

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

➤ **

➤ Miscellaneous ... Misc

➤ 93hrJC-Fi_Misc_pt22

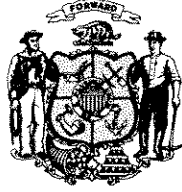
➤ Record of Comm. Proceedings ... RCP

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STATE OF WISCONSIN

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Assembly Chair
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JOINT COMMITTEE ON FINANCE

June 28, 1995

TO; Mr. James R. Klauser, Secretary
Department of Administration

FROM; Senator Joe Leean
Representative Ben Brancel
Co-Chairs, Joint Committee on Finance

We have reviewed the request from the Department of Administration dated June 8, 1995 pursuant to s.16.513 pertaining to a plan from the Department of Justice.

There were no objections to this plan and accordingly it has been approved.

JL:BB:ns

cc: Robert Lang
Andrew Cohn

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JOINT COMMITTEE ON FINANCE

June 13, 1995

MEMO TO: Members, Joint Committee on Finance

FROM: Senator Joe Leean, Senate Co-Chair
Representative Ben Brancel, Assembly Co-Chair

Attached is a copy of a request from the Department of Administration for a 14-day review for approval of a plan by the Joint Committee on Finance pursuant to s.16.513 from the Department of Justice.

This is in conjunction with a request pursuant to s.16.505/515. Joint Finance Committee approval is required because this plan contains a recommendation that is beyond the scope of approval authority under s.16.513.

Please review this plan and notify Senator Leean's office not later than Friday, June 23, 1995 if you have any concerns about the plan or would like the Committee to meet formally to consider it.

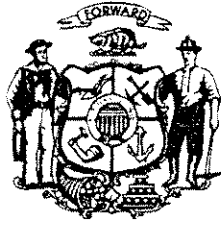
Also, please contact us if you need additional information.

JL:BB:ns

Attachments

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

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY



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

June 8, 1995

The Honorable Joseph Leean
The Honorable Ben Brancel
Co-Chairs, Joint Committee on Finance
113 South, State Capitol
Madison, Wisconsin 53702

Dear Senator Leean and Representative Brancel:

On April 17, 1995, I sent a letter to Mr. Andrew Cohn, Executive Assistant, at the Department of Justice (DOJ) requesting that DOJ submit a plan under s. 16.513 for dealing with a projected deficit in its law enforcement training fund, local assistance appropriation [s. 20.455(2)(j)] and its law enforcement training fund, state operations appropriation [s. 20.455(2)(ja)]. The State Budget Office projects that there will be a combined cash deficit of \$1,153,900 in these appropriations by the end of FY95.

I am forwarding the attached plan for 14-day review by the Joint Committee on Finance pursuant to s. 16.513. I support DOJ's recommendations for monitoring available revenues and reducing spending in the law enforcement training appropriation, and I recommend approval of the attached s. 16.505/515 request transferring 7.0 training positions and their costs from the law enforcement training fund to the terminal charges appropriation under s.20.455(2)(h). However, I cannot approve the plan in its entirety because the plan contains a recommendation that would require a change in current law and is therefore beyond the scope of my approval authority under s. 16.513.

Sincerely,


James R. Klauser
Secretary

cc: Bob Lang, Legislative Fiscal Bureau
Andrew Cohn, Department of Justice

Attachments



STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

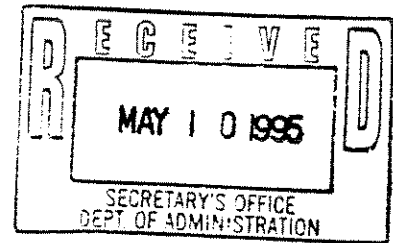
JAMES E. DOYLE
ATTORNEY GENERAL

Burneatta L. Bridge
Deputy Attorney General

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

May 5, 1995

Mr. James R. Klauser, Secretary
Department of Administration
101 East Wilson Street, 10th Floor
Madison, WI 53707-7864



Dear Secretary Klauser:

As you know, on February 24, 1995 we submitted a request under sec. 16.515, Wis. Stats., for additional spending authority in the appropriation under sec. 20.455(2)(j), relating to law enforcement training costs. This letter is in response to your reply, which we received on April 21, 1995.

