

**Committee Name:**  
**Joint Committee – Finance**  
**(JC–Fi)**

**Appointments**

99hr\_JC–Fi\_Appt\_pt00

**Committee Hearings**

99hr\_JC–Fi\_CH\_pt00

**Committee Reports**

99hr\_JC–Fi\_CR\_pt00

**Clearinghouse Rules**

99hr\_JC–Fi\_CRule\_99–

**Executive Sessions**

99hr\_JC–Fi\_ES\_pt00

**Hearing Records**

99hr\_ab0000

99hr\_sb0000

**Misc.**

99hr\_JC–Fi\_\_Misc\_\_s.13.10\_pt05a

**Record of Committee Proceedings**

99hr\_JC–Fi\_RCP\_pt00

S. 13.10 Meeting  
March 4, 1999



## The University of Wisconsin System

Vice President for Finance  
 1752 Van Hise Hall  
 1220 Linden Drive  
 Madison, Wisconsin 53706  
 (608) 262-1311 FAX (608) 262-3985

Post-it* Fax Note	7671	Date	# of pages
To	<i>Julie</i>	From	<i>WY</i>
Co./Dept.		Co.	
Phone #		Phone #	
Fax #		Fax #	

**DATE:** November 30, 1998

**TO:** The Honorable Tim Weeden  
 Senate Chair  
 Joint Committee on Finance

The Honorable John Gard  
 Assembly Chair  
 Joint Committee on Finance

**FROM:** Marcia Bromberg *MB*  
 Vice President for Finance  
 University of Wisconsin System

**SUBJECT:** Proceeds from sale of 5.5 acres at Ashland Agricultural Research Station, UW-Madison

In accordance with s.13.101(13)(b), the Joint Committee on Finance may, upon request of the agency depositing proceeds from the sale of property, transfer not more than 50% of the moneys so credited to any appropriation account of that agency.

A check for \$5,525.00 has been remitted to Administrative Services, Department of Administration for deposit in Appr. under 20.865(4)(a). This money was received from the sale of the property named above, as approved by resolution of the University of Wisconsin Board of Regents.

The University of Wisconsin System requests that half of these funds (\$2,762.50) be made available to the UW-Madison to be used for support of ongoing research at the Ashland Agricultural Research Station. The funds should be made available in Appr. 20.285(1)(ka) as a receipt (UW fund 136).

Thank you for your consideration of this request.

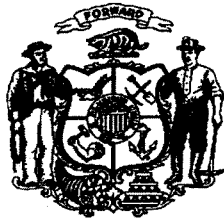
c: Katharine Lyall, University of Wisconsin System, President  
 ✓ Bob Lang, Legislative Fiscal Bureau  
 Dan Caucutt, State Budget Office  
 Peter Maternowski, State Budget Office  
 Paul McMahon, Department of Administration, Administrative Services  
 Chuck Stathas, University of Wisconsin System, General Counsel  
 John Torphy, University of Wisconsin-Madison, Vice Chancellor  
 Elton Aberle, University of Wisconsin-Madison, Dean, College of Agricultural & Life Sciences  
 Paul Jelle, University of Wisconsin-Madison, Asst. Dean, College of Agricultural & Life Sciences  
 George Ketterer, University of Wisconsin System

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# THE STATE OF WISCONSIN

SENATE CHAIR  
BRIAN BURKE

316-S Capitol  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-8535



ASSEMBLY CHAIR  
JOHN GARD

315-N Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

**Date:** February 16, 1999

**To:** State Agency Heads

**From:** Dan Caucutt, Secretary  
Joint Committee on Finance under s.13.10

**Subject:** Third Quarter Meeting of the Joint Committee on Finance under s.13.10

The Co-Chairs of the Joint Committee on Finance have requested that agencies with matters they wish to bring to the third quarter meeting under s.13.10 to submit them at this time. These should be for items which meet the criteria of s.13.10 and need disposition at the next regular meeting. These requests are due by 4:00 p.m., Thursday, March 4, 1999. No date for the third quarter meeting has been set.

All agency requests and reports for consideration at the regular third quarter meeting should be addressed to the Joint Committee on Finance Co-Chairs. Send two copies of all requests directly to the co-chairs (one each to Senator Brian Burke and Representative John Gard), two copies of all requests and reports directly to the Legislative Fiscal Bureau, and the original plus 40 copies to my attention at the Department of Administration, 10<sup>th</sup> Floor, 101 E. Wilson Street.

As indicated, agency requests must be received by 4:00 p.m., Thursday, March 4. Late requests will not be accepted.

