

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\_pt37b

➤ Record of Comm. Proceedings ... RCP

➤ \*\*

# CORRESPONDENCE MEMORANDUM

STATE OF WISCONSIN  
Department of Administration

*Date:* March 9, 1994

*To:* James R. Klauser, Secretary

*From:* Francine Johnson, Policy and Budget Analyst

*Subject :* s. 16.515 Request from State Fair Park relating to Expenditure Authority for LTE Salaries, Supplies and Services and Permanent Property.

## REQUEST

State Fair Park requests increased expenditure authority of \$865,100 PRO in FY94 and \$785,000 PRO in FY95 under s. 20.190(1)(h)---general program operations appropriation. In FY94 this includes \$156,700 PRO for LTE salaries, \$686,700 PRO for supplies and services and \$21,700 PRO for permanent property. In FY95 this includes \$118,300 PRO for LTE salaries and \$666,700 PRO for supplies and services.

## BACKGROUND

### LTE Salaries

The Park's LTE salaries are \$156,700 higher in FY94 and \$118,300 higher in FY95 due to the following factors:

State Fair Entertainment: During the state fair, additional union stage hands were required to accommodate a greater number of music concerts, a higher degree of complex staging and the use of a larger stage resulting in an LTE salary increase of \$34,100. Of these costs, \$12,100 were recovered through stagehand reimbursement included in the Clint Black and Wynonna Judd settlement. In addition, this entertainment line-up generated a grandstand ticket sales revenue increase of \$299,600 above the previous year.

Vacancies: In FY94, the Park will incur approximately \$15,000 in unanticipated LTE costs due to the two vacant bureau director positions.

New Trade Mart Facility: The Park anticipates booking 70 event days in the new Trade Mart exhibit hall between January and June 1994 (58 days have already been booked). These events will require \$32,800 in additional police and ground service LTE labor in FY94. However, the facility is projected to generate additional revenue of \$256,600 during the same period. These on-going costs may increase in FY95 since the exhibit hall was only available for booking during half of FY94.

Pettit National Ice Center Security: Police and grounds coverage of the Pettit National Ice Center have been expanded resulting in increased LTE costs of \$8,200. Additional coverage was deemed necessary due to the large crowds and a recent accident. The Pettit National Ice Center Corporation is billed for interior police coverage.

1994 State Fair Advance Ticket Sales: The advance and group ticket sales program has been expanded resulting in LTE costs of \$5,600. This new program generates additional revenue by selling advance purchases to the fair. The success of the program requires an LTE to promote the service and process orders beginning in January instead of May of each year.

Painting Projects: Costs associated with completing various interior and exterior painting projects has resulted in increased costs of \$23,400 in FY94 only.

Increased Security and Maintenance Costs: The remaining \$37,600 is primarily due to increased police and grounds coverage at the fair and off-season events. Most of the off-season costs are recovered by service billings to the event promoters. Service revenue for public safety and grounds were up \$17,600 through December 31, 1993.

Supplies and Services:

Supplies and services costs have increased by \$686,700 in FY94 and \$666,700 in FY95 due to the following expenses:

State Fair Entertainment: Grandstand entertainment costs increased by \$127,600 in FY94 due to the use of more popular artists. This entertainment lineup increased grandstand ticket sales revenue by \$299,600. This was not considered an on-going cost because the lineup for the FY95 state fair has not been finalized.

New Trade Mart Facility: Operating expenditures associated with the new Trade Mart exhibit hall and its 70 anticipated event days have increased costs by \$112,200 in FY94. This on-going cost will probably increase in FY95 since the exhibit hall was only available for booking during half of FY94.

High Priority Maintenance Projects: Funding for two percent (\$109,000) of the high priority maintenance items as identified by the DOA Facilities Development maintenance study of December 21, 1993. This study identified high priority maintenance items totaling \$5,450,000 that should be completed within the next three years including changes needed to meet the new federal Americans with Disabilities Act requirements.

Concessions: Increased concession costs (\$76,800) for supplies and commissions through December 31, 1993. However, concession sales revenue increased by \$180,700 during the same period.

Miscellaneous Costs: The balance of \$261,100 represents a wide range of expenditures including higher than anticipated summer utility costs for the Pettit Ice Center (\$20,000), increased municipal services payment (\$20,000), increased equipment rental (\$28,000), and increased telephone costs including a new 800 number that uses a Tigon system to answer questions from the public about the state fair through a series of recorded messages (\$16,000). In addition, prizes and awards were increased by \$46,000 as well as the payments for professional services such as judging (\$28,000). The increase in prizes, awards and judging services brings the Wisconsin State Fair up to the level offered by other state fairs. Another unanticipated cost was \$20,000 for moving the new director from London, England to Wisconsin.

Permanent Property:

Permanent property costs have increased by \$21,700 in FY94 due to the following expenses:

Office Furniture: The recent administrative reorganization resulted in the creation of two new bureau chief positions. Office furniture for these two new positions will cost \$6,700.

Computer Equipment: Two computers will be purchased for the payroll office which currently has none. These computers will allow the office to use WISMART for processing transactions. The computer in the director's office and the agricultural department will be upgraded and a replacement printer will be purchased for the agricultural department. Total computer costs will be \$7,500.

Pick up Truck: Purchase of one used pick-up truck from state surplus for an estimated \$5,000. This truck will be used by the grounds department which must remove one, and possibly three trucks from operation because they are no longer safe to drive.

Livestock Scale: Replacement and upgrade of the agricultural department livestock scale at a cost of \$2,500.

**ANALYSIS**

This request for additional spending authority represents an 11 percent increase in FY94 and a 12 percent increase in FY95 for the general program operations appropriation as illustrated by the charts below.

**State Fair Park General Program Operations Appropriation**

**Fiscal Year 1994**

	<b>CURRENT</b>	<b>REQUEST</b>	<b>NEW</b>	<b>% CHANGE</b>
Permanent Position Salaries	\$1,194,000	-0-	\$1,194,000	-0-
LTE/Misc. Salaries	1,571,600	\$156,700	1,728,300	10%
Fringe Benefits	576,900	-0-	576,900	-0-
Supplies and Services	4,114,400	686,700	4,801,100	17%
Permanent Property	86,600	21,700	108,300	25%
Unallotted Reserve	31,600	-0-	31,600	-0-
<b>TOTAL</b>	<b>\$7,575,100</b>	<b>\$865,100</b>	<b>\$8,440,200</b>	<b>11%</b>

**Fiscal Year 1995**

	<b>CURRENT</b>	<b>REQUEST</b>	<b>NEW</b>	<b>% CHANGE</b>
Permanent Position Salaries	\$1,197,300	-0-	\$1,197,300	-0-
LTE/Misc. Salaries	1,595,600	\$118,300	1,713,900	7%
Fringe Benefits	580,700	-0-	580,700	-0-
Supplies and Services	4,246,900	666,700	4,913,600	16%
Permanent Property	86,600	-0-	86,600	-0-
Unallotted Reserve	31,600	-0-	31,600	-0-
<b>TOTAL</b>	<b>\$7,738,700</b>	<b>\$785,000</b>	<b>\$8,523,700</b>	<b>10%</b>

LTE Salaries:

Although the LTE salary costs associated with the union stage hands, new Trade Mart events and other off-season events draw down the Park's LTE budget, the overall result is additional revenue for the park. In addition, LTE salary costs are often fully or partially recovered through service billings to the event promoters. While these events are usually not booked in time to anticipate the associated costs in the biennial budget, each are legitimate sources of revenue and adequately justify expenses beyond those budgeted. If the additional spending authority is not approved other events may be canceled during the remainder of FY94. The remaining LTE costs are required to promote the park and keep it properly maintained and safe.