The "scope of the problem" can be summarized in one sentence. Three trends which increase the costs of law enforcement training manifested themselves at the same time as revenues from the Penalty Assessment Surcharge began to level off. Costs have increased because of the combination of: (1) a shift in reimbursements from the recruit training category to recertification training; (2) a 30% increase in the statutory minimum reimbursement for recertification training; and (3) an estimated 23% increase in the number of law enforcement officers in the last few years. On the revenue side, changes incorporated in 1993 Wisconsin Act 16 decreased by 10% the share of Penalty Assessment Surcharge revenues going to the Law Enforcement Training Fund. At the same time, revenues deposited in this fund have stayed relatively unchanged over the last three years, at \$5.6 million annually.

You requested a plan for dealing with the projected deficit in this appropriation, as provided under sec. 16.513, Wis. Stats. We propose that the following steps be taken:

1. Based on FY '95 experience through March, it is reasonable to reestimate revenues by as much as \$400,000 --to \$6 million--for FY '95 and succeeding years. If revenues increase by a modest 2% annually over this \$6 million level, then an additional \$362,400 could be expected during the 1995-97 biennium.
2. Our experience suggests that steps could be taken to generate more revenue under the current Penalty Assessment Surcharge. For example, we believe that inconsistencies in the application of the surcharge may

Mr. James R. Klauser, Secretary
May 5, 1995
Page 2

be causing lost revenue. Although we administer programs which depend on this revenue source, we are not in a position to influence how other local and state agencies conduct their business as it relates to this surcharge. An important part of our plan is to recommend that an independent agency with both fiscal and policy acumen be directed to study and make recommendations about the revenue collection mechanisms at work in this area.

3. Chapter 165 should be revised to restore the share of Penalty Assessment Surcharge revenues going to the Law Enforcement Training Fund at the "pre-Act 16" level. If this fund received 55%, as opposed to 49.9%, of revenues, then it would have received an estimated \$275,000 more in FY '94. Projections for FY '95 and beyond would be 10% higher, to \$6.6 million--nearly \$1 million above the FY '94 actual of \$5,625,640. Restoring the share going to vital law enforcement training would, of course, require adjusting one or more of the five other statutory uses of Law Enforcement Training Fund moneys. We believe that training for the Public Defender and Department of Corrections, and the Department of Administration's use of this funding, should be reevaluated, and paid from a different source if found to be a high enough priority.
4. We have been closely reviewing issues regarding law enforcement training, for several months. We are confident we will be able to reduce spending by \$250,000 per year by such things as more stringent internal budget controls, managing position vacancies to produce cost savings, and reducing both internal and external training. We are also reevaluating our key responsibilities in law enforcement training, working with an advisory group of law enforcement officials who are helping us set priorities in this area.

These four actions will solve the deficit problem. Over the next two years we propose to submit quarterly reports to the State Budget Office, summarizing the fiscal status of the Law Enforcement Training Fund, beginning as soon as we receive a FY '95 final report from the WiSMART system. In this way, we will know sooner whether our deficit-reduction plan is taking effect, or whether more drastic steps will need to be taken.

Our request of February 24 contained a solution to any deficit that may occur in the appropriation under sec. 20.455(2)(ja), in our proposal to shift the costs of seven positions to the TIME System appropriation under sec. 20.455(2)(h). For reasons

Mr. James R. Klauser, Secretary

May 5, 1995

Page 3

described in that letter, such a shift is appropriate and timely, and would satisfy your request for a plan for this appropriation.

We are essentially out of spending authority and unable to process more payments to reimburse local law enforcement training costs. Your timely attention to this letter would be appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Andrew Cohn". The signature is written in dark ink and is positioned above the typed name and title.

Andrew Cohn
Executive Assistant

AC:js

STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

June 5, 1995

TO; Mr. James R. Klauser, Secretary
Department of Administration

FROM; Senator Joe Leean
Representative Ben Brancel
Co-Chair, Joint Committee on Finance

We have reviewed the request from the Department of Administration dated May 15, 1995 pursuant to s.16.515 and s.16.505(2) pertaining to a request from the Department of Veterans Affairs.

There were no objections to this request and accordingly it has been approved.

