

1995-96 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

➤ 95hrJC-Fi_Misc_pt16

➤ Record of Comm. Proceedings ... RCP

➤ **

STATE OF WISCONSIN

Senate Chair
JOE LEEAN

Room 119 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
608-266-0751



Assembly Chair
BEN BRANCEL

Room 107 South, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
608-266-7746

JOINT COMMITTEE ON FINANCE

June 29, 1995

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

Dear Mr. Klauser:

We have reviewed the recommendations from the Department of Administration dated June 12, 1995, under ss. 16.505/515 pertaining to: (a) the Department of Justice request to create 1.0 PR criminal history records position and to transfer 7.0 law enforcement training positions between appropriations; (b) the Supreme Court's request for municipal court forms expenditure authority; and (c) the Department of Public Instruction's school-to-work request. There were no objections to these requests and accordingly they have been approved.

With respect to the June 12, 1995, supplement request for the institutional operations appropriation for King Veterans Home [s. 20.485(1)(gk)], the Committee approves the requested supplement for 1994-95 with the understanding that this is a one-time supplement and is not base-building and that any supplement need for 1995-97 must be considered in a separate s. 16.515 request.

In addition, on June 12, 1995, the Committee received a request for increased expenditure authority for the UW Hospital and Clinics. This request was not submitted to DOA until June 1 (the last day allowed by DOA). However, the items in the request were all known to Hospital administrators long before the request was submitted. If an

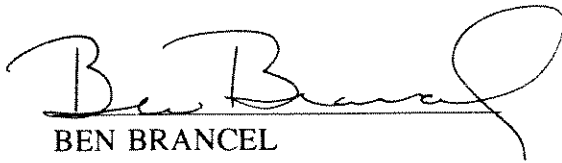
Mr. James R. Klauser, Secretary

June 29, 1995

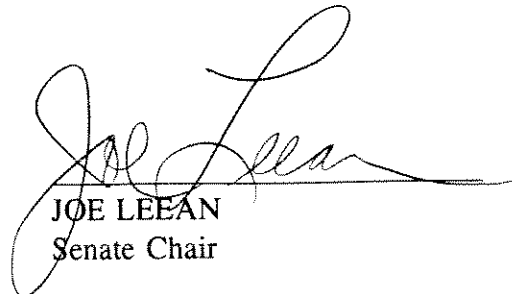
Page 2

allotment increase is needed for 1995-96 for the UW Hospital and Clinics, it should be submitted to your office no later than March 1, in order to receive proper consideration by the Committee.

Finally, the Committee has received objections to the June 12, 1995, DOA recommendation of \$39,100 in 1994-95 for the State Fair Park. As a result, a meeting on this item will be scheduled.



BEN BRANCEL
Assembly Chair



JOE LEEAN
Senate Chair

BB/JL/ns

The Assembly has an
objection to the
16.505 request of
State Fair Park Board
for \$39,000.

Objections were
due yesterday -
Schmidus objected.

Thanks

Ⓚ

STATE OF WISCONSIN

Senate Chair
JOE LEEAN

Room 119 South, State Capitol
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608-266-0751



Assembly Chair
BEN BRANCEL

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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
Joint Committee on Finance

Attached are copies of requests from the Department of Administration dated June 12, 1995 pursuant to s.16.515 and s.16.505(2) pertaining to requests from the Department of Justice (2), State Fair Park, UW Hospital and Clinics, Supreme Court, Department of Veterans Affairs and the Department of Public Instruction.

Please review these items and notify Senator Leean's office not later than Tuesday June 27, 1995 if you have any concerns about the requests or would like the Committee to meet formally to consider any of them.

Also, please contact us if you need additional information.

JL:BB:ns

Attachments

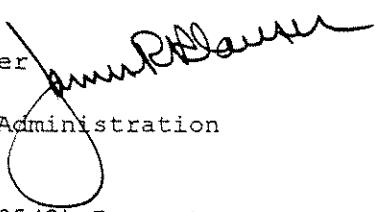
CORRESPONDENCE/MEMORANDUM

**STATE OF WISCONSIN
Department of Administration**

Date: June 12, 1995

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

From: James R. Klauser
Secretary
Department of Administration



OK

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.O.J. 20.455(2)(h)	Law Enf. Train. Fund, Terminal Charges			\$ 14300	7.0
D.O.J. 20.455(2)(ja)	Law Enf. Train. Fund, State Operations				-7.0

As provided in s. 16.515, this request will be approved on June 30, 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:

Date: June 7, 1995

To: James R. Klauser, Secretary

From: Gina Frank-Reece, Policy & Budget Analyst



Subject: S. 16.505/515 Request for the Department of Justice relating to Law Enforcement Training Fund

REQUEST:

The Department of Justice (DOJ) requests the transfer of 7.0 FTE training positions that are currently funded from the law enforcement training fund, state operations appropriation under s.20.4559(2)(ja) to the terminal charges appropriation under s.20.455(2)(h) to offset the projected deficit in the law enforcement training appropriation. In addition, DOJ requests increased expenditure authority in s.20.455(2)(h) of \$14,300 in FY95 to cover increased costs in the terminal charges appropriation.

BACKGROUND:

Under current law, a penalty assessment in the amount of 22% of court fines or forfeitures is imposed for a violation of a state law, municipal or county ordinance under s. 165.87(2)(a). A portion (49.9%) of the total revenue is deposited into a program revenue account in DOJ to fund the following: 1) reimbursements to local law enforcement for state-mandated and specialized training under s.20.455(2)(j); 2) purchase of equipment and supplies for the state crime labs under s.20.455(2)(jb); and 3) costs of state operations associated with the administration of the law enforcement training fund as well as training for state law enforcement personnel under s.20.455(2)(ja). This program revenue account constitutes the law enforcement training fund (LETF).

ANALYSIS:

In FY95, a total of \$2,356,700 of penalty assessment surcharge revenue was allocated to the law enforcement training fund, state operations appropriation under s.20.455(2)(ja) to cover the costs identified above. However, this appropriation ended FY94 with a cash deficit of \$335,000. In addition, DOJ projects that actual expenditures in this appropriation will exceed current expenditure authority by \$162,400 for a total projected year-end deficit of \$497,400 in FY95. To offset the projected deficit in this appropriation DOJ has proposed to transfer 7.0 FTE permanent training positions that are currently funded by the law enforcement training fund, state operations appropriation to the terminal charges appropriation under s. 20.455(2)(h). Since the majority of the training and support that these positions provide to law enforcement agencies is related to the TIME system, it is appropriate that these positions be funded from the money that is collected from law enforcement agencies for rental, terminal fees and related charges associated with the transaction information for management of enforcement system (TIME). The 7.0 FTE training positions consist of 1.0 Training Officer 3 - Supervisor, 4.0 Training Officer 2, and 2.0 Program Assistant positions.

DOJ could save an estimated \$376,200 in salary, fringe benefits and supplies/services costs associated with these 7.0 FTE positions in the law enforcement training fund, state operations appropriation if the transfer of the positions were made retroactive to the beginning of FY95 (July 1, 1994). This funding shift would reduce the deficit in this appropriation to \$121,200.

The following table reflects DOJ's projected expenditures and cash deficit in the law enforcement training fund, state operations appropriation under s. 20.455(2)(ja) for FY95 as well as the transfer of the 7.0 FTE training positions:

Current expenditure authority	\$2,356,700
FY95 projected expenditures	<u>\$2,519,100</u>
Projected cash deficit	(\$ 162,400)
FY94 cash deficit carried over	<u>(\$ 335,000)</u>
Total FY95 projected deficit	(\$ 497,400)
Transfer of 7.0 FTE training positions	<u>\$ 376,200</u>
FY95 ending cash deficit balance	(\$ 121,200)

Based on DOJ's revised revenue estimates for the terminal charges appropriation under s. 20.455(2)(h) for the 1995-97 biennium, there would be sufficient revenues available in the terminal charges appropriation to fund the 7.0 training positions. However, DOJ's revenue projections did not include the costs associated with a motion recently passed by the Joint Finance Committee to provide \$93,700 PR in FY96 and \$107,100 PR in FY97 to fund 2.0 four-year project positions in DOJ for the TIME system rewrite and development. These positions would be funded with TIME system user fees from the terminal charges appropriation under s.20.455(2)(h). Should this provision become law, there would not be sufficient funds available in the terminal charges appropriation to fund the 7.0 training positions through the 1995-97 biennium. Without additional revenues, the terminal charges appropriation would have a projected deficit of \$76,800 in FY96 and \$87,200 in FY97. However, current law (section 165.827) allows DOJ to impose fees on law enforcement agencies for rentals, use of terminals and related costs and services associated with the TIME system. DOJ, in conjunction with its TIME advisory committee (comprised of members of various law enforcement organizations in the State such as the Wisconsin Chiefs of Police Association) sets annual user fees. DOJ could adjust user fees to cover projected expenditures during the 1995-97 biennium.

