Clean Water Fund, and without the participation of underwriters, compliance with subsections (2) to (5) of s. 18.16 is not relevant. The bonds will be held by the Clean Water Fund as investments.

For the Clean Water Fund Revenue Bonds of 1993, Series 1 & 2, the managing underwriting group included two minority firms, M.R. Beal and Company and Reinoso and Company, and the selling group included six MBE firms. Minority participation in that sale amounted to 14.286 percent of the issue. Actual bonds sold to MBE firms equal 11.158 percent.

Sincerely,


James R. Klauser
Secretary

cc: Members, Joint Committee on Finance

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



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

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY

DEC 10 1993

December 3, 1993

The Honorable Joseph LEEAN, Co-Chair
The Honorable Barbara LINTON, Co-Chair
Joint Committee on Finance
Room 113 South, State Capitol
Madison, WI 53702

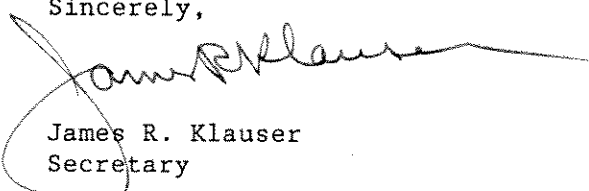
Dear Senator LEEAN and Representative LINTON:

Enclosed please find my letter to Secretary Whitburn of the Department of Health and Social Services (DHSS) approving his proposal to settle an audit disallowance resulting from improper claims for federal financial participation for nurse aide training and competency evaluation programs.

DHSS has been notified that the final settlement amount, following an appeal of the original audit finding, is \$287,408. I have approved payment of that amount from the \$287,400 in excess federal funds previously approved as a set-aside for this purpose as reported to the Joint Committee on Finance in May, 1993.

This correspondence is being forwarded to your attention in accordance with s.16.544 of the Wisconsin Statutes.

Sincerely,



James R. Klauser
Secretary

Enclosure

cc: Members, Joint Committee on Finance
Gerald Whitburn, DHSS
Henry Dudek, DOA

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



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

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY

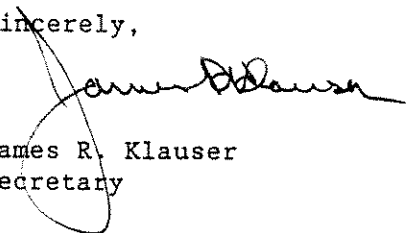
December 3, 1993

Gerald Whitburn, Secretary
Department of Health and Social Services
1 West Wilson Street
Post Office Box 7850
Madison, WI 53707-7850

Dear Secretary Whitburn:

Thank you for your letter regarding your proposed resolution of the disallowance resulting from the improper claims for federal financial participation for the nurse aide training and competency evaluation program. I understand that, following your appeal on this decision, the final settlement amount is \$287,408 and that you plan to pay this settlement using the \$287,408 in excess federal funds set aside for this purpose in May, 1993. I approve your plan to settle this disallowance in this way.

Sincerely,


James R. Klauser
Secretary