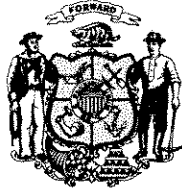
JL:BB:ns

cc: Roger Grossman
Robert Lang

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JOINT COMMITTEE ON FINANCE

May 15, 1995

MEMO TO: Members, Joint Committee on Finance

FROM: Senator Joe LEEAN, Senate Co-Chair
Representative Ben BRANCEL, Assembly Co-Chair
Joint Committee on Finance

Attached is a copy of a request from the Department of Administration dated May 15, 1995 pursuant to s.16.515 and s.16.505(2) pertaining to a request from the Department of Veterans Affairs.

Please review this item and notify Senator LEEAN's office not later than Thursday June 1, 1995 if you have any concerns about the request or would like the Committee to meet formally to consider it.

Also, please contact us if you need additional information.

JL:BB:ns

Attachments

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: May 15, 1995

To: Honorable Joseph Leraan, Co-Chair
Honorable Ben Brancel, Co-Chair

From: James R. Klauser
Secretary
Department of Administration

Subject: s. 16.515/16.505(2) Requests

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

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1993-94</u>		<u>1994-95</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
D.V.A. 20.485(1) (gk)	Institutional Operations			\$ 74,800	

As provided in s. 16.515, this request will be approved on June 6, 1995 unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about this request.

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

Attachments:

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: May 11, 1995

To: James R. Klauser, Secretary
Department of Administration

From: Pamela Henning, Policy and Budget Analyst *PH*
Division of Executive Budget and Finance

Subject: s. 16.515 Request for the Veterans Home Energy Costs

Request

The Department of Veterans Affairs (DVA) requests an increase in expenditure authority of \$74,800 PR in fiscal year 1994-95 in appropriation s. 20.485 (1)(gk), Institutional Operations, at the Veterans Home at King. This increase will provide the spending authority necessary to cover the higher natural gas and electricity costs in operating the Home.

Background

The Department of Veterans Affairs operates the Wisconsin Veterans Home at King, which provides residential care, nursing and medical services, food services and social and counseling opportunities to its resident veterans and eligible dependents. Currently, the costs of operating the Home are supported from three major sources: (1) charges assessed against members' excess assets and income; (2) medical assistance payments; and (3) federal Department of Veterans Affairs per diem payments. In addition, the Home has several separate GPR appropriations for cemetery maintenance, principal repayment and interest, and fuel and utility expenses.

Analysis

The Wisconsin Veterans Home's energy costs appropriation (s. 20.485(1)(c)) pays for natural gas and electricity used to provide heating, air conditioning and electrical service to the Home. The energy costs appropriation is funded at \$579,200 GPR in 1994-95. The Home had actual expenditures for electricity charges of \$245,833 through March 1995 and estimates additional expenditures of \$85,274 for the remaining three months. The Home had actual expenditures for natural gas charges of \$217,444 through February 1995 (which includes actual pipeline charges of \$73,172) and estimates additional expenditures of \$105,466 for the remaining four months. The Department requests an additional \$74,800 to cover the increased costs of electricity and natural gas charges. The increase in electricity and natural gas charges are due to several factors. First, in DVA's budget request for 1993-95, the Department assumed that energy costs for a new 200 bed nursing facility would be similar to the vacated building, and then included only a small amount for maintaining the vacated building during the winter. Although the new building is more energy efficient than the vacated building, the new facility is twice the size. Also, budget estimates did not include a new chiller system that was approved in the capital budget and installed in August 1993. The chiller system provides air conditioning to three buildings previously not air conditioned.

James R. Klauser
May 11, 1995
Page 2

The Home requests increased spending authority in s. 20.485(1)(gk), institutional operations program revenue appropriation, to fund the remaining \$74,800 expenditures instead of in s. 20.485(1)(c), energy costs general purpose revenue appropriation for two reasons. First, the Home is able to claim energy costs for reimbursement due to a change in costs allowed to be claimed for reimbursement under the federal medicaid program at the Home beginning in fiscal year 1994 (the state's medical assistance program is funded approximately 60% through federal funds and 40% state funds). The Home pays directly for fuel and utilities with GPR and is reimbursed for their costs through medical assistance which is deposited into the Home's institutional operations program revenue annual appropriation. Secondly, in May 1994, the Department submitted a s. 13.10 request to cover the Home's energy costs for FY94. The Joint Committee on Finance instead approved an increase in spending authority in the Home's institutional operations program revenue appropriation.