FY 95 expenditure authority for the terminal charges appropriation is authorized at \$2,116,500. DOJ projects spending of about \$1,754,600 prior to the transfer of the 7.0 training positions. Therefore, DOJ will need increased spending authority of \$14,300 in this appropriation in order to cover the costs of transferring the 7.0 training positions in FY95. AB 150 establishes expenditure authority in the terminal charges appropriation for the 1995-97 biennium at \$2,149,000 annually. DOJ estimates that it will spend \$1,976,630 in FY96 and \$1,992,267 in FY97 (including the transfer of the 7.0 training positions) and therefore it will not need increased expenditure authority beyond what is already provided for in the 1995-97 budget.

S. 16.505 Request

June 7, 1995

Page 3

RECOMMENDATION:

Approve the transfer of 7.0 FTE training positions that are currently funded from the law enforcement training fund, state operations appropriation under s.20.455(2)(ja) to the terminal charges appropriation under s.20.455(2)(h) retroactive to July 1, 1994. To accomplish this funding shift, 7.0 FTE training positions need to be deleted from appropriation s. 20.455(2)(ja) and created in appropriation s.20.455(2)(h). In addition, provide increased expenditure authority of \$14,300 in FY95 to fully fund the transfer of the 7.0 training positions.



STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

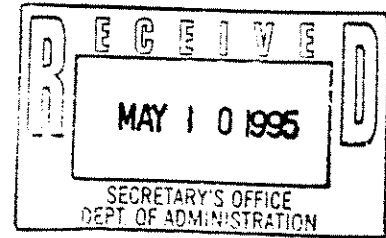
JAMES E. DOYLE
ATTORNEY GENERAL

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

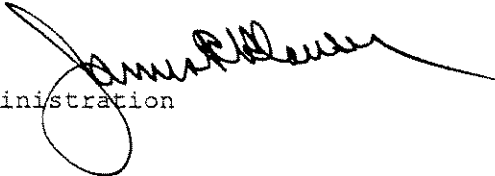
CORRESPONDENCE/MEMORANDUM

**STATE OF WISCONSIN
Department of Administration**

Date: June 12, 1995

To: Honorable Joseph Leean, 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>
S.F.P. 20.190(1) (h)	LTE Salaries			\$ 39,100	
U.W.S. 20.285(1) (kb)	U.W. Hospitals and Clinics			1,900,000	
Sup. Crt. 20.680(2) (h)	Form Program Costs			3,400	
D.V.A. 20.485(1) (gk)	Institutional Operations			229,270	

As provided in s. 16.515, this request will be approved on June 30, 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:

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>
S.F.P. 20.190(1)(h)	LTE Salaries			\$ 39,100	
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Sup. Crt. 20.680(2)(h)	Form Program Costs			3,400	
D.V.A. 20.485(1)(gk)	Institutional Operations			229,270	

As provided in s. 16.515, this request will be approved on _____, 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: June 1, 1995

To: James R. Klauser
Secretary

From: Doug Percy
Policy and Budget Analyst

Subject: s. 16.515 Request from State Fair Park Relating to Expenditure Authority for LTE Salaries

Request

State Fair Park requests increased expenditure authority of \$39,100 PRO in FY95 for LTE salaries under s. 20.190(1)(h)--general program operations appropriation.

Background

In an effort to diversify revenues, State Fair Park has attempted to increase usage of Park facilities throughout the year. While these events generate new revenues, they also generate additional expenditures. These expenditures occur mainly in the area of LTE salaries for event clean-up and public safety. State Fair Park needs additional expenditure authority of \$39,100 in order to meet projected expenditures on LTE salaries.

Analysis

It is estimated that LTE salaries will exceed budgeted authority by \$235,700 in FY95. In addition, permanent salaries are estimated to exceed the budget by \$37,700. These deficits are offset in part by a projected surplus of \$234,300 on the supplies and services line. However, additional expenditure authority of \$39,100 is needed on the LTE salary line to meet projected expenditures. Based on current projections, State Fair Park will have a FY95 combined ending balance of \$446,200 in all appropriations which will be sufficient to meet this request.

State Fair Park (Projected vs. Budgeted Expenditures)

<u>Expenditures</u>	<u>Projected Expenditures</u>	<u>Budget Authority*</u>	<u>Variance</u>
Permanent Salaries	\$1,303,500	\$1,265,800	(\$37,700)
LTE Salaries	\$2,028,900	\$1,793,200	(\$235,700)
Fringe Benefits	\$683,700	\$683,700	\$0
Supplies and Services	\$6,671,200	\$6,905,500	\$234,300
Permanent Property	\$88,100	\$88,100	\$0
Total	\$10,775,400	\$10,736,300	(\$39,100)

*Includes pay plan supplements

Recommendation

Approve the request.

CORRESPONDENCE MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: June 1, 1995

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

From: James R. Klauser
Secretary
Department of Administration

Subject: s. 16.515 Request

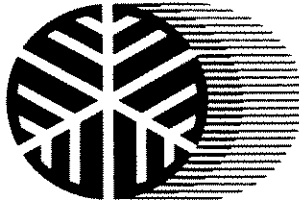
Enclosed is a request which has been approved by this department under the authority granted in s. 16.515. The explanation for the request is included in the attached materials. Listed below is a summary of the item:

<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>
State Fair Park 20.190 (1)(h)	LTE Supplement			\$39,100	0.0

As provided in s. 16.515, this request will be approved on June 29, 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 6-1072, or the analyst who approved the request in the Division of State Executive Budget and Planning, if you have any additional questions.

Attachments:



MAY 15 1995

Wisconsin State Fair Park

May 11, 1995

Richard G Chandler, State Budget Director
Dept of Administration - 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 1995 Financial Projection indicates our expenditures may exceed our fixed operating budget by \$39,100, or 0.4%.

As we have attempted to meet our mandate to increase usage of Park facilities, we have incurred additional expenses, notably in the areas of Grounds/Maintenance and Public Safety LTE salaries, which exceed expenses anticipated in the 1993-95 biennium budget.

However, as our expanded usage programs mature, we also expect that they will generate enough new revenue to more than cover the added expenses.

The appropriation supplement requested to meet these goals is as follows:

\$39,100 LTE Salaries - APPR. EE3

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:mjj

cc: Roger Bean, Assistant Director
Doug Smith, Business Manager - (414) 266-7011

STATE FAIR PARK BOARD
 FINANCIAL FORECAST - FY95 vs Budget
 FISCAL YEAR 1995 (Jul. 1, 1994-Jun. 30, 1995)
 WI Stats. 20.190 (1)(h) OPERATIONS APPROPRIATIONS EA128, EC130, & EE132
 @ Apr. 30, 1995

REVENUE	Actual Fiscal YTD thru 4/30/95	Forecasted 5/1/95 thru 6/30/95	Total Forecasted Fiscal Year 1995		
			12 Mo. Forecast	12 Mo. Budget	(Variance)
Program Revenue-Park	\$9,810,021	\$1,404,993	\$11,215,014	\$11,183,000	\$32,014
Prog Rev-PNIC Lease	\$387,959	\$46,483	\$434,442	\$618,000	(\$183,558)
Total REVENUE	\$10,197,980	\$1,451,476	\$11,649,456	\$11,801,000	(\$151,544)
EXPENDITURES					
Salaries - Perm	\$1,049,213	\$254,255	\$1,303,468	\$1,265,810 (1)	(\$37,658)
Salaries - LTE	\$1,782,062	\$246,792	\$2,028,854	\$1,793,200	(\$235,654)
Fringe Benefits	\$584,941	\$98,774	\$683,715	\$683,740 (1)	\$25
Suppl. & Services	\$5,269,550	\$1,401,686	\$6,671,236	\$6,905,462 (2)	\$234,226
Perm. Property	\$47,610	\$40,471	\$88,081	\$88,081	\$0
Total EXPENDITURE	\$8,733,376	\$2,041,978	\$10,775,354	\$10,736,293	(\$39,061)
OPERATIONAL INCOME	\$1,464,604	(\$590,502)	\$874,102	\$1,064,707	
DEBT SERVICE					
Debt Service	\$1,068,083	\$0	\$1,068,083	\$1,116,100	
NET INCOME	\$396,521	(\$590,502)	(\$193,981)	(\$51,393)	

Notes:
 (1) Budget includes Pay Plan Supplement-\$68,510 Perm. Sal. and \$94,340 Fringes, which are awaiting approval.

(2) Budget includes following supplements(The TAs are entered but not approved)
 a) \$72,373 Municipal Services pymt
 b) \$31,487 Financial Services billing
 c) \$85,506 Risk Management premiums

Date: June 9, 1995

To: James R. Klauser, Secretary

From: Brian Pahnke, Executive Budget and Policy Analyst *BP*

Subject: 16.515 Request for University of Wisconsin Hospital and Clinics (UWHC)

beck

REQUEST

The UW System requests approval of \$3,539,025 in additional spending authority in FY95 and thereafter under s. 20.285 (1) (kb), UW Hospitals and Clinics.

BACKGROUND

Over the past eight years, much of UWHC's growth in spending and position authority has been approved through the 16.515 process, as opposed to the biennial budget. This process has helped improve both DOA and legislative oversight of the UWHC budget as revenues and increased expenditure requests can be reviewed on an annual basis with more timely and accurate data.