The requested \$15,000 in FY94 for additional LTE labor required to cover vacancies in permanent positions can be covered by already appropriated agency resources. In addition, the \$34,100 in FY95 for LTE salaries related to union stage hands does not represent a true on-going cost since the entertainment lineup changes each year. If LTE salaries associated with union stage hands increases in FY95, it can be addressed through a separate s. 16.515 request.

Supplies and Services:

The supplies and services costs associated with the grandstand entertainment, new Trade Mart events and concession supplies and commissions are recovered by the increased revenue generated by these events. This is a clear example of the park performing its mission. However, since the entertainment lineup has not been finalized for the state fair in FY95 the potential cost increase is unknown. Therefore, the \$127,600 associated with increased entertainment costs should only be reflected in the FY94 request and if additional funding is necessary in FY95, it can be addressed through a separate s. 16.515 request.

The DOA Facilities Development study suggests that the high priority maintenance items should be completed within the next three years. In FY94 and FY95 the agency has requested two percent (\$109,000) of the total costs (\$5,467,850) of the high priority maintenance items. This is a minimal amount of the total high priority maintenance cost and it allows the park to begin the work. The State Fair Park indicates that it will request additional funding for the remaining high priority maintenance items during the 1995-97 biennial budget process.

The remaining supplies and services costs were either uncontrollable (e.g., summer utilities at the Pettit National Ice Center and municipal services payment) or associated with the cost of operating this type of facility (e.g., prizes and awards, judges and "800" number). The moving expenses for the State Fair director are a one-time expense that will be paid in FY94 only.

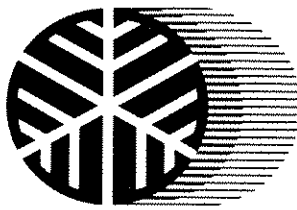
Permanent Property:

The increased permanent property costs can be covered by the unallotted reserve funds. These funds were intended for expenses associated with the state accounting system. However, no additional expenses are anticipated for FY94.

	FY94		FY95	
	Request	Recommended	Request	Recommended
LTE/Misc. Salaries	\$156,700	\$141,700	\$118,300	\$84,200
Supplies & Services	\$686,700	\$686,700	\$666,700	\$539,100
Permanent Property	\$21,700	-0-	-0-	-0-
<b>TOTAL</b>	<b>\$865,100</b>	<b>\$828,400</b>	<b>\$785,000</b>	<b>\$623,300</b>

**RECOMMENDATION**

Approve the modified spending authority increase under s. 20.190 (1)(h) in the amount of \$828,400 PRO in FY94 (\$141,700 in LTE salaries and \$686,700 in supplies and services) and \$623,300 PRO in FY95 (\$84,200 in LTE salaries and \$539,100 in supplies and services).



## Wisconsin State Fair Park

FEB 24 1994

DEPARTMENT OF ADMINISTRATION  
STATE OF WISCONSIN

February 23, 1994

Francine Johnson - Budget Analyst  
Dept. of Admin. - Budget & Planning  
101 E. Wilson St. - 10th Floor  
Madison, WI 53707

RE: Request for Program Revenue Appropriation Supplements under  
s.16515. Ref: Mr. Richard Bjorklund's letter of 2/7/94 to  
Mr. Richard Chandler.

Dear Francine:

The requested appropriation supplements are as follows:

\$156,700 APPR EE2 - LTE Salaries  
\$687,100 APPR EE4 - Supplies & Services  
\$ 21,700 APPR EE5 - Permanent Property  
\$865,500 Total Supplement

Per our discussion, we have attached memos for each of the above  
appropriations, addressing some of the specific appropriation  
shortage areas.

Thanks for your help on this.

Best Personal Regards,

STATE FAIR PARK BOARD

Douglas J. Smith  
Business Manager

DJS:mjj

cc: Richard Bjorklund

## CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN

*Date:* 2/22/94 *File Ref:* cc: Rick Bjorklund

*To:* Francine Johnson - Budget Analyst  
D.O.A. - Budget & Planning

*From:* Douglas Smith - Business Manager  
State Fair Park Board

*Subject:* 16515 request for \$156,700 Appropriation Supplement for APPR. EE2 (LTE Salaries). Ref. R. Bjorklund letter 2/7/94 to R. Chandler.

Some specific areas creating the appropriation shortage are as follows:

- 1) \$34,100 - Union stage hands required to accomodate a greater number of music concerts, a higher degree of complex staging, and the use of a larger stage. \$12,100 of this cost was recovered thru stagehand reimbursement included in the Black & Wynonna settlement. Also, this entertainment line-up generated a grandstand ticket sales revenue increase of \$299,600.
- 2) \$32,800 - New Trade Mart exhibit hall opened in January, 1994. We anticipate booking 70 event days thru June, 1994. The \$32,800 in police, grounds, and food service LTE labor is a requirement of accomodating these added events. However, this facility is projected to generate additional revenue of \$256,600 during this same period.
- 3) \$28,800 - Various, comprised of \$15,000 LTE coverage for (2) vacant permanent bureau chief positions, \$8,200 expanded police and grounds coverage of the Pettit Ice Center, and \$5,600 for our expanded advance and group ticket sales program.
- 4) \$23,400 - Painter to catch-up on various building interior and exterior painting projects which have been repeatedly put-off in prior years. Although an LTE, the painter is paid at the prevailing union rate per AFSME contract.
- 5) \$37,600 - Balance is basically due to increased coverage at the fair and off-season events. Much of the off-season cost is recovered by service billings to the event promotors. Our services revenue for grounds and public safety were up \$17,600 thru 12/31/93.

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\$156,700

Total APPR Supplement requested

## CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN

*Date:* 2/22/94 *File Ref:* cc: Rick Bjorklund

*To:* Francine Johnson - Budget Analyst  
D.O.A. - Budget & Planning

*From:* Douglas Smith - Business Manager  
State Fair Park Board

*Subject:* 16515 request for \$687,100 appropriation supplement for APPR.EE4 (Supplies & Services). Ref. R. Bjorklund letter of 2/7/94 to R. Chandler.

Some specific areas of increase creating the appropriation shortage are as follows:

- 1) \$127,600 - Grandstand entertainment cost increase. However, this lineup generated a grandstand ticket sales revenue increase of \$229,600.
- 2) \$112,200 - Operating cost of the new Trade Mart exhibit hall opened January, 1994. However, this facility is projected to generate additional revenue of \$256,600 during this same period.
- 3) \$109,000 - High priority maintenance. Ref. State Fair Park facilities maintenance study of 12/21/93 by D.O.A. - Facilities Development.
- 4) \$76,800 - Increased concession cost of sales expense for product, supplies, and commissions thru 12/31/93. However, concessions sales revenue increased by \$180,700 during the same period.
- 5) \$261,100 - Balance spread over a wide range of expenditure types. However, these expenditures were considered necessary to attain our projected goal of increasing FY94 revenue to \$12,134,700, an increase of \$1,137,400 over our record breaking FY93 revenue of \$10,997,300.

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\$687,100

Total APPR Supplement requested



## CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN

Date: 2/22/94

File Ref:

To: Francine Johnson - Budget Analyst  
D.O.A. - Budget & Planning

From: Douglas Smith - Business Manager  
State Fair Park Board

Subject:

16515 request for \$687,100 appropriation supplement for APPR.EE4 (Supplies & Services). Ref. R. Bjorklund letter of 2/7/94 to R. Chandler.

Some specific areas creating the appropriation shortage are as follows:

- 1) \$127,600 - Grandstand entertainment cost. However, this lineup generated a grandstand ticket sales revenue increase of \$229,600.
- 2) \$112,200 - Operating cost of the new Trade Mart exhibit hall opened January, 1994. However, this facility is projected to generate additional revenue of \$256,600 during this same period.
- 3) \$109,000 - High priority maintenance. Ref. State Fair Park facilities maintenance study of 12/21/93 by D.O.A. - Facilities Development.
- 4) \$76,800 - Concession cost of sales expense for product, supplies, and commissions thru 12/31/93. However, concessions sales revenue increased by \$180,700 during the same period.
- 5) \$261,100 - Balance spread over a wide range of expenditure types. However, these expenditures were considered necessary to attain our projected goal of increasing FY94 revenue to \$12,134,700, an increase of \$1,137,400 over our record breaking FY93 revenue of \$10,997,300.