Requests should indicate who will represent the agency at the meeting, and it is suggested that this general format be followed as requests are prepared:

Brief Summary of Request  
Background of Request  
How Request Meets Statutory Criteria [See s.13.101(3) and (4), Wis. Stats]

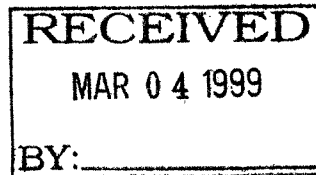
cc: Agency Budget Contacts  
Bob Lang



STATE OF WISCONSIN

**Department of Employee Trust Funds**

**Eric O. Stanchfield**  
*Secretary*  
801 West Badger Road  
P.O. Box 7931  
Madison, WI 53707-7931



March 3, 1999

**Honorable Brian Burke**  
**Honorable John Gard**  
**Co-Chairs, Joint Committee on Finance**  
**State Capitol**  
**Madison WI 53702**

**Subject: S. 13.101 Request for Costs of Implementing the Special Investment Performance Dividend (SIPD) Lawsuit Equitable Distribution**

Dear Senator Burke and Representative Gard:

The Department of Employee Trust Funds (Department) requests a one-time supplement of \$505,300 SEG to its 1998 -1999 general administrative appropriation s.20.515 (1)(w) to fund extraordinary costs associated with the implementation of the Special Investment Performance Dividend (SIPD) lawsuit equitable distribution. The Department also requests a one-time supplement of \$541,700 in 1999-2000 for the currently projected completion of this project.

**BACKGROUND**

The Department continues to administer the equitable distribution that resulted from the August 1997 Supreme Court decision in the Special Investment Performance Dividend lawsuit. As has been documented previously to the Joint Committee on Finance, this project primarily involves the difficult task of locating and paying up to 30,000 estates of deceased Wisconsin Retirement System (WRS) annuitants. As directed by the Court, the payments are being made following the deposit of the \$206.6 million (GPR) settlement by the State of Wisconsin into the WRS trust fund.

Using internal staff resources and contract employees, the Department began paying benefits to annuitants, beneficiaries and heirs in December 1997. To date over 43,000 annuitants and beneficiaries and 4,800 heirs have received payments. In addition, almost 1,000 payments to heirs of deceased annuitants are currently in process. Over \$107 million in lump sum payments have been issued and monthly annuity increases with a present value of \$80 million have also been paid.

Of the approximately 30,000 estates eligible to receive a distribution, over 25,000 remain to be paid, however. This includes over 7,300 claims received and waiting to be processed, and an estimated 5,800 potential claims of over \$1,000 and 4,000 potential claims of over \$500 for which no claim has yet been received. Over \$19 million of SIPD funds remain to be paid out. It is estimated that approximately 13,000 eligible heirs will never be located, or will choose not to file a claim because of the small amount of payment for which they are eligible.

The Employee Trust Funds (ETF) Board originally established March 31, 1999 as the deadline for submission of claims, and June 30, 1999 as the end date for claims payment. Based on the number of actual and potential claims remaining to be processed, the ETF Board subsequently

extended the deadline for filing SIPD claims to November 30, 1999, setting March 31, 2000 as the planned cutoff for claims payment. Later this year, the ETF Board will reevaluate the project status and these deadlines to determine if additional time is needed to make a reasonable effort at locating and paying potential claims.

### **SUMMARY OF PROJECT; BRIEF DESCRIPTION OF COSTS**

Implementation of the equitable distribution has been divided into three phases: (1) initial communication and payments to current annuitants; (2) estate and beneficiary claims; and (3) final payments and wrap-up. The timetable for phases (2) and (3) have been adjusted to reflect the ETF Board's extension of claim deadlines.

#### **(1) Phase I (Oct. 1 - Dec. 31, 1997)**

This phase involved notification of the Board's distribution decision and a description of the impact on annuitants and class members; staffing of special information lines and preparation of correspondence; termination of the previous SIPD payments to 7,300 annuitants; actuarial consultation; institution of new GPR-funded supplements as required under Wis. Act 26, Laws of 1997; and the calculation and payment of 43,000 lump sum payments to current annuitants.

#### **(2) Phase II (January 1, 1998 – November 30, 1999)**

The second phase has included the development of a claim package for beneficiaries and estates of deceased eligible annuitants; publicizing and communication of information about filing claims; administration and payment of claims filed; preparation and distribution of tax documents; and the provision of general information and correspondence related to the claims process. 4,800 claims have been paid to date with an additional 1,000 in process. Over 7,600 claim inquiries await processing and 9,800 potential claims in excess of \$500 have not yet been filed. Locating heirs of annuitants for these remaining claims is part of this phase of the project.

#### **(3) Phase III (December 1, 1999 – March 31, 2000)**

The final phase will include processing the final claim payments; preparation of remaining tax documents; and preparation of final documentation and reports.

The SIPD project has been extremely difficult because of the