As a result, UWHC's 1993-95 biennial budget request for \$55.9 million in additional spending authority was deleted from the 1993-95 biennial budget by the Joint Committee on Finance. The current s. 16.515 request for approximately \$3.5 million in additional expenditure authority is 9.1% of the original UWHC FY95 request of \$38.3 million. Approval of this request would increase UWHC's total allotment level to \$270,129,300.

For the second consecutive year, the UWHC did not submit a request for additional position authority under s. 16.505. In its 1993-95 biennial budget request, the UWHC sought 120 additional positions. However, as a part of its effort to control costs, UWHC is limiting position growth and is not requesting increased position authority at this time.

ANALYSIS

UWHC is requesting approximately \$3.5 million in additional expenditure authority, exclusive of its separate, pending \$6.9 million pay plan supplement, on an initial FY95 allotment of \$259.7 million. UWHC states additional spending authority is necessary to meet its projected expenditures of \$270,129,300 for FY95. Approval of \$3.5 million under s. 16.515 and \$6.9 million in pay plan supplement would result in a 5.2% increase over the FY94 ending allotment. For comparison purposes, annual allotment increases for the past six years are as follows:

Increases in UWHC Expenditure Authority (Program Revenue)
FY89-FY95

Fiscal Year	Expenditures	% Increase over Prior Year
FY89	\$164.2 million	3.7%
FY90	\$191.1 million	16.4%
FY91	\$217.8 million	14.0%
FY92	\$236.6 million	8.6%
FY93	\$251.9 million	6.4%
FY94	\$256.7 million	1.9%
FY95*	\$270.1 million	5.2%

* UWHC projected FY95 expenditures

As indicated in the table, this year's projected increase of 5% is less than the average increase of 8.5% over the previous six years. According to UWHC staff, the continued small increases in expenditure authority reflect cost reduction efforts, enacted by UWHC in 1993, as a part of its effort to compete more successfully with other area health care providers. Staff also note that UWHC is proposing no rate increase in FY96 which, if enacted, will mark the second consecutive year in which rates have not been increased.

UWHC has sufficient revenues available to cover the requested increase in expenditure authority. In its recently released FY96 budget request, UWHC indicates that net patient revenues (Medicare, Medicaid, General Assistance, managed care, and commercial payors) are currently 7.1% higher than anticipated and other revenues (state GPR, cafeteria income, interest income and gifts and grants) are 18.5% higher than expected for FY95 to date. UWHC estimates that FY95 revenues are projected to equal \$293.5 million, which would leave the hospital with a projected net income of \$23.4 million. UWHC attributes higher than anticipated revenues to three primary factors: (1) patient volumes have significantly exceeded budgeted figures; (2) effectively controlling costs related to third parties and governmental programs; and (3) achieving efficiencies through implementation of changes in health care delivery.

Three items, totaling \$7.1 million, compose UWHC's increased expenditure authority request, all of which would be added to UWHC's supplies and services expenditure line. UWHC's actual allotment request is \$3.5 million since its supplies and services line has been below budget this year, allowing it to reallocate the remaining \$3.6 million associated with this request. Including reallocation, UWHC's request is as follows:

Item	Expenditure Request
Affiliated Organizations	\$4,300,000
Medical Supplies	\$1,800,000
Medical School Transfer	\$1,000,000
Total Request	\$7,100,000

The largest share of UWHC's request is based upon the Board of Regents decision last August to increase UWHC's expenditure authority by approximately \$4.5 million to reflect the approved restructuring of affiliated organizations last year (this increase was not included in UWHC's originally approved 1994-95 budget and was reduced to \$4.3 million in this request).

These funds will be provided to the United Medical Center Corporation (UMCC), a public nonprofit corporation that reports directly to the Board of Regents, created to address concerns raised by the Legislative Audit Bureau (LAB). The UMCC will then pass these funds on to Wisconsin Regional Partners, Inc. (WRPI), a joint partnership between the UMCC and private entities. WRPI serves as the vehicle through which funds will be channeled through to either University Health Care, Inc. (UHCI), a private sector entity created to develop an efficient health care delivery system and/or Health Professionals Inc. (HPI), a private structure designed to help maintain a regional network of health care provider practices. These funds will be used primarily to help acquire and maintain physician practices in order to increase UWHC's patient base in light of an increasingly competitive, managed care-dependent health care environment.

While successful in containing costs in some areas, UWHC maintains no control over inflationary cost increases in medical supplies due to higher than expected patient volume and the usage of new technologies. In addition, a 7.9% increase in patient volume in FY95 (over three times the recent six year average increase of 2.3% as seen below) and increased outpatient growth have helped push the cost of medical supplies upward in FY95, which UWHC estimates to be \$1.8 million over their current base. Patient activity figures below reflect the increases at UWHC over the past six years and also indicate a trend in increased outpatient care:

Fiscal Year	Admissions	% Change Over Previous Year	Outpatients	% Increase Over Previous Year
FY89	15,761	1.6%	338,400	3.4%
FY90	16,647	5.6%	348,100	2.9%
FY91	17,436	4.7%	360,200	3.5%
FY92	18,405	5.6%	378,600	5.1%
FY93	18,332	-0.4%	388,000	2.5%
FY94	17,698	-3.4%	396,300	2.1%
FY95*	19,100	7.9%	415,200	4.8%

* UWHC projected FY95 patient activity

Finally, expenditures related to support provided to the UW-Madison Medical School through internal agreements for services provided by physicians and other faculty to the UWHC have also increased by \$1,000,000 in FY95. This informal arrangement between UWHC and the UW-Madison Medical School has existed for a number of years and totaled \$9,630,000 in FY94.

With regard to revenues, it appears that in addition to the \$3,600,000 UWHC will reallocate to offset part of the \$7,100,000 included in this request, permanent property expenditures for FY95 will be less than UWHC's budgeted authority. While exact figures are not available, between \$1,000,000 and \$2,000,000 will be available on the permanent property line for reallocation.

Finally, costs related to affiliated organization obligations are not bound to this fiscal year. In the event that inadequate FY95 expenditure authority remains, some of these costs could be paid in FY96.

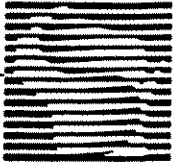
RECOMMENDATION

Approve \$1,900,000 PR in additional, on-going expenditure authority under s. 20.285 (1) (kb) as summarized in the table below. As indicated earlier, UWHC will reallocate \$3,600,000 within its supplies and services expenditures line. Reallocation of these funds would allow UWHC to meet its remaining needs in FY95 for medical supplies and nearly two-thirds of its request for the affiliated organizations.

Recommendation Summary

Item	Request	Recommendation
Affiliated Organizations	\$4,300,000	0
Medical Supplies	\$1,800,000	\$ 900,000
Medical School Transfer	\$1,000,000	\$1,000,000

While the individual items composing UWHC's request are not without sufficient justification and some reflect important commitments made this year, UWHC should have anticipated these costs and submitted its s. 16.515 request on a more timely basis. Due to the late date of this request, it is recommended that UWHC move those expenditures that it cannot meet in FY95 with increased expenditure authority or reallocation of existing funds into FY96.



The University of Wisconsin System

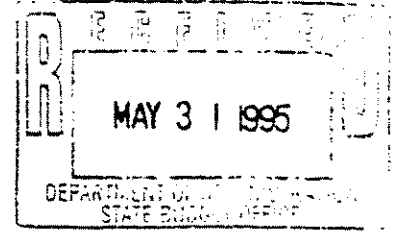
Financial Administration

780 Regent Street

P.O. Box 8010

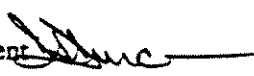
Madison, Wisconsin 53708-8010

(608) 262-1313 FAX (608) 262-5316



DATE: May 31, 1995

TO: James R. Klauser, Secretary
Department of Administration

FROM: Deborah A. Durcan, Assistant Vice President 
Financial Administration

RE: S. 16.515 Request for University Hospital and Clinics

The University of Wisconsin System requests increased expenditure authority of \$3,539,025 for the appropriation under s.20.285(1)(kb) for the University of Wisconsin Hospital and Clinics.

The University of Wisconsin Board of Regents previously approved reorganization of affiliated organizations of the Medical Center and expenditure by the Hospital and Clinics of \$4.5 million to these affiliated organizations. The budget authority for these expenditures was not included in the 1994-95 budget originally approved by the Board of Regents in the 1994-95 Redbook. This allotment adjustment request is smaller than the \$4.5 million because the Hospital is running under budget in other areas.

Approval of this request will result in a total 1994-95 Hospital and Clinics budget of \$270,129,300. The request for the 1994-95 pay plan adjustments has already been submitted along with those of other program revenue appropriations of the University. The target level of \$270,129,300 includes full approval of the pay plan adjustments as well as this request. Please note that the need for the level of spending authority being requested is ongoing.

cc: John Torphy
Larry Wold
Peter Christman
Ray Marnocha
Kathi Seil
Tom Sonnleitner
George Ketterer
David Suchman
✓ Brian Pahnke


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CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: June 7, 1995

To: James R. Klauser
Secretary

From: Gina Frank-Reece 
Policy and Budget Analyst

Subject: S. 16.515 Request of the Director of State Courts

OK

REQUEST:

Under the provisions of s. 16.515 the Director of State Courts (DSC), on behalf of the Supreme Court, requests an increase of \$3,400 PRS in FY95 and \$10,900 PRS beginning in FY96 in its Materials and Services appropriation under s. 20.680(2)(h). The increase is requested to cover the increased costs of production and distribution of municipal court forms.