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\$687,100

Total APPR Supplement requested

## CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN

Date: 2/22/94

File Ref:

To: Francine Johnson - Budget Analyst  
D.O.A. - Budget & Planning

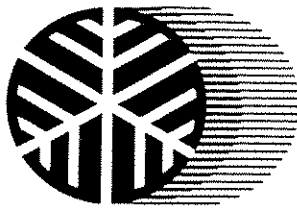
From: Douglas Smith - Business Manager  
State Fair Park Board

Subject:

16515 request for \$21,700 appropriation supplement for APPR.EE5 (Permanent Property). Ref. R. Bjorklund letter of 2/7/94 to R. Chandler.

Some specific areas creating the appropriation shortage are as follows:

- 1) \$7,500 - Computer Equipment - Payroll, Director's Office, and Agriculture Department.
  - 2) \$6,700 - Furniture - (2) new bureau chief and Administration Building reorganization.
  - 3) \$5,000 - Used Pick-up from State Surplus for Grounds Department.
  - 4) \$2,500 - Digital Livestock Scale for Agriculture Department.
- \$21,700 - Total APPR. supplement requested



## Wisconsin State Fair Park

February 7, 1994

Richard G. Chandler, State Budget Director  
Dept. of Admin.- Budget  
101 E. Wilson St., 10th Floor  
Madison, Wi. 53707

Re: Request for Program Revenue Appropriation Supplements  
under s. 16515

Dear Mr. Chandler,

Our attached Fiscal Year 1994 Financial Projection indicates our expenditures may exceed our fixed operating budget by \$861,800. However, the use of these greater expenditures, required to meet our mandate to expand operations at the Park, are projected to generate FY94 program revenue of \$12,134,700. This would be an increase of \$1,137,400 over our record breaking FY93 revenue of \$10,997,300.

The appropriation supplements requested to meet these goals are as follows:

\$156,700 LTE Salaries - APPR EE3  
\$687,100 Supplies & Services - APPR EE4  
\$ 21,700 Perm. Property - APPR EE5  
\$865,500 Total appropriation supplements

As the conditions necessitating the above request are continuing in nature, we would appreciate your consideration for also adding like amounts to our FY95 appropriation.

If there is any further support data required, please do not hesitate to contact us.

Thank you for your cooperation.

Best regards,

Wisconsin State Fair Park Board

  
Richard J. Bjorklund  
Director

RJB/kg

cc: Douglas Smith, Business Manager - (414) 266-7011  
Milwaukee/West Allis, Wisconsin 53214-0990 • Phone: 414-266-7000 • Fax: 414-266-7007



STATE FAIR PARK BOARD  
 FISCAL YEAR 1994 FINANCIAL PROJECTION @ DECEMBER 31, 1993  
 OPERATING APPROPRIATIONS EAL128, EC130, & EE132

REVENUE	Fiscal YTD thru Dec. 31, 1993		Projected Jan. 1, 1994-Jun. 30, 1994		Total Projected Fiscal Year 1994	
	Actual	Budget	Actual	Budget	12 Mo. Actual	12 Mo. Budget
Program Revenue-Park	\$8,455,500	\$7,902,700	\$3,081,600	\$2,755,800	\$11,537,100	\$10,658,500
Program Revenue-PNIC Lease	\$318,100	\$318,100	\$279,500	\$279,500	\$597,600	\$597,600
<b>Total REVENUE</b>	<b>\$8,773,600</b>	<b>\$8,220,800</b>	<b>\$3,361,100</b>	<b>\$3,035,300</b>	<b>\$12,134,700</b>	<b>\$11,256,100</b>
<b>EXPENDITURES</b>						
Perm. Salaries	\$607,500	\$561,200	\$579,500	\$632,800	\$1,187,000	\$1,194,000
LTE Salaries:						
General	\$1,264,200	\$1,166,100	\$464,100	\$405,500	\$1,728,300	\$1,571,600
Entertainment	\$113,400	\$113,400	\$0	\$0	\$113,400	\$113,400
LTE Sub-Total	\$1,377,600	\$1,279,500	\$464,100	\$405,500	\$1,841,700	\$1,685,000
Fringe Benefits:						
General	\$338,200	\$292,300	\$273,600	\$284,600	\$611,800	\$576,900
Entertainment	\$8,700	\$8,700	\$0	\$0	\$8,700	\$8,700
Fringe Sub-Total	\$346,900	\$301,000	\$273,600	\$284,600	\$620,500	\$585,600
Supply, Services:						
General	\$3,028,900	\$2,427,500	\$1,772,600	\$1,686,900	\$4,801,500	\$4,114,400
Entertainment	\$1,369,100	\$1,372,200	\$44,400	\$41,300	\$1,413,500	\$1,413,500
Advertising	\$217,300	\$252,300	\$217,600	\$182,600	\$434,900	\$434,900
Sup&Ser Sub-Tot	\$4,615,300	\$4,052,000	\$2,034,600	\$1,910,800	\$6,649,900	\$5,962,800
Perm. Property	\$81,400	\$76,600	\$25,900	\$10,000	\$108,300	\$86,600
Unallotted Reserve	\$0	\$0	\$0	\$31,600	\$0	\$31,600
<b>Total EXPENDITURE</b>	<b>\$7,028,700</b>	<b>\$6,270,300</b>	<b>\$3,378,700</b>	<b>\$3,275,300</b>	<b>\$10,407,400</b>	<b>\$9,545,600</b>
OPERATIONAL INCOME	\$1,744,900	\$1,950,500	(\$17,600)	(\$240,000)	\$1,727,300	\$1,710,500
Debt Service	\$496,800	\$680,300	\$645,200	\$461,700	\$1,142,000	\$1,142,000
<b>NET INCOME</b>	<b>\$1,248,100</b>	<b>\$1,270,200</b>	<b>(\$662,800)</b>	<b>(\$701,700)</b>	<b>\$585,300</b>	<b>\$568,500</b>

14/1/94 H.H. ON

STATE FAIR PARK BOARD  
 FISCAL YEAR 1994 FINANCIAL PROJECTION @ DECEMBER  
 OPERATING APPROPRIATIONS EAI28, EC130, &

	Fiscal YTD thru Dec. 31, 1993		Projected J
	Actual	Budget	Actual Over Under Budget
<b>REVENUE</b>			
Program Revenue-Park	\$8,455,500	\$7,902,700	\$552,800
Program Revenue-PNIC Lease	\$318,100	\$318,100	\$0
<b>Total REVENUE</b>	<b>\$8,773,600</b>	<b>\$8,220,800</b>	<b>\$552,800</b>
<b>EXPENDITURES</b>			
Perm. Salaries	\$607,500	\$561,200	\$46,300
LTE Salaries:			
General	\$1,264,200	\$1,166,100	\$98,100
Entertainmnt	\$113,400	\$113,400	\$0
LTE Sub-Total	\$1,377,600	\$1,279,500	\$98,100
Fringe Benefits:			
General	\$338,200	\$292,300	\$45,900
Entertainmnt	\$8,700	\$8,700	\$0
Fringe Sub-Total	\$346,900	\$301,000	\$45,900
Supply, Services:			
General	\$3,028,900	\$2,427,500	\$601,400
Entertainmnt	\$1,369,100	\$1,372,200	(\$3,100)
Advertising	\$217,300	\$252,300	(\$35,000)
Sup&Ser Sub-Tot	\$4,615,300	\$4,052,000	\$563,300
Perm. Property	\$81,400	\$76,600	\$4,800
Unallotted Reserve	\$0	\$0	\$0
<b>Total EXPENDITURE</b>	<b>\$7,028,700</b>	<b>\$6,270,300</b>	<b>\$758,400</b>
<b>OPERATIONAL INCOME</b>	<b>\$1,744,900</b>	<b>\$1,950,500</b>	<b>(\$205,600)</b>
Debt Service	\$496,800	\$680,300	(\$183,500)
<b>NET INCOME</b>	<b>\$1,248,100</b>	<b>\$1,270,200</b>	<b>(\$22,100)</b>

**CORRESPONDENCE/MEMORANDUM**

**STATE OF WISCONSIN  
Department of Administration**

Date: Mar. 22, 1993

To: Honorable Gary R. George, Co-Chair  
Honorable Barbara J. Linton, Co-Chair

From: James R. Klauser *[Signature]*  
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>1991-92</u>		<u>1992-93</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
D.N.R. 20.370(2)(cj)	Acid Deposition Research			\$ 8,600	

As provided in s. 16.515, this request will be approved on Apr. 13, 1993 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 State Executive Budget and Planning, if you have any additional questions.