Also, the Department included in its revenue and expenditure balance sheet for the institutional operations appropriation a reserve amount of \$206,000 for anticipated increased energy costs for FY95. The additional requested spending authority of \$74,800 is less than the reserved amount. If the increased expenditure authority is not approved in appropriation s. 20.485(1)(gk), \$74,800 intended to fund services to residents at the Home will be used to cover increased expenses in energy costs.

Recommendation

Approve the request.



**STATE OF WISCONSIN, DEPARTMENT OF VETERANS
AFFAIRS**

30 West Mifflin Street, P.O. Box 7843, Madison, WI 53707-7843

CORRESPONDENCE/MEMORANDUM

Date: May 5, 1995

To: Richard Chandler, Director
State Budget Office

From: Ken Abrahamsen, Director *KA*
Office of Policy, Planning and Budget

Subject: S.16.515 Request for Appropriation 20.485 (1) (gk) Institutional Operations, Numeric
Appropriation 120 (D2) Institutional Operations

The Department of Veterans Affairs requests consideration under s. 16.515 to increase the expenditure authority for the Institutional Operations Appropriation (s. 20.485 (1) (gk)) by \$74,800 in fiscal year 1994-95. The additional spending authority is needed to cover natural gas and electricity costs for the Veterans Home at King, Wisconsin.

Appropriation 103 (s. 20.485(1)(c)) is a GPR appropriation used to pay for natural gas and electricity to provide heating, air conditioning and electrical service to the Home. In developing the department's 1993-95 budget request for Appropriation 103 (DH), it was assumed that the fuel and utility cost for a new nursing facility would be similar to old building. A small increase in funding was requested to cover the cost of heating the vacant building during the winter months. Although the new building is more energy efficient than the vacated building, energy costs have been higher because the new facility is twice as large. The department's budget estimates also did not include additional funding to cover higher energy costs resulting from a new chiller system installed in August 1993. This system provides air conditioning to three buildings previously not air conditioned.

In May of 1994, the department submitted a s. 13.10 request for the transfer of sufficient GPR funds to Appropriation 103 (DH) to cover the Home's natural gas and electricity costs for FY94. The Joint Committee on Finance instead increased spending authority under Appropriation 120 (D2) by \$228,600 for that purpose.

The Wisconsin Veterans Home purchases natural gas from the Department of Administration and the Wisconsin Gas Company, and electricity from the Wisconsin Public Service Corporation. Total estimated expenditures for gas and electricity in FY95 are as follows:

Electricity Charges:		
Actual expenditures through March 1995	\$245,833	
Estimated expenditures through June 1995 ¹	<u>85,274</u>	
Total Estimated Electricity Charges		\$331,107

¹Based on actual FY94 electricity expenditures for April, May and June.

Natural Gas Charges:

Actual expenditures to DOA through February 1995	\$144,272	
Actual pipeline charges through March 1995	73,172	
Estimated expenditures through June 1995 ²	<u>105,466</u>	
Total Estimated Natural Gas Charges		<u>\$322,910</u>
Total Funding Needed for Fuel and Utility Charges		\$654,017
Total Funding Available from Appropriation 103 (DH)		<u>579,200</u>
Total Amount of Funding Needed for Appropriation 120 (D2)		\$74,817

There are no other alternatives available to cover the funding shortfall in Appropriation 103 (DH). As previously stated, the Joint Finance Committee expects the department to pay the projected shortfall with PR funding. If the expenditure authority for Appropriation 120 (D2) is not increased, then funds intended for services to residents at the Home must be used to cover the shortfall.

In the attached B3 form, base year (FY95) projections include a fuel and utility reserve of \$206,000 to cover the anticipated shortfall. The requested \$74,800 of additional expenditure authority is \$131,200 less than projected. Therefore, it is requested that the s. 16.515 request for increased expenditure authority of \$74,800 in Appropriation 120 (D2) be approved.

Thank you for your assistance with this matter. If you have any questions or need additional information, please call me at 6-0117.

cc: Bob Cocroft
Steve Handrich
David Larsen
Pam Henning

²Based on actual FY94 natural gas expenditures for March, April, May and June.