BACKGROUND:

Wisconsin Statutes s. 758.19(2)(a) authorize the DSC to establish and charge fees for the provision of services or sale of documents including: municipal court citations, alcohol offense citations, misdemeanor citations and traffic/misdemeanor bail schedules. The court system "Forms" program develops and prints the various forms to ensure that changes required by statute are reflected on citations and bail schedules uniformly across the State. The municipal court citations comprise the majority (71%) of all documents sold. The Department of Administration Document Sales distributes the booklets and bills back the Forms program for the cost of distribution. The Forms program undertakes no other activities and is funded entirely by the sale of the various booklets.

ANALYSIS:

Based on sales through March, the DSC is projecting a significant increase in the demand for all four types of booklets in FY95 (an increase of 36% over FY94). The DSC attributes the largest portion of this increase to an increase in the demand for municipal citation booklets as a result of a private vendor discontinuing the sale of the booklets. In the past, some municipalities purchased municipal citation form booklets produced and sold by a private firm, Municipal Service Corporation. In October of 1994, however, the company permanently discontinued sales of the form resulting in an unanticipated increase in demand for the municipal citation booklets from the court system Forms program.

The DSC projects that a total of 18,956 of all four types of booklets (13,511 of which are citation booklets) will be sold in FY95. Beginning in FY96, the DSC projects that it will need to print and distribute an additional 5,821 booklets (of all four types). The DSC has projected this level of sales based on historical increases in the number of booklets sold.

The costs of printing and distributing the forms comprise 95-97 % of the appropriation's annual expenditures. The increased expenditure authority in FY95 is needed only for the cost of distribution. The Forms program is able to avoid an increase in production costs in FY95 because of an inventory just sufficient to meet this year's increase in demand. In the 1995-97 biennium however, the annual cost of both distribution and production will increase by \$14,208.

The following table indicates the actual and estimated annual expenditures of appropriation s.20.680(2)(h):

	<u>FY95</u>	<u>FY96-97</u>
Chapter 20 expenditure authority	\$39,900	\$40,000
Projected number of booklets sold (all four types)	18,956	24,777
Total projected expenditures	\$43,300	\$50,800
Additional expenditure authority required	\$ 3,400	\$10,800

Current expenditure authority for the Material and Services appropriation is \$39,900 PRS or \$3,400 less than the Courts' estimated expenditures for FY95. Based on actual bills received through the end of March, the Courts had committed \$31,828, or 80% of available spending authority. In the 1995-97 budget, expenditure authority for this appropriation is \$40,000 PRS which is \$10,800 less than the Courts' projected annual expenditures for the 1995-97 biennium. The DSC indicates that there will be sufficient revenues available to support the additional spending with no increase in the charge to municipalities.

RECOMMENDATION:

Approve the Director of State Courts request for increased expenditure authority of \$3,400 in FY95 but modify the request in FY96-97 to \$10,800.



Supreme Court of Wisconsin

Director of State Courts

110 E. Main Street, Suite 430

Madison, Wisconsin 53703

Telephone (608) 266-3501
Fax (608) 267-0911

Nathan S. Heffernan
Chief Justice

J. Denis Moran
Director of State Courts

Mary T. Rider
Deputy Director for Management Services

DATE: May 19, 1995

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

FROM: J. Denis Moran, Director of State Courts
Supreme Court of Wisconsin

SUBJECT: Request under s. 16.515, Wis. Stats., for an increase in authority for appropriation 20.680 (2)(h).

REQUEST

Under the provisions of s. 16.515, Wis. Stats., the Director of State Courts, on behalf of the Supreme Court, requests a \$3,400 increase to its FY95 base and \$10,900 to its ongoing base authority beginning in FY96 in appropriation 20.680 (2)(h), Materials and Services. The increased authority is needed to meet an unanticipated 38% FY95 increase in demand for municipal citation booklets (45% annualized) that is a consequence of a private vendor discontinuing the sale of the booklets. Without the increase the program will be unable to fulfill the purpose for which it was created: to provide uniform citation booklets to municipalities. The revenues received from the additional sales will support the increased expenditures with no increase in the price charged to municipalities.

BACKGROUND

The program revenue Materials and Services appropriation ("Forms" program), authorized under § 758.19 (2)(a), Wis. Stats., sells the following uniform court forms to municipalities: municipal court citations, alcohol offense citations, misdemeanor citations and traffic/misdemeanor bail schedules. Municipal court citations comprise 71% of documents sold. The Forms program develops and prints the various forms to ensure that changes required by statute are reflected on citations and bail schedules uniformly across the state. The Department of Administration Document Sales distributes the booklets and bills back the Forms program the cost of distribution. The Forms program undertakes no other activities and is funded entirely by the sale of the booklets.

In the past, some municipalities purchased municipal citation form booklets produced and sold by a private firm, Municipal Service Corporation. However, in October of 1994 the company permanently discontinued sales of the form. As a result, demand for the municipal citation booklets from the court system Forms program has increased unexpectedly and dramatically, requiring an increase in expenditure authority to continue the production and distribution to municipalities of the materials at the increased level.

ANALYSIS

FY95: Total annual sales of the four forms was stable from FY92 through FY94, ranging between 13,700 and 13,968. Municipal citation forms remained relatively stable as well, ranging between 8,849 and 9,911. In FY95 the program has sold 10,453 municipal citation booklets through April. Based on the timing of prior year purchases, a total of 13,611 municipal citation booklets are projected to be sold in FY95. Similarly, a year end sales total of 18,956 booklets (of all four types) is expected, an increase of 4,988 (36%) over FY94.

The costs of printing and distributing the forms comprise 95-97% of the appropriation's annual expenditures. Therefore an increase in demand requires an increase in expenditure authority. The FY95 increase is needed only for the cost of distribution while in FY96 and beyond the cost of both distribution and production will increase. The program is able to avoid an increase in production costs in FY95 because of an inventory just sufficient to meet this year's increased demand. For FY95, the breakdown of the expected cost of operation is:

Document Sales charges	\$25,582
Printing	\$15,578
Other supplies/services	<u>\$ 2,119</u>
Total	\$43,279

The status of the appropriation as of April 30, 1995 (which includes bills received through March) is:

Chapter 20 authority		\$ 39,900
Expenditures to date	(\$31,828)	
Projected expend: Apr-June bills	<u>(\$11,451)</u>	
Total projected expenditures	(\$43,279)	<u>(\$43,300)</u>
Additional FY95 authority required		\$ 3,400

FY96 and Ongoing Base: For the six month period November, 1994 through April, 1995, 2,911 more booklets were sold than the average for that period from FY92-FY94. Assuming this trend continues, the program will need to print and distribute 5,821 additional forms annually beginning in FY96. The cost to print the booklets will be \$6,000 and the cost to distribute \$8,208 for total

additional costs of \$14,208 annually. The increase to expenditure authority on an ongoing basis is calculated as follows:

Chapter 20 authority		\$ 39,900
Base expenditures	(\$36,600)	
Increased annual expenditures	<u>(\$14,200)</u>	
Total projected expenditures	(\$50,800)	<u>(\$50,800)</u>
Additional base authority required		\$ 10,900

FISCAL STATUS

The increased sales will generate sufficient revenues to support the increased expenditures with no increase in the charge to municipalities. In fact, the increased volume of sales since FY90 has allowed a slight reduction in price since then. The projected FY95 year end program position for the appropriation is as follows:

Opening Balance	\$15,221
Revenues	\$44,249
Expenditures	<u>\$43,279</u>
Net	<u>\$ 970</u>
Closing Balance	\$16,191

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: June 8, 1995

To: James R. Klauser, Secretary
Department of Administration

From: Pamela Henning, Policy and Budget Analyst
State Budget Office

Subject: s. 16.515 Request for Salary Increases at the Veterans Home in King

Request

The Department of Veterans Affairs requests an increase in expenditure authority of \$229,300 PR in FY95 in appropriation s. 20.485(1)(gk), Institutional Operations, for the Veterans Home at King to fully fund permanent salary costs and LTE salary increases not covered by pay plan supplements. The department is also requesting that \$257,100 PR in annualized costs for salary and fringe benefits costs be added as a continuing cost to the department's base budget in its institutional operations appropriation, s. 20.485(1)(gk).

Analysis

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 members. The costs of operating the Home have been supported from four major sources: (1) charges assessed against member's excess assets and income; (2) medical assistance payments; (3) federal Department of Veterans Affairs per diem payments; and (4) general fund appropriations (fuel and utilities, cemetery maintenance, and debt service).

The department's PR institutional operations appropriation (s. 20.485(1)(gk)) is used to cover the operating costs of the Wisconsin Veterans Home at King. During FY95, several pay increases were implemented that were not covered by pay plan supplements including contract settlements with the laundry and food service workers and nursing assistants. These settlements raised the minimum hourly wages between 8.76% and 18.55%. These pay increases also affected LTE salaries. It is the department's policy to pay LTEs between two to four steps below permanent staff depending on classification and training. LTEs are vital to the Home's operations because the Home must provide adequate levels of nursing care and other support services 24 hours per day 365 days per year.