Attachments:

**CORRESPONDENCE MEMORANDUM**STATE OF WISCONSIN  
Department of Administration

**Date:** March 15, 1993

**To:** James R. Klauser, Secretary  
Department of Administration

**From:** Shelley L. Moore, Policy and Budget Analyst *SLM*  
Department of Administration

**Subject:** Department of Natural Resources s. 16.515 Request for Acid Deposition Research

**REQUEST**

The Department of Natural Resources (DNR) requests \$8,600 PR-0 in additional expenditure authority in FY93 under s. 16.515 in the air management acid deposition activities appropriation under s. 20.370 (2)(c) to support a research project to assess the human risk of consumption of mercury-contaminated fish.

**BACKGROUND**

In Wisconsin, the DNR and Department of Health and Social Services (DHSS) have identified 231 lakes, flowages and impoundments for which fish consumption advisories exist. Consumption of mercury contaminated fish poses a potential health risk to Wisconsin citizens. High levels of mercury have also been detected in some fish-eating wildlife, including eagles, loons, mink and otter. Pregnant women and fetuses are at greatest risk to detrimental health effects from mercury. In addition to potential health effects, mercury uptake in fish threatens the reputation of Wisconsin's sports fishing industry, which is important to the state's tourism and recreation economy.

A survey of the walleye-spearing band of Chippewa Indians and fishing guides showed a clear dose/response relationship between eating contaminated fish and increased levels of blood mercury. In this survey, blood mercury levels rose 0.18 ppb from eating a meal of walleye.

In 1987, as a result of the strong consensus between state agencies, environmental and sporting groups, and the Department of Administration (DOA) Acid Deposition Research Council, the Council identified the relationship between mercury bioaccumulation and acid deposition as the top state research priority. As a result, the state has begun a multi-million dollar research effort, funded by the state and the Electric Power Research Institute. Although this research effort continues, results to date indicate that atmospheric deposition is the major source of mercury to the study lakes and that sediments are the major sink. They also indicate that methylmercury is derived primarily from in-lake processes and that most of the methylmercury in the study lakes is stored within the fish populations.

## ANALYSIS

The proposed research project is a three-year project, to be conducted by the Environmental Health Laboratory, University of Wisconsin-Superior. The project is designed to evaluate the potential health effects of consumption of mercury-contaminated fish by the Lac du Flambeau band of Lake Superior Chippewa. The Lac du Flambeau band has resided in the "Lakeland" area of north central Wisconsin for over 200 years. In 1990, the tribal membership numbered 1414, including 451 adult females and 589 children. Subsistence fishing holds great social and spiritual significance among tribal members and many members are also dependent on fish for a significant portion of their diet.

According to the Great Lakes Indian Fish & Wildlife Commission, the 1992 Lac du Flambeau walleye harvest totaled 9,180 and fish length averaged 14.8 inches. In Vilas County, this size of fish often falls within Group 2 of the fish consumption advisory issued by the DNR and DHSS. That advisory recommends that pregnant women, breastfeeding women, women who plan to have children and children under age 2 avoid consumption of Group 2 fish. All other persons are advised to eat no more than 26 meals of Group 2 fish per year and no more than 13 meals of Group 2 fish per month. Tribal officials estimate that many tribal anglers/spearers and their families are consuming mercury-contaminated fish at rates greater than those recommended within the fish consumption advisory.

The proposed research project contains the following three components, to be conducted concurrently: 1) human neurophysiological testing and epidemiological evaluation; 2) laboratory rodent neurophysiological testing, and; 3) contaminant analysis of fish, human (blood, breast milk and hair) and rodent samples.

The total budget for this project is \$15,000, of which \$8,600 is contained in this request. The funds are available from the DNR annual appropriation of \$354,000 PR-0 under s. 20.370 (2)(cj) for acid deposition research and monitoring activities. These funds originate through an *pro-rata* assessment by the Public Service Commission on Wisconsin electric utility sulfur dioxide emissions. The \$8,600 PR which is requested is available from carryover of unspent FY92 revenue. An additional \$5,400 will be provided by DOA utility assessment funds.

The state Acid Deposition Research Council, which has the statutory charge to recommend research funding priorities, supports release of these funds to support this study. These funds are to be targeted to further support the laboratory rodent component of this study, to further investigate behavioral effects in rats fed contaminated fish.

## RECOMMENDATION

Approve the request.

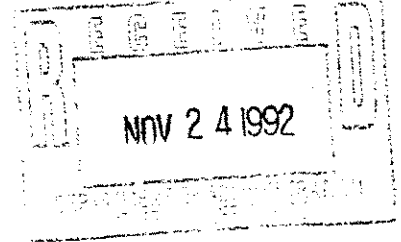


**CORRESPONDENCE/MEMORANDUM**

State of Wisconsin

Date: November 19, 1992  
To: Shelley Moore -- DOA

From: Joe Polasek, DNR



Subject: 16.515 Request for Increased Expenditure Authority

**REQUEST:** The Department requests \$8,600 in increased expenditure authority (base is \$354,000) under appropriation 20.370 (2)(c) for Acid Deposition Research activities for FY92-93. This increase would be used to partially support a research proposal to assess the human risk of consuming mercury contaminated fish. This project has been reviewed and authorized by the Acid Deposition Research Council at its September 30 meeting.

**BACKGROUND:**

The Lac Du Flambeau Band of Lake Superior Chippewa represents a human population of high consumers of mercury to contaminated fish. The Band's dependence on fish points to the need for evaluating the consequence, if any, of consuming mercury-laden fish from northern Wisconsin. The data obtained in this study will be used to determine whether long term studies of this human population are warranted. Furthermore, the development of these screening methods will be useful in assessing other at-risk populations.

The Lac Du Flambeau Band has resided in the "Lakeland" area of North Central Wisconsin for over 200 years. The Lakeland area of Wisconsin consists of the Lac Du Flambeau chain of 10 lakes, plus 100 other lakes that cover over 9,000 acres. In 1990, the tribe consisted of 1414 members (740 females, 589 children under 16 years of age). Subsistence fishing continues to hold great social and spiritual significance among the tribal membership. With the tribal harvesting rights upheld by law, Lac Du Flambeau tribal fishermen continue to increase the amount of fish harvested each year. Walleye harvest in 1990 was 8,267. This amount was up from the 1986 total walleye harvest of 5,748. The average length of fish harvested is 15.8 inches. In Vilas County, this length of walleye most often is in the Group 2 category of the Wisconsin published fish consumption advisory. That advisory recommends that pregnant or breastfeeding women, women who plan to have children and children under the age of 2 should not eat Group 2 fish. All other people should not eat more than 26 meals of Group 2 fish per year and no more than 13 of these meals in a month. Tribal officials estimate many fishermen and their families are consuming contaminated fish at greater rates than current Wisconsin advisory recommendations.