A summary of current expenditure authority and projected expenditures for FY95 is provided below:

Veterans Home at King

Current Expenditure Authority:

Total Allotments:	28,161,315
Pay Plan Supplements:	1,180,941
DOA Pay Plan Adjustment:	13,640
Fringe Supplement	244,909
Other Supplements:	<u>77,007</u>

Total Expenditure Authority: \$29,677,812

Projected Expenditures for FY95:

Permanent/Project Salaries:	\$17,318,815
LTE Salaries:	672,400
Fringe Benefits:	7,016,309
Supplies and Services:	4,673,208
Permanent Property:	362,632
Municipal Services:	<u>20,482</u>

Total Projected Expenditures: \$30,063,846

Expenditure Transfers and Chargebacks:* (\$81,131)

Net Total Expenditures: \$29,982,715

Expenditure Authority Shortfall for FY95: (\$304,903)

Expenditure Reductions:** 75,633

Net Expenditure Authority Shortfall for FY95: (\$229,270)

* Reimbursements for salaries from fuel and utilities appropriations, and chargebacks for pay plan supplements for Home from fund 582 and fund 583.

** Transfer of existing spending authority from supplies and services and permanent property to salary line.

The department's requested spending authority increase of \$229,270 is the result of several unanticipated pay plan increases in FY95. They include the following:

- The 1993-95 budget authorized 6.5 FTEs for the Home that were funded at the minimum salary range. Due to contract settlements, the minimum salary ranges were increased without a pay plan supplement and \$19,487 is necessary to fund these increases.
- The Home's overtime and holiday pay projections included in the 1993-95 budget did not include increases based upon the patient care contract settlement of 10.95%. This results in an increase of \$38,054 not included as a pay plan supplement for the Home.
- On January 1, 1995, the Home made two pay adjustment corrections for two staff whose hourly rates were inaccurately portrayed on DOA central payroll printouts. These corrections resulted in lump sum payments totaling \$2,184.

- The date used by DOA to calculate pay plan supplements did not include 14 staff on leave of absence. \$7,503 is needed to fund pay adjustments made on 6-26-94 and pay grid adjustments on 8-21-94 for these 14 staff who returned to work.
- The Department of Employment Relations (DER) established a new statewide raised minimum rate (RMR) for nurse clinicians. This RMR was applied to all existing state nurse clinicians. On February 1, 1994, DER eliminated the nurse clinician 1 classification and reallocated all existing nurse clinician 1's to the nurse clinician 2 level with an increase in salary to the appropriate RMR level. These changes affected 13 nurse clinicians at the Home resulting in an unanticipated increase in salary expenditures by \$13,251. The 1995-97 budget addresses this concern.
- DER also established a RMR for pharmacists in 1994. An increase of \$3,140 is necessary to fund the increased salary expenditure due to the new RMR for the Home's pharmacist.
- The Home had two unique lump sum salary payments totaling \$11,046 in FY95 that were not included in the 1993-95 budget or as part of the pay plan supplement. The first results from a recalculation of years of state service from an incorrect seniority date of \$5,130. The second resulted from a retirement. Due to the employee's accumulated hours, he was paid a lump sum of \$5,915.
- An unusually high workload in the personnel area created a backlog of reclassifications for the Home. The estimated amount to fund these adjustments for 13.50 FTE at the Home was included in the 1995-97 budget but was not included for pay plan supplement purposes for FY95. A total of \$45,183 is necessary to fund the delayed reclassifications.
- Contract settlements for the laundry and food service workers increased the minimum hourly wage from \$6.58 to \$7.80 (18.55% increase) and for the nursing assistants from \$8.12 to \$8.83 per hour (8.76% increase). As a result, LTE hourly rates were raised accordingly because the department's policy is to pay LTE hourly rates two to four steps below permanent minimum wage depending on classification and training. The amount necessary to fund LTE salary increases for FY95 is \$54,575.
- The department is requesting \$34,847 to reflect the actual hours worked by each employe in addition to those hours captured on the state's position report. The state's methodology for calculating pay plan supplements is based upon an employe's percentage of FTE as reported on the position report. However, the Home allows its employes under 100% to work hours up to 100%. These hours and all increases in contract settlements were not captured as part of the pay plan supplement and result in additional salary costs for the Home. The Home is requesting funding for only those extra hours worked in excess of DOA's percentage which totals \$34,847.

In addition to the department's request for funding for FY95, the department is requesting these costs be estimated on an annualized basis and included as continuing costs to base level funding for the 1995-97 biennium in order to avoid future salary and fringe benefit supplement requests. The department's request for FY95 and annualized costs for the next biennium are shown in the tables below with recommended amounts approved by DOA.

<u>Salary Items</u>	<u>DVA's Requested FY95 (\$) Amount</u>	<u>DOA's Recommended FY95 (\$) Amount</u>
New Positions Hired	19,487	19,487
Overtime & Holiday Pay Supplement	38,054	38,054
Printout Corrections	2,184	2,184
Leave of Absences	7,503	7,503
RMR for Nurse Clinicians	13,251	13,251
RMR for Pharmacist	3,140	3,140
Lump Sum Payments	11,046	11,046
Delayed Reclasses	45,183	45,183
LTE Hourly Rates	54,575	54,575
Actual Hours Worked	34,847	34,847
Totals:	\$229,270	\$229,270

<u>Salary Items</u>	<u>DVA's Requested Annualized Amount</u>		<u>DOA's Recommended Annualized Amount</u>	
	<u>Salary</u>	<u>Fringe Benefits</u>	<u>Salary</u>	<u>Fringe Benefits *</u>
New Positions Hired	24,055	5,260	24,055	5,340
Overtime & Holiday Pay Supplements	38,054	8,310	38,054	8,450
Printout Corrections	544	-0-	544	-0-
Leave of Absences	11,527	2,520	11,527	2,560
RMR for Nurse Clinicians	-0-	-0-	-0-	-0-
RMR for Pharmacists	16,848	3,680	16,848	3,740
Lump Sum Payments	-0-	-0-	-0-	-0-
Delayed Reclasses	30,911	6,750	-0- **	-0- **
LTE Hourly Rates	54,575	4,170	54,575	4,170
Actual Hours Worked	40,925	8,940	40,925	9,085
Totals:	\$217,440	\$39,630	\$186,528	\$33,345

* The recommended annualized amounts for fringe benefits are corrected to reflect a 22.2% variable fringe rate for permanent salaries and 7.65% for LTE salaries.

** The recommended annualized amounts for delayed reclasses are not funded because the amounts for reclasses have been included in the 1995-97 budget.

It could be argued that since the Home must provide 24 hour per day 365 day per year service to its members that virtually no turnover exists at the Home and as such that a turnover reduction is not necessary for the Home. However, the department did take a 2% turnover reduction (\$289,500 annually) in the 1993-95 biennium. The turnover reduction is approximately equal to the Home's request of \$229,700 for these pay plan related increases. The Home's required service to its members provides a legitimate justification for the department's request for funding.

The Home's PR revenue and expenditure transaction sheet projects an ending cash balance for FY95 of \$42,891 including the \$229,270 request for pay plan increases. Ending cash balance projections for the 1995-97 biennium with \$219,873 included for annualized costs are \$490,579 for FY96 and \$1,089,041 for FY97. These ending cash balances include GPR-Earned lapses of \$2,158,367 in FY95, \$583,557 in FY96 and \$1,024,557 in FY97.

Recommendation

Approve the request of \$229,270 for FY95 pay plan increases and the modified amounts of \$219,873 for FY96 and FY97.



STATE OF WISCONSIN, DEPARTMENT OF VETERANS AFFAIRS
 30 West Mifflin Street, P.O. Box 7843, Madison, WI 53707-7843

CORRESPONDENCE/MEMORANDUM

Date: May 19, 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 \$229,300 in fiscal year 1994-95. The additional spending authority is needed to cover increases in permanent salary costs not covered by pay plan supplements and higher LTE salaries. The Department is also requesting that \$257, 100 in annualized costs for salary and fringe benefits associated with certain salary increases be added to the base budget for Appropriation 120 (D2).

Appropriation 120 (D2) is a PR appropriation used to cover the operating costs of the Wisconsin Veterans Home (WVH) at King. During FY95, several pay increases were implemented that were not covered by pay plan supplements. WVH had no control over those pay increases. In addition, some of the pay increases affected LTE salaries as well. It is the Department's policy to pay LTEs between 2 to 4 steps below permanent staff depending on classification and training. Contract settlements with the laundry and food service workers, and nursing assistants raised the minimum hourly wages for those groups between 8.76% and 18.55%. As a result of those increases, corresponding LTEs wages were also raised. The salary increases not covered by pay plan supplements are listed in the table below. The table shows the amount of increases for FY95 and the annualized amount of salary and fringe benefits.

SALARY ITEMS	FY95 AMOUNT	ANNUALIZED AMOUNT	
		Salary	Fringe Benefits
New Positions Hired	\$19,487	\$24,055	\$5,260
Supplements for Central Office Support Staff, Overtime and Holiday Payments	38,054	38,054	8,310
Printout Corrections	2,184	544	- 0 -
Returns from Leave of Absence	7,503	11,527	2,520
Actual Hours Worked Supplement	34,847	40,925	8,940
Contract Settlements Effective on LTE Hourly Rate	54,575	54,575	4,170
Raised Minimums for NC1 and NC2: Abolish NC1	13,251	- 0 -	- 0 -
Raised Minimums for Pharmacists	3,140	16,848	3,680

Delayed Reclassifications			
Adjustments	45,183	30,911	6,750
Special Salary Payments	11,046	- 0 -	-0-
	<u> </u>	<u> </u>	<u> </u>
TOTALS	\$229,270	\$217,440	\$39,630

A summary of current expenditure authority and projected expenditures for FY 95 is provided in the following table:

Current Expenditure Authority:	
Total Allotments	\$28,161,315
Pay Plan Supplements	1,180,941
DOA Pay Plan Adjustment	13,640
Fringe Supplement	244,909
Other Supplements	77,007
	<u> </u>
Total Expenditure Authority	\$29,677,812
Projected Expenditures for FY95:	
Permanent/Project Salaries	\$17,318,815
LTE Salaries	672,400
Fringe Benefits	7,016,309
Supplies and Services	4,673,208
Permanent Property	362,632
Municipal Services	20,482
	<u> </u>
Total Projected Expenditures	\$30,063,846
Expenditure Transfers and Chargebacks	(\$81,131)
	<u> </u>
Net Total Expenditures	\$29,982,715
Expenditure Authority Shortfall	(304,903)
Expenditure Reductions	75,633
	<u> </u>
Net Expenditure Authority Shortfall	(\$229,270)

The WVH must provide adequate levels of nursing care and other support services 24 hours a day 365 days a year. It is not possible to reduce expenditures beyond \$75,600 without running the risk of not having sufficient funding to provide those services through the end of the fiscal year. The increase to base level funding is necessary in order to avoid a similar expenditure authority shortfall next fiscal year.

Attached is a B-3 form detailing revenue and expenditure projects for FY95. Even with the requested increased spending authority, WVH projects a net positive ending balance of nearly \$43,000. That figure includes a lapse of over \$2.1 million to the general fund. Therefore it is requested that the s. 16.515 for increased spending authority of \$229,300 in Appropriation 120 (D2) be approved. It is also requested that base funding for Appropriation 120 (D2) be increased by \$257,100, which is the total amount of the annualized increase in salary and fringe benefits.

Thank you for your assistance with this matter. If you have any questions or need additional information, please call me at 266-0117.

cc: Bob Cocroft
Steve Handrich
David Larsen
Pam Henning

REVENUE AND
BALANCES FORM
B-3

PAGE _____

DEPARTMENT	Veterans Affairs	
PROGRAM	Home for Veterans	
FUND	General Fund	
NUMERIC APPROPRIATION	Institutional Operations	
DECISION ITEM	Medicaid Upper Limit at \$110	
REVENUE TYPE	HOSPITAL RETRO TO FY95	

CODES	TITLES	PRIOR YEAR ACTUALS**	BASE YEAR ESTIMATE	1ST YEAR ESTIMATE	2ND YEAR ESTIMATE
485	Veterans Affairs				
01	Home for Veterans				
02	General Fund				
20	Institutional Operations				
	Medicaid Upper Limit at \$110				
	HOSPITAL RETRO TO FY95				
	REVENUE AND EXPENDITURES				
1	OPENING BALANCE	(1,287,499)	338,533	42,891	453,352
2					
3	Member Contributions		12,226,196	12,613,228	12,991,799
4	Medical Assistance		13,009,119	14,376,776	15,498,302
5	VA per Diems		6,589,684	7,225,714	7,647,318
6					
7	Lapse to General Fund***		(2,158,367)	(583,557)	(584,657)
8	Transfer to Appr. 123 for Fuel & Utilities			(1,179,600)	(1,203,700)
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21	TOTAL REVENUE	28,990,813	29,666,632	32,452,561	34,349,062
22	TOTAL AVAILABLE	27,703,314	30,005,165	32,495,452	34,802,414
23	B-2 EXPENDITURES TOTAL*****	27,364,780	28,161,315	30,918,000	31,306,800
24	Expenditure transfers and chargebacks		(81,131)		
25	EMPLOYEE COMPENSATION RESERVES			611,100	1,222,300
26	Health Insurance Costs Reserve			251,000	519,600
27	Financial Service Charges Reserves			4,900	4,900
28	Fuel and Utilities s. 16.515 Request*		74,800		
29					
30	Pay Plan Supplement		1,180,941		
31	Pay Plan Supplement Adjustments (DOA)		13,640		
32	Fringe Benefit Supplement		244,909		
33	Salary Supplement 16.515 Request****		229,300	257,100	257,100
34	Other Supplements*****		138,500		
35	TOTAL EXPENDITURES & RESERVES	27,364,780	29,962,274	32,042,100	33,310,700
36	CLOSING BALANCE	338,533	42,891	453,352	1,491,714

*NOTE: Fuel & Utilities expenditures are estimated to be \$654,000 in FY 95. The expenditure authority available in Appr. 103 in FY 95 is only \$579,200. Additional spending authority of \$74,800 under Appr. 120 has been requested to pay the balance of fuel and utility costs.

**NOTE: FY 94 (Prior Year Actuals) expenditures are those as reported to SBFO in September 1994. They do not include encumbrances that totaled \$222,480 at that time.

***NOTE: The lapse to the General Fund is equal to fuel and utility costs and debt service interest payments paid with GPR without regard for the ending cash balance.

****NOTE: The values for 1st Year and 2nd Year estimates are the annualized costs to be added to the base.

*****NOTE: For 'Base Year' the B-2 expenditures is equal to the sum of the allotments for Appr. 120.

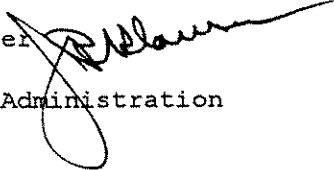
*****NOTE: Includes estimates of length of service payments in June; Patient Care adjustments in late May; and BFO chargebacks and Risk Mgt. supplements.

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: June 12, 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:

<i>ITV</i> <i>OK</i>	AGENCY	DESCRIPTION	1993-94		1994-95	
			AMOUNT	FTE	AMOUNT	FTE
	D.P.I. 20.255(1) (ke)	School to Work				2.0*
	D.O.J. 20.455(2) (k)	Criminal History Records				1.0**

* Convert project to permanent.
** Project position.

As provided in s. 16.515, this request will be approved on June 30, 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 18, 1995
To: James R. Klauser, Secretary
From: Robert G. Cramer, Policy and Budget Analyst
Subject: s. 16.505 request by the Department of Public Instruction

Request

The Department of Public Instruction (DPI) requests that two program revenue positions in the Office of School to Work be converted from project positions to permanent positions. The positions are director of the office and technical preparation consultant. Both are scheduled to terminate June 30, 1995.

Background

School to work is a comprehensive education reform program designed to improve educational opportunities for students during their K-12 schooling and the transition to post-secondary education or the workforce.

The director position was created August 15, 1993. It provides leadership and staff supervision in the development and implementation of statewide policies and programs relating to youth and work educational issues.

The technical preparation consultant position was created July 1, 1991. This position provides technical assistance and consultation to school districts, cooperative educational service agencies, and community groups in the planning, development, implementation, and evaluation of programs designed to provide a smoother transition from school to work.

Analysis

The school to work initiative is an important component of the state's educational reform efforts. It is an on-going program under both current law and the Governor's 1995-97 biennial budget proposal. The reorganization of the department into a new Department of Education is expected to maintain the Office of School to Work in order to continue the state's activities in this area.

The functions of the two positions in question continue beyond their June 30, 1995 termination date. The Office of School to Work will continue to need a director to provide leadership and supervision of the development and continued implementation of the program. Similarly, the need for technical assistance and consultation regarding technical preparation programs continues within the office.

The two positions are funded through federal Carl Perkins revenues, which are transferred to the department from the Wisconsin Technical College System.

Recommendation

Approve the request to convert the positions from project to permanent status.

Memorandum

STATE OF WISCONSIN
DEPARTMENT OF PUBLIC INSTRUCTION



Date: April 19, 1995

To: Rob Cramer, State Budget Office

APR 19 1995

From: Faye J. Stark *Faye*
Director, Bureau for Policy and Budget

Subject: Conversion of School to Work Positions from Project to Permanent

This is a request to convert two positions in DPI's Office of School to Work from project to permanent status. I understand that this will require review by the Joint Committee on Finance under s. 16.505. The two positions are position #320655, the director of the Office of School to Work, and position #318246, the technical preparation consultant. Both positions are 100% federally (Carl Perkins Act) funded. Both positions are scheduled to terminate June 30, 1995.