**RESEARCH STUDY:**

The proposed research study of the Lac Du Flambeau tribe will require three years.

Three concurrent research efforts will be completed: (1) human neurophysiologic testing and epidemiology (2) laboratory rodent neurophysiologic testing and (3) contaminant analysis of fish, human (blood, breast milk and hair) and rodent samples.

The funds from the Acid Deposition Research Council will support the laboratory rodent neurophysiologic testing. Previous studies have shown methylmercury can cause behavioral effects in laboratory rats. Furthermore, studies have demonstrated behavioral effects in rats fed contaminated Lake Ontario fish. Therefore, as part of this assessment of risk, the study will include a rodent 90 day subchronic feeding study and a rodent developmental neurotoxicology study using Sprague Dawley Hooded rats and walleyes caught from lakes fished by the Lac Du Flambeau tribe.

The proposed budget for this work amounts to ca. \$15,000. The ADRC funding of \$8,600 will help support this phase of the research.

The research is being conducted by the Environmental Health Laboratory at the University of Wisconsin-Superior. The principal investigator is the Director of the Laboratory, Dr. John Dellinger.

ANTICIPATED PROGRAM REVENUE BALANCE:

Cash balance 9/30/92	\$ 8,600
Anticipated 1992-93 Revenues	354,000
Existing Expenditure Authority	354,000
This request	<u>8,600</u>
Balance if request is approved	0.0

Approved:

  
James T. Addis, Administrator

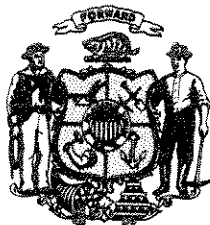
cc: R. Dumke - RS/4  
D. Theiler - AM/7  
J. Chazin - AM/7  
D. Knauer - RS/SD  
G. Brandenburg - FN/1  
P. Willihnganz - PE/5  
J. Polasek - MB/5  
J. Stewart - MB/5  
S. Felker-Donsing - MB/5

# State of Wisconsin

SENATE CHAIR

**GARY R. GEORGE**

Room 119 South  
State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: 266-2500



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

March 23, 1993

TO: JOINT COMMITTEE ON FINANCE MEMBERS

FROM: Senator Gary R. George  
Representative Barbara J. Linton  
Co-Chair, Joint Committee on Finance

Attached is a copy of a request from the Department of Administration dated March 22, 1993, under s. 16.515/16.505(2) of the statutes.

Please review this item and notify our office not later than Monday April 12, 1993, 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.

GRG:BJL:lmr

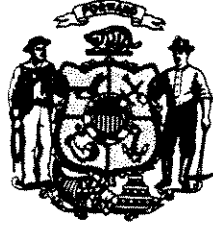
Attachments

# State of Wisconsin

SENATE CHAIR

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Phone: 266-2500



ASSEMBLY CHAIR

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P.O. Box 8952  
Madison, WI 53708-8952  
Phone: 266-7690

## JOINT COMMITTEE ON FINANCE

April 12, 1993

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

FROM: Senator Gary R. George  
Representative Barbara J. Linton  
Co-Chair, Joint Committee on Finance

We have reviewed the request from the Department of Administration dated March 22, 1993, under ss. 16.505(2) and 16.515.

Please be advised that we have found no objections to it and accordingly, it is approved effective April 13, 1993.

GRG:BJL:lmr

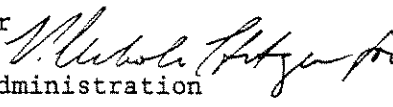
cc: Roger Grossman

**CORRESPONDENCE/MEMORANDUM**

**STATE OF WISCONSIN  
Department of Administration**

*Date:* Mar. 15, 1993

*To:* Honorable Gary R. George, Co-Chair  
Honorable Barbara J. Linton, 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>1991-92</u>		<u>1992-93</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
St.Treas. 20.855(6)(i)	Misc. Prog. Revenue			\$ 6,500	0.5*
S.F.P.B. 20.190(1)(h)	General Prog. Operations			358,600	

\* 6 month project position.

As provided in s. 16.515, this request will be approved on Apr. 5, 1993 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 State Executive Budget and Planning, if you have any additional questions.

Attachments:

**CORRESPONDENCE MEMORANDUM**

STATE OF WISCONSIN  
Department of Administration

*Date:* March 5, 1993

*To:* James R. Klauser, Secretary  
Department of Administration

*From:* Julie Keal, Budget Analyst  
Division of Executive Budget and Planning

*Subject:* S. 16.505/16.515 request from the Office of the State Treasurer.

Request

The Treasurer requests 0.5 FTE permanent positions, \$19,380 in salaries and fringe benefits, and \$5000 for a computer under s.20.585(1)(js).

Background

At its January 28, 1993 meeting, the Depository Selection Board changed the method by which the state pays bank service fees. Until recently, the amount of interest earned on compensating balances was sufficient to cover these fees. Low interest rates and reduced balances due to a change in federal cash management policy, however, currently combine to produce insufficient interest. This situation is expected to continue. The board, in accordance with s. 34.045(1)(b), has determined that excess bank service charges will be paid from the state investment fund. The Treasurer will be required to allocate these fees to the appropriate state fund.

Analysis

This allocation of bank service charges will be a continuing and time-consuming activity for the Treasurer. Because of the technical nature and amount of the work, the Treasurer cannot assign these duties to an existing employe or position. A half-time range 15 accountant will be able to perform these duties.

However, the appropriation under s.20.585(1)(js) is not a proper funding source for this request. That appropriation funds the Treasurer's duties as custodian of securities for the state investment fund. These bank service charges are not related to securities and the Treasurer's costs in allocating them cannot be charged to that appropriation.

Recommendation

Approve the request with the following modifications. First, approve the position as a six month project position with funding of \$6500 in FY93 and \$4800 in FY94 from s. 20.855(6)(i). That appropriation allows the department of administration to establish numeric subunits for state agencies receiving revenue for which no specific appropriation has been made. The temporary use of this appropriation for three months in FY93 and three months in FY94 is proper under these circumstances.

Second, request the Joint Committee on Finance to consider amending 1993 Senate Bill 44 by converting the project position to a permanent position and creating a program revenue - service appropriation for the Treasurer's expenses arising from services to the depository selection board.

DATE: February 25, 1993  
TO: Julie Keal, State Budget Office  
FROM: Mike Piasecki, State Treasury  
RE: 13.10 Request

#### ISSUE

At the January 28, 1993 meeting of the Depository Selection Board, the Board Members unanimously approved a motion to change the method by which the state pays its bank service fees. The new methodology will create a substantial change in the workload of the State Treasurer's Office.

#### BACKGROUND

In previous years, the state has had a number of accounts that carried large cash balances where it was not possible or desirable to control the cash in these accounts. The earnings generated by these balances had been sufficient to pay the state's banking service charges. Now, however, the Federal agencies have tightened up their cash management policies and those large, uncontrollable balances no longer exist. In addition, with interest rates low, it takes larger cash balances to generate enough credits to pay for banking services.

Recently, given the current interest rate environment and reduced uncontrollable balances, it had become necessary to deposit additional monies at the Bank in order to generate sufficient credits to offset the State's banking costs. These are monies that would otherwise be invested at higher rates by the Investment Board.

In reaction to these events, the Depository Selection Board directed that effective immediately, all monthly banking fees not paid through compensating balance interest earned, was to be paid directly from the income account of the State Investment Fund. The Investment Fund earnings of each statutory fund will be reduced by the amount of banking fees attributed to that fund.

#### REQUEST

The accumulation of data and the determination of the allocation of bank fees to the appropriate statutory fund will be performed by the State Treasurer's Office. However, this is a very technical and time intensive procedure for which Treasury does not have adequate staff.

Therefore, the State Treasurer respectfully requests the creation of a half FTE Accountant-Senior level position. This position would be responsible for determining the proper allocation of charges to



each statutory fund and then processing the required accounting entries.

#### COST

It is proposed that due to the level of accounting expertise needed, that the position should be at a pay range 15. At a hourly rate of \$15.213 and fringe costs of 22.5%, the annual cost of this position would be \$19,380.00.

The initial allocation of costs to the funds will be done in March. Therefore, it is important that the position be approved by March 31, or earlier if possible.

In addition, this individual would require a P.C. with a network card, at their workstation at a one-time cost of \$5,000.00.

These costs would be included in the amounts charged back monthly to the funds which participate in the Investment Fund through the agency's 132, Custodian of State Funds, appropriation.

#### JUSTIFICATION

This change in the procedure of the payment of bank fees will generate an additional \$500,000 to \$800,000 per year in Investment Fund earnings, approximately 50% of which will go to the General Fund.


CC: Kerrie Kephart, LFB

**CORRESPONDENCE/MEMORANDUM**

STATE OF WISCONSIN  
Department of Administration

Date: March 9, 1993

To: James R. Klauser, Secretary

From: Robert G. Cramer, Policy and Budget Analyst 

Subject: S. 16.515 Request from State Fair Park for Entertainment expenses and LTE salaries.

**REQUEST**

State Fair Park requests increased expenditure authority of \$414,600 PRO in FY93 in its general program operations appropriation under s. 20.190 (1)(h). This includes \$241,500 PRO for expenses relating to entertainment and \$173,100 PRO for additional LTE staff and an auto race coordinator.

**BACKGROUND**

Entertainment: Up to eleven grandstand acts are scheduled during the State Fair. Entertainers booked for the grandstand are typically guaranteed a minimum payment, with additional payment based on a percentage of gate receipts. Popular acts demand a higher guarantee, and receive a higher payment from gate receipts. Part of the entertainment shortage is due to the success of the Alabama and Garth Brooks grandstand acts at the 1992 Fair. They resulted in \$160,000 in contract payments; however, these two shows generated an estimated \$407,000 PRO in grandstand ticket sales.

The other \$81,500 PRO in entertainment costs was for increased minimum guarantees for other acts during the 1992 Fair.

Special Event LTE Labor: The Park booked six new events in FY92 and FY93. Each was profitable, but required the hiring of substantial LTE labor. The additional expenses and revenues were:

	<u>LTE</u> <u>Salaries</u>	<u>Billed LTE</u> <u>Revenue</u>
Milwaukee Home Show (New in FY92)	\$ 8,600	\$10,900
Leader Stereo Sale (New in FY92)	3,500	4,500
Ultimate Haunted House (New in FY92)	16,000	20,900
WI Polled Herefords (New in FY93)	2,200	3,300
Midwest Ceramic (New in FY93)	1,600	2,000
Snowmobile '93 (New in FY93)	<u>3,700</u>	<u>5,000</u>
TOTAL	\$35,600	\$46,600

The Park also experienced increased LTE costs for three existing events. The American Stock Association (ASA) auto race was rained out on July 12, 1992; it was rescheduled for July 19, 1992. The State Fair's centennial celebration in August, 1992 led to additional LTE costs above those anticipated for the Fair. Because of a scheduling problem during the transition between race promoters, the 1992 Miller 200 was held on June 28, 1992, the first payroll day of FY93. The 1993 Miller 200 will also be held in FY93. The in LTE costs associated with these events is \$63,500 PRO.

Anticipated LTE Labor: The Park anticipates additional expenses for LTE labor in FY93 for a new Harley Hog motorcycle show in June (\$18,000 PRO) and implementation of the new state accounting system (\$6,000 PRO).

Race Coordinator: The State Fair Park has been engaged in changing race promoters since 1991. A consultant was hired in April 1991 to manage the transition. An LTE position has been utilized for this purpose since that time. The Park requests \$50,000 PRO to continue funding this position.

#### ANALYSIS

Entertainment: The additional entertainment expense reflects the Park's ongoing efforts to provide quality acts during the State Fair. The expenditures reflect the 1992 Fair's success.

Special Event LTE Labor: The additional LTE labor for the six new events at the Park generated revenue in excess of expenses. The Park should be encouraged to schedule new events as they become available. The increase in LTE labor due to the rescheduling of the ASA 200 and the Miller 200 occurring twice in FY93 are legitimate expenses by the Fair in operating its racing program. The increase in LTE labor from the centennial celebration exceeded the projection made in preparing the 1991-93 budget. Again, this is a legitimate expenditure by the Park for operating the Fair.

The above expenditures are based on the legitimate activities of State Fair Park. If the additional spending authority is not approved, similar events would have to be canceled during the remainder of this fiscal year.

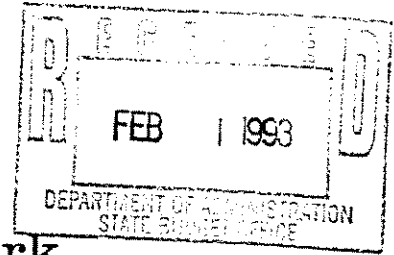
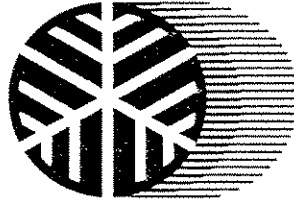
Anticipated LTE Labor: The additional LTE labor requested for the upcoming Harley Hog show reflects the Park's continuing efforts to expand the number of events occurring outside the traditional Fair. This event and others like it should be encouraged at the Park.

The \$6,000 PRO requested for LTE labor to assist with the transition to the new state accounting system is not an accurate estimate of the Park's needs and does not reflect possible computer equipment required for the conversion. If additional expenditures are required for the transition, up to \$31,600 can be transferred from unallotted reserve for them. This was budgeted for the operating costs of the new Trade Mart building at the Park. However, the building will not be open until FY94. The balance will be transferred to the Park's capital appropriation on June 30, 1993.

Race Coordinator: The State Fair Park Board clearly has the authority to hire outside advisors as it deems necessary. However, it is expected that such expenses, which are not of an emergency nature, are to be offset by reallocating existing resources within the Park's existing budget. It is the responsibility of the Board to identify resources for engaging outside expertise prior to contracting for it.

#### RECOMMENDATION

Approve the requested spending authority increase under s. 20.190 (1)(h) in the amount of \$358,600 PRO (\$241,500 in FY93 for additional entertainment expenses and \$117,100 for additional LTE labor). Retain \$31,600 PRO in unallotted reserve in the appropriation under s. 20.190 (1)(h) for possible expenses related to the state accounting system. Deny the requested funding for the auto race coordinator and accounting system LTEs.



## Wisconsin State Fair Park

January 29, 1993

Mr. Robert Cramer - Budget Analyst  
Dept. of Administration -  
Budget & Planning  
101 E. Wilson St., 10th Floor  
Madison, WI 53707

RE: Fiscal Year 1993 Financial Projection as of 12/31/92.

Dear Rob:

The subject report is enclosed. It appears that we may exceed the expenditure appropriation by \$407,600, or 4.6%. However, we also anticipate a revenue increase of \$583,500 or, 5.7%.

The major shortage areas are entertainment services and LTE salaries.

Part of the entertainment shortage can be attributed to the unanticipated success of the Alabama and Garth Brooks shows, resulting in \$160,000 in contract percentage payments. This was in addition to the \$170,000 base guarantee payments. However, these two shows also generated \$407,000 in gross grandstand admission ticket sales.

The projected LTE shortage is attributable to a number of factors. Among them is the fact that our biggest racing event, the 1992 Miller 200, fell on 6/28/92, the 1st FY93 payroll day, while the 1993 Miller 200, scheduled for 6/6/93, will also fall in FY93. The racing daily LTE salary cost is approximately \$15,000.00.