The director's position was created in August, 1993, and the technical preparation consultant position was created in July, 1991. Federal Carl Perkins funding for the two positions is expected to be available to the agency indefinitely, and the positions' functions will be continuing well beyond the project positions' termination dates. Conversion of the two positions to permanent status is required to continue the work of the school to work initiative, which is a high priority of the governor and the state superintendent.

It is my understanding that the governor would have included this conversion in his 1995-97 biennial budget request; however, due to an oversight, the necessary file maintenance did not occur.

Attached is our original request for conversion of the positions, dated May, 1994, our subsequent request that the conversion be included in the 1995-97 biennial budget, the position descriptions and the AD-PMIS forms.

Thank you for your consideration. If you have questions, please call me.

CORRESPONDENCE/MEMORANDUM

-----State of Wisconsin
Department of Public Instruction

DATE: May 24, 1994

TO: Orlando Canto and Rob Cramer
State Budget Office

FROM: Faye J. Stark, Director, Bureau for Policy and Budget *FJS*
Division for Management and Budget

SUBJECT: Request for Position Changes--Office of School to Work

This is a request for position changes associated with the creation of an office of school to work in the department. It is my understanding that the location of this office within the Office of the State Superintendent has been approved by Secretary Klauser along with most of the proposed agency reorganization.

We request the following:

- 1) the change of two positions from project to permanent status (which will require JFC review)
- 2) the transfer of a program assistant position from the (former) division for handicapped children and pupil services to the office of school to work and modification of the position's funding
- 3) the creation of an education program specialist using existing position authority
- 4) the transfer of 3 education consultant positions from the (former) division for instructional services to the new office of school to work

Justification:

School to work is a comprehensive educational reform that affects : K-12/postsecondary relations, parental involvement, community/business relations, career counseling, pupil assessment, instructional design and delivery and staff development. Because the school-to-work initiative is broad-based and affects both educational institutions and the community at all levels, the department's office of school to work will be directly connected to the office of the state superintendent. It will provide leadership and governance on a variety of related educational issues including, but not limited to, intra-and intergovernmental agency coordination, community relations, the impact of labor market information and school reform.

The proposed office will include:

- Position #320655, director, office of school to work (Carl Perkins-funded)
- Position #318246, tech prep consultant (Carl Perkins-funded)
- Position #318241, youth apprenticeship consultant (GPR-funded)
- Position #319522, school-to-work transition consultant (Carl Perkins-funded)
- Position #310276, occupational planning and evaluation specialist (.50 Carl Perkins-funded; .50 JTPA funded)
- Position #310278, program assistant (Carl Perkins-funded)

(Note: another program assistant may also be added to this office pending an analysis of workload in the bureau of vocational education)

First, we request the transfer of the director's position, which was created August 15, 1993, and the tech prep consultant position, which was created July 1, 1991, from project to permanent status. The former position will expire in the fall of 1994, and the latter position will expire in June of 1995. Federal Carl Perkins funding for the two positions is expected to be available to the agency indefinitely, and the positions' functions will be continuing well beyond the projects' termination dates. Conversion of the two positions to permanent status at this time will lend stability to the office and the initiative, which is a high priority of the governor and state superintendent. Because the positions are PRS-funded, conversion will require review by the Joint Committee on Finance under s. 16.505.

Second, we request the transfer of a program assistant position, formerly funded by JTPA and federal IDEA funds, to the office, and the modification of its funding to 100% federal Carl Perkins. We will use vacant PRS authority to replace the federal position authority, which will be eliminated.

Third, we request the creation of a position, to be funded 50% federal Carl Perkins and 50% JTPA, to conduct occupational planning and evaluation and to provide linkages with business, industry and education through development, implementation, monitoring and evaluation of school to work initiatives. Importantly, the position will link the school to work initiative with the federal JTPA program. The position will be created using existing PR-S position authority.

Fourth, we request the transfer of the tech prep, youth apprenticeship and school to work consultants to the new office. Their funding will not change.

Attached are needed position descriptions and the AD-PMIS form transferring the two project positions to permanent status.

If you have any questions, please contact Vicki Poole or me.

attachments

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: May 24, 1995

To: James R. Klauser, Secretary

From: Gina Frank-Reece, Policy & Budget Analyst



Subject: S. 16.505 Request for the Department of Justice relating to Criminal History Records Improvement Staff

REQUEST:

The Department of Justice (DOJ) requests an additional 1.0 FTE project management information specialist (MIS3) position effective immediately for computer programming associated with the Department's efforts to continue to implement improvements in its criminal history records program. Since the funding for this position flows through the Office of Justice Assistance (OJA), the position is requested under s. 20.455(2)(k) DOJ's Interagency and intra-agency PRS appropriation.

BACKGROUND:

The Department of Justice (DOJ) serves as the statewide repository of criminal history files containing fingerprints, photographs and other identifying information on persons arrested or taken into custody. The criminal history records database contains information on more than 630,000 persons.

The federal Crime Control Act of 1990 required each state receiving federal anti-drug funds to set aside 5% of each states' allotment specifically for the development and implementation of improvements in state's criminal history records programs. The 5% set-aside for Wisconsin represents approximately \$440,000 annually for Wisconsin. The improvements are designed to enhance the completeness and accuracy of criminal history record databases throughout the country and to facilitate the sharing of crime information between states and federal law enforcement agencies as well as the sharing of information among states.

DOJ currently has 4.0 FTE four-year project positions (2.0 FTE management information specialists and 2.0 FTE training officers) that are responsible for developing and implementing improvements to the criminal history records program. Position authority for these positions was recommended by the Department of Administration and granted by the Joint Committee on Finance on March 10, 1994, through a s.16.505 request. The positions were funded through a federal grant from OJA. The two management information specialist positions were authorized through April 1, 1998 and the two training officer positions were authorized through September 30, 1998.

In February, 1995, DOJ submitted a federal grant application to OJA for continued funding for the four existing project positions as well as the requested Management Information Specialist 3 project position. The Department recently received the grant award (Grant No DB-93-ST-0072) from OJA in the amount of \$353,425 to fund all five project positions (4 existing and 1 newly requested) for six months (through June 30, 1995).

James R. Klauser, Secretary
May 24, 1995
Page 2

ANALYSIS

Consistent with the work of the other 4.0 project positions, the requested MIS3 project position will be responsible for implementing one component of DOJ's criminal history records improvement program. Specifically, the requested position will focus on Wisconsin's participation in the Federal Bureau of Investigation's Interstate Identification Index (III) system. According to DOJ officials, III is considered the cornerstone of the National Instant Criminal Background Check System authorized under the Brady Handgun Violence Prevention Act. Under III, the FBI maintains an index to the criminal history records in participating states. When an inquiry is made to III "hits" are automatically forwarded to one or more states and the inquiring agency receives responses directly from the state agency which is the repository of criminal records. Participation by all states is a high priority of the U.S. Department of Justice (30 states are currently involved) and Wisconsin plans to become a participant by July, 1996. The work of this position will directly benefit local, state and federal law enforcement agencies.

Federal funding for the existing four project positions as well the new project position is certain under the Byrne 5% Set-Aside grant administered by OJA through SFY98. DOJ anticipates that future federal funding beyond SFY98 will be available for its criminal history records improvement program through a combination of the OJA/Byrne 5% Set-Aside grant program and a new National Criminal History Improvement Program (NCHIP). DOJ is in the process of preparing the grant applications under these two programs to secure future federal funds beyond SFY98.

Given that federal funding is guaranteed through SFY98 it is appropriate to authorize the additional project position through April 1, 1998 consistent with the other two MIS project positions as previously authorized. Because the criminal history record check appropriation is a continuing appropriation, approval of the Joint Committee on Finance is required for the position authority only.

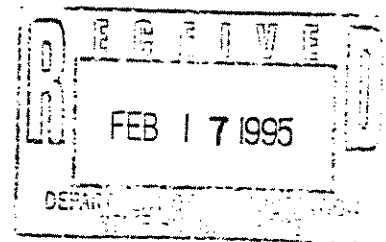
RECOMMENDATION:

Approve the MIS 3 project position through April 1, 1998.

Date: February 15, 1995

To: Gina Frank-Reece
Department of Administration

From: Andrew Cohn *Andrew Cohn*
Department of Justice



Subject: Sec. 16.505 Request for MIS Position for Criminal History Records

Under the authority of Sec. 16.505, Wis. Stat., the Department of Justice requests one full-time equivalent Management Information Specialist 3 project position, for computer programming associated with criminal history records. This position is a key resource needed to help the Department implement a plan which has been developed by a multi-agency advisory committee and has received both state and federal approval. ~~The Department has applied for a grant of federal anti-drug abuse and matching funds to support this position.~~ Because the appropriation involved--20.455 (2) (K)--is a continuing appropriation, spending authority associated with this position will be requested through the allotment process after this request has been forwarded to the Joint Committee on Finance.

Background

This position will be added to four other project positions approved under Sec. 16.505 on March 10, 1994. Our January 13, 1994 request for those positions provided considerable background information. A copy of that request is attached for your use, because the information is relevant to this request as well. The key items in that memo can be summarized as follows:

- Each state is now required to dedicate 5% of its formula grant block funds to the improvement of criminal history records, which represents approximately \$440,000 annually for Wisconsin.
- Consistent with federal requirements, we have conducted an assessment and developed a plan for addressing problems in this area.
- Virtually everything now used by the Crime Information Bureau in the processing of criminal history records is being revised under this project, to accommodate both state and federal needs in a very complex area.

The approval from last March authorized two Management Information Specialist and two Training Officer positions. These positions were funded through grant #SDB-92-ST-0050 from the Office

Sec. 16.505 Request
February 15, 1995
Page 2

of Justice Assistance. That grant expired on January 31, 1995, and we submitted an application for funding for the remainder of FY '95 on February 1, 1995. In addition to funding the four positions already approved, our application includes funds for the MIS position which is the subject of this request.

A forerunner of the position being requested here was approved under Sec. 16.54 (8), as one of 9.5 full-time equivalent positions funded through a discretionary grant (92-DD-CX-K006) which we first received in October, 1990 from the federal Bureau of Justice Statistics. That position ended on September 30, 1994, when it reached its four-year termination date. In order to continue the important work begun by a very effective employe, you approved our September 15, 1994 request to convert one of the two Training Officer positions created last March to a Management Information Specialist position. This was seen as a temporary arrangement, possible only because we were not yet ready to make full use of both Training Officer positions. Our current request will provide the position authority needed to continue the work which the MIS in question has already begun.

Analysis

The unfinished work which this position has started, under two different federal grants, is focused on Wisconsin's participation in the Federal Bureau of Investigation's Interstate Identification Index (III) system. III is seen as the cornerstone of the National Instant Criminal Background Check System authorized under the Brady Handgun Violence Prevention Act.

Under III, the FBI maintains an index, or pointers, to the criminal history records in participating states. When an inquiry is made to III, "hits" are automatically forwarded to one or more states, and the inquiring agency receives responses directly from the state agency which is the repository of criminal records. Approximately 30 states are currently involved in this program, and Wisconsin plans to become a participant by July, 1996. III participation by all states is a high priority for the U.S. Department of Justice. One indication of this priority is that participation in III is a "core activity" eligible for funding under the National Criminal History Improvement Program.

Unless this request is approved, we will not be able to accomplish certain goals which are important to local, state and federal law enforcement agencies. Good progress has been made using federal grants and position authority which have expired, or which were able to be redirected for a brief time. Federal funding is available under the Byrne 5% setaside program, and we have requested funding through the Office of Justice Assistance for this purpose in a grant application submitted on February 1, 1995.

Sec. 16.505 Request
February 15, 1995
Page 3

Because a continuing appropriation is involved, spending authority will be requested through the allotment process. For your information, the spending authority we anticipate needing for this position is as follows:

	<u>FY 1995</u>	<u>FY 1996</u>
Salaries	\$6,900	\$31,500
Fringe Benefits	2,300	10,600
Supplies & Services	<u>3,200</u>	<u>12,700</u>
TOTAL	*\$12,400*	*\$54,800*

These estimates assume three months of funding in FY '95; FY '96 figures represent annualized costs, including anticipated increases for salary and fringe benefit adjustments. After we receive our next OJA award for this project, for activities between February 1 and July 1, 1995, we will submit an allotment request to modify spending authority in this area.

Summary

Consistent with plans discussed with you in September, 1994, the Department requests a Management Information Specialist position, to be funded through the Byrne 5% setaside program, using federal and matching moneys available for this purpose and already approved for related uses. This position is a key resource which we need to continue our progress in improving criminal history records. Please call Jack Benjamin or Mike Roberts with any questions.

STATE OF WISCONSIN

Senate Chair
JOE LEEAN

Room 119 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
608-266-0751



Assembly Chair
BEN BRANCEL

Room 107 South, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
608-266-7746

JOINT COMMITTEE ON FINANCE

June 23, 1995

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

Dear Secretary Klauser:

On June 5, 1995, your memorandum approving \$970,900 PR in 1994-95 on a one-time basis for the Department of Correction's Badger State Industries program funded from the appropriation under s. 20.410 (1)(km) was submitted to the Joint Committee on Finance for its approval by June 26, 1995.

Objections have been raised to the request. As a result a meeting will be scheduled under s. 13.101 to further consider this item.

Sincerely,


JOE LEEAN
Senate Chair

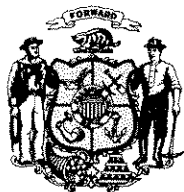

BEN BRANCEL
Assembly Chair

JL/BB/ns

STATE OF WISCONSIN

Senate Chair
JOE LEEAN

Room 119 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
608-266-0751



Assembly Chair
BEN BRANCEL

Room 107 South, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
608-266-7746

JOINT COMMITTEE ON FINANCE

June 5, 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 June 5, 1995 pursuant to s.16.515 and s.16.505(2) pertaining to a request from the Department of Corrections.

Please review this item and notify Senator Leean's office not later than Tuesday June 20, 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

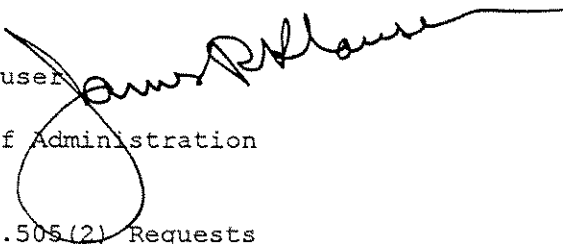
CORRESPONDENCE/MEMORANDUM

**STATE OF WISCONSIN
Department of Administration**

Date: June 5, 1995

To: Honorable Joseph Leean, 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.O.C. 20.410(1) (km)	Prison Industries			\$ 970,900	

As provided in s. 16.515, this request will be approved on June 26, 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.

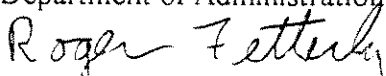
Attachments:

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: May 31, 1995

To: James R. Klauser, Secretary
Department of Administration



From: Roger Fetterly, Budget Analyst
Division of Executive Budget and Finance

Subject: S. 16.515 Request from the Department of Corrections

REQUEST

The department of Corrections (DOC) requests a one-time increase in expenditure authority of \$970,900 PR in FY95 in the Prison Industries appropriation under s. 20.410(1)(km) to meet unanticipated costs related to higher than anticipated sales volume at Badger State Industries (BSI).

BACKGROUND

BSI is an enterprise activity operating 13 prison industries providing employment for approximately 488 inmates at 9 separate correctional institutions and centers. BSI is an integral part of the correctional system providing laundry, textiles, printing and wood and metal furniture for new and existing correctional institutions. BSI also provides similar products and services to other governmental agencies and limited products and services to non-profit agencies.

ANALYSIS

DOC is requesting an increase in expenditure authority to cover the following cost increases in FY95:

Hiring additional LTEs	\$71,200
Sales commissions	\$30,000
Overtime	\$90,800
Associated fringe	\$83,000
Lower than anticipated turnover	\$19,400
Raw material for manufacturing	<u>\$676,500</u>
Total	\$970,900

BSI experienced higher than expected sales during FY95 from projects which resulted in the need for additional expenditures for personnel, raw material and

supplies and services. A significant part of the increased expenditures for raw material is due to an average 14% increase in the cost of steel, aluminum, lumber, paper and cartons during FY95.

The following projects resulted in expenditures which were not anticipated in the FY95 budget:

<u>Project</u>	<u>Product</u>	<u>Revenue</u>
Agriculture Building	Systems furniture	\$850,000
Dodge Correctional Institution	Metal prison furniture	500,000
Public Service Commission	Systems furniture	454,000
State Office Building--Eau Claire	Systems furniture	332,000
State Office Building--Hill Farms	Systems furniture	<u>262,000</u>
Total		\$2,398,000

DOC manufactures and/or assembles most of its products using inmate labor at prison sites. However, systems furniture requires setup installation and services at the project site which requires additional limited term employes and minimum security inmates to complete the projects on a timely basis to customer satisfaction.

Summary of current financial condition of appropriation 20. 410(1)(km). The following is the current fund condition of the BSI appropriation:

	<u>FY95</u>
Opening balance, July 1, 1994	\$-2,929,705
Revenue:	
Revenue year-to-date 3/31/95	9,284,456
Revenue projected to June 30	<u>5,843,768</u>
Total FY95 revenue	\$15,128,224
Less expenditures:	
Expenditures year-to-date 3/31/95	\$11,368,807
Expenditures projected to June 30	2,657,965
This s. 16.515 supplemental request	<u>970,900</u>
Total FY95 expenditures	\$14,997,672
Closing balance, June 30, 1995	<u>\$-2,799,153</u>
FY95 operating surplus for deficit reduction	\$130,552

Base on projected revenues and expenditures, sufficient revenues are available to cover the additional project costs and also provide an operating surplus to reduce the general fund deficit by \$130,552. On an accrual basis, the year-end surplus is

James R. Klauser
May 31, 1995
Page 3

expected to be approximately \$1.6 million due to accounts receivable from the major projects. Approval of this request will increase the current appropriation expenditure authority by \$970,900 PR from \$14,026,772 PR to \$14,997,672 PR.

RECOMMENDATION

Approve DOC's request for a one-time increase in expenditure authority of \$970,900 PR in FY95 in appropriation 20.410(1)(km).