Our 2nd largest racing event, the ASA 200, was rained out on 7/12/92. As a result it was re-run on 7/19/92, with another complete race day's LTE expense.

Another factor is, that due to the unforeseen complexity of changing race promoters, we are incurring the LTE salary expense of a racing coordinator.

We have booked another new major event, the Harley Hog Show, in mid June, 1993. This will encompass the entire park and cause us to incur an estimated \$15-20,000 in LTE salary expense.

We are also anticipating LTE expenses due to security and grounds requirements for the new Pettit Ice Center.

We would like to address the above two major items by requesting additional FY93 16515 appropriations for \$241,500 in entertainment services, and for \$173,100 in LTE salaries.

Anything you can do to expedite processing these requests will be greatly appreciated. These modifications, to our fixed operating budget, are essential for continued profitable operation of the Park.

Thank you for your cooperation.

Best Personal Regards,

STATE FAIR PARK BOARD



Douglas J. Smith  
Business Manager

DJS/sh

cc: Billy Greiner  
Jack Denton  
Kendra Bonderud - Legis. Fiscal Bureau  
State Fair Park Board Members

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN

Date: 1/29/93  
To: Rob Cramer - Budget Analyst  
D.O.A. - Budget & Planning

File Ref: cc: Billy Greiner  
Jack Denton  
Fair Park Board

From: Doug Smith - Business Manager  
State Fair Park Board



Subject: 16515 request for \$241,500 in additional appropriation, to cover projected FY93 shortage in Entertainment Appropriation 130.

Part of the entertainment shortage can be attributed to the unanticipated success of the Alabama and Garth Brooks shows, resulting in \$160,000 in contract percentage payments. This was in addition to the \$170,000 base guarantee payments. However, these two shows also generated \$407,000 in gross grandstand admission ticket sales.

The balance of the shortage can be attributed to the higher guarantees demanded by entertainers to perform in the competitive Milwaukee area market.

The Park's requested guarantee amount in the 1991-93 biennium budget was \$774,000. The final approved budget reduced this amount to approximately \$697,000. The actual base guarantees to book the 11 days of the Aug. 6-16, 1992 fair amounted to \$820,000.

This \$283,000 (\$160,000 percent + \$123,000 guarantee) grandstand shortage, is partially offset by \$41,500 in efficiencies in other areas of the APPN 130 Entertainment budget, resulting in the net \$241,500 shortage in the subject allotment request.

## CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN

Date: 1/29/93  
 To: Rob Cramer - Budget Analyst  
 D.O.A. - Budget & Planning

File Ref: cc: Billy Greiner  
 Jack Denton  
 Fair Park Board

From: Doug Smith - Business Manager  
 State Fair Park Board

Subject: 16515 request for \$173,100 in additional appropriation, to cover projected FY93 shortage in LTE salaries in General Appropriation 132.

The primary causes of the \$173,100 shortfall are listed below:

- 1) \$35,600 - Booked (6) new profitable, but LTE labor intensive, events. The added LTE salary costs (including Public Safety, Grounds, and Ticketing Personnel) are shown below. Also shown are the amounts billed to the event promoters for these hourly services, which becomes State Fair revenue.

	LTE HRS	LTE SALARIES	BILLED LTE REVENUE
1) WI Polled Herefords(7/17-18/92)	337	\$ 2,170	\$ 3,310
2) Midwest Ceramic (8/21-23/92)	239	1,594	2,007
3) Milw. Fall Home (10/8-11/92)	1344	8,563	10,866
4) Leader Stereo Sale(10/16-18/92)	537	3,520	4,520
5) Ultimate Haunted Maze(10/8-31/92)	2215	16,030	20,898
6) Snowmobile '93 (10/31-11/1/92)	552	3,713	4,975
Total	5224	\$35,590	\$ 46,576
	=====	=====	=====

- 2) \$18,000 - anticipated LTE expense for new Harley Hog show booked for mid June, 1993.
- 3) \$50,000 - LTE race coordinator on staff due to unforeseen complexity of changing race promoters.
- 4) \$15,000 - Our biggest racing event, the 1992 Miller 200, fell on 6/28/92, the 1st FY93 payroll day, while the 1993 Miller 200, scheduled for 6/6/93, will also fall in FY93.
- 5) \$12,000 - Our 2nd largest racing event, the ASA 200, was rained out on 7/12/92. As a result it was re-run on 7/19/92, with another complete race day's LTE expense.
- 6) \$6,000 - Anticipated LTE assistance with WISMART accounting system transition.
- 7) \$36,500 - Increases in various LTE labor categories due to the 1892-1992 Centennial celebration at the August 6-16, 1992 fair.

STATE FAIR PARK BOARD  
 FISCAL YEAR 1993 FINANCIAL PROJECTION @ DECEMBER 31, 1992  
 OPERATING APPROPRIATIONS 128, 130, & 132

REVENUE	Fiscal YTD thru Dec. 31, 1992		Projected Jan. 1, 1993-Jun. 30, 1993		Total Projected Fiscal Year 1993					
	Actual	Budget	Actual Over Under Budget	Actual	Budget Under Budget	Actual	12 Mo. Actual Over Budget Under Budget			
Prior Bal. Revenue	\$35,100	\$35,100	\$0	\$0	\$0	\$0	\$35,100	\$35,100	\$0	
Program Revenue-Park	\$7,831,300	\$7,543,400	\$287,900	\$2,569,500	\$2,609,300	(\$39,800)	\$10,400,800	\$10,152,700	\$248,100	
Program Revenue-FNITC	\$0	\$0	\$0	\$335,400	\$0	\$335,400	\$335,400	\$0	\$335,400	
<b>Total REV</b>	<b>\$7,866,400</b>	<b>\$7,578,500</b>	<b>\$287,900</b>	<b>\$2,904,900</b>	<b>\$2,609,300</b>	<b>\$295,600</b>	<b>\$10,771,300</b>	<b>\$10,187,800</b>	<b>\$583,500</b>	
<b>EXPENDITURES</b>										
Perm. Salaries	\$537,900	\$511,300	\$26,600	\$629,600	\$605,000	\$24,600	\$1,167,500	\$1,116,300	\$51,200	
LTE Salaries:										
General	\$1,167,600	\$1,049,000	\$118,600	\$426,900	\$372,400	\$54,500	\$1,594,500	\$1,421,400	\$173,100	
Entertainment	\$113,100	\$113,400	(\$300)	\$0	\$0	\$0	\$113,100	\$113,400	(\$300)	
LTE Sub-Total	\$1,280,700	\$1,162,400	\$118,300	\$426,900	\$372,400	\$54,500	\$1,707,600	\$1,534,800	\$172,800	
Fringe Benefits:										
General	\$302,000	\$237,300	\$64,700	\$260,100	\$250,800	\$9,300	\$562,100	\$488,100	\$74,000	
Entertainment	\$8,700	\$9,700	\$0	\$0	\$0	\$0	\$8,700	\$8,700	\$0	
Fringe Sub-Total	\$310,700	\$246,000	\$64,700	\$260,100	\$250,800	\$9,300	\$570,800	\$496,800	\$74,000	
Supply, Services:										
General	\$2,453,700	\$2,553,500	(\$99,800)	\$1,590,900	\$1,592,000	(\$1,100)	\$4,044,600	\$4,145,500	(\$100,900)	
Entertainment	\$1,282,000	\$1,060,800	\$221,200	\$56,300	\$36,000	\$20,300	\$1,338,300	\$1,096,800	\$241,500	
Advertising	\$224,600	\$230,800	(\$6,200)	\$135,300	\$129,100	\$6,200	\$359,900	\$359,900	\$0	
SuppSer Sub-Tot	\$3,960,300	\$3,845,100	\$115,200	\$1,782,500	\$1,757,100	\$25,400	\$5,742,800	\$5,602,200	\$140,600	
Perm. Property	\$66,000	\$69,200	(\$3,200)	\$21,200	\$17,400	\$3,800	\$87,200	\$86,600	\$600	
Unallotted Reserve	\$0	\$0	\$0	\$0	\$31,600	(\$31,600)	\$0	\$31,600	(\$31,600)	
<b>Total EXP</b>	<b>\$6,155,600</b>	<b>\$5,834,000</b>	<b>\$321,600</b>	<b>\$3,120,300</b>	<b>\$3,034,300</b>	<b>\$86,000</b>	<b>\$9,275,900</b>	<b>\$8,868,300</b>	<b>\$407,600</b>	
OPERATIONAL INCOME	\$1,710,800	\$1,744,500	(\$33,700)	(\$215,400)	(\$425,000)	\$209,600	\$1,495,400	\$1,319,500	\$175,900	
Debt Service-Park	\$374,600	\$401,100	(\$26,500)	\$237,700	\$211,200	\$26,500	\$612,300	\$612,300	\$0	
Debt Service-FNITC	\$0	\$0	\$0	\$249,400	\$0	\$249,400	\$249,400	\$0	\$249,400	
Lease/Purch(Cap. Impr.)-FNITC	\$0	\$0	\$0	\$60,000	\$60,000	\$0	\$60,000	\$60,000	\$0	
<b>NET INCOME</b>	<b>\$1,336,200</b>	<b>\$1,343,400</b>	<b>(\$7,200)</b>	<b>(\$162,500)</b>	<b>(\$696,200)</b>	<b>(\$66,300)</b>	<b>\$573,700</b>	<b>\$647,200</b>	<b>(\$73,500)</b>	

FOOT NOTES:  
 1) 1st Quarter SuppSer. budgeted exp. includes \$35,100 prior year encumbrance carry forward.  
 2) This report reflects FNITC (Peltit National Ice Training Center) revenues and expenditures. (Note): The \$10,000 per mo. lease/purchase expenditure for bleachers and switch gear, shown above, are actually paid from Capital Improv. Approp. 133.

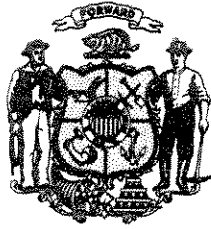


# State of Wisconsin

SENATE CHAIR

**GARY R. GEORGE**

Room 119 South  
State Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: 266-2500



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

March 17, 1993

TO: JOINT COMMITTEE ON FINANCE MEMBERS

FROM: Senator Gary R. George  
Representative Barbara J. Linton  
Co-Chair, Joint Committee on Finance

Attached are copies of requests from the Department of Administration dated March 15, 1993, under s. 16.515/16.505(2) of the statutes.

Please review these items and notify our office not later than Friday, April 2, 1993, if you have any concerns about the requests or would like the Committee to meet formally to consider them.

Also, please contact us if you need additional information.

GRG:BJL:lmr

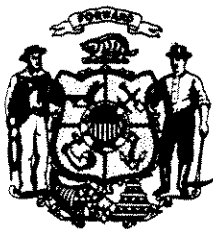
Attachments

# State of Wisconsin

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## JOINT COMMITTEE ON FINANCE

April 2, 1993

Secretary James R. Klauser  
Department of Administration  
101 East Wilson Street  
Madison, WI 53703

Dear Secretary Klauser:

On March 15, 1993, ss.16.505/16.515 requests relating to the Office of the State Treasurer and the State Fair Park Board -- as approved by your Department --- were forwarded to the Joint Committee on Finance for review.

With respect to the proposed increase for the State Fair Park Board, the Committee approves the request for an increase of \$358,600 PR in expenditure authority in 1992-93 with the understanding that this amount will not be added to 1993-95 appropriations under s. 16.517.

With respect to the proposed funding increase and additional position authorization for the Office of the State Treasurer, there is objection to this request and the Co-chairs will schedule this item for a meeting of the Committee.

A handwritten signature in black ink that reads "Gary R. George".

GARY R. GEORGE  
Senate Chair

Sincerely,

A handwritten signature in black ink that reads "Barbara J. Linton".

BARBARA J. LINTON  
Assembly Chair

GRG/BJL/lmr

cc: Members

Joint Committee on Finance



MAR 26 1993

Mailing address:  
P. O. Box 7871  
Madison, WI 53707-7871

**Cathy S. Zeuske**  
State Treasurer of Wisconsin

Phone: 608/266-1714  
FAX: 608/266-2647

101 E. Wilson Street, Floor 5 • Madison, WI      March 22, 1993

Senator Gary George  
Room 115 S., State Capitol  
Madison, WI 53707

Dear Senator George,

Attached you will find a S. 16.505/16.515 request for a half-time accountant position.

As stated in the background paper, the Public Depository Selection Board, of which I am a member, determined that a new method of distribution of bank service fees should be utilized for reasons of financial gain and as a result of circumstances outside of the State's control.

The new method will change the payment of bank fees from compensating balances to direct fees and will generate an additional \$500,000 to \$800,000 per year in Investment Fund earnings, approximately 50% of which will go to the General Fund. Because of the large amount of savings which would be realized, the Depository Selection Board decided that the new method of paying bank fees should be effective immediately.

Due to the fact that all of the information needed for the calculations is used and stored in Treasury, it is appropriate that the allocation of service charges to the funds should be performed by Treasury.

I believe that the additional earnings which will be generated provide sufficient justification for this position. However, since this is a new method, a proper funding source does not currently exist and will need to be created in order to properly charge this position across the funds. As the attached memo explains, this position will need to be made permanent in the budget bill.

I would appreciate the opportunity to discuss this request with you at your earliest convenience.

Sincerely,

A handwritten signature in cursive script that reads 'Cathy S. Zeuske'.

Cathy S. Zeuske  
State Treasurer

RESPONSE MEMORANDUM

STATE OF WISCONSIN  
Department of Administration

Date: March 5, 1993

To: James R. Klauser, Secretary  
Department of Administration

From: Julie Keal, Budget Analyst  
Division of Executive Budget and Planning

Subject: S. 16.505/16.515 request from the Office of the State Treasurer.

Request

The Treasurer requests 0.5 FTE permanent positions, \$19,380 in salaries and fringe benefits, and \$5000 for a computer under s.20.585(1)(js).

Background

At its January 28, 1993 meeting, the Depository Selection Board changed the method by which the state pays bank service fees. Until recently, the amount of interest earned on compensating balances was sufficient to cover these fees. Low interest rates and reduced balances due to a change in federal cash management policy, however, currently combine to produce insufficient interest. This situation is expected to continue. The board, in accordance with s. 34.045(1)(b), has determined that excess bank service charges will be paid from the state investment fund. The Treasurer will be required to allocate these fees to the appropriate state fund.

Analysis

This allocation of bank service charges will be a continuing and time-consuming activity for the Treasurer. Because of the technical nature and amount of the work, the Treasurer cannot assign these duties to an existing employe or position. A half-time range 15 accountant will be able to perform these duties.

However, the appropriation under s.20.585(1)(js) is not a proper funding source for this request. That appropriation funds the Treasurer's duties as custodian of securities for the state investment fund. These bank service charges are not related to securities and the Treasurer's costs in allocating them cannot be charged to that appropriation.

Recommendation

Approve the request with the following modifications. First, approve the position as a six month project position with funding of \$6500 in FY93 and \$4800 in FY94 from s. 20.855(6)(i). That appropriation allows the department of administration to establish numeric subunits for state agencies receiving revenue for which no specific appropriation has been made. The temporary use of this appropriation for three months in FY93 and three months in FY94 is proper under these circumstances.

Second, request the Joint Committee on Finance to consider amending 1993 Senate Bill 44 by converting the project position to a permanent position and creating a program revenue - service appropriation for the Treasurer's expenses arising from services to the depository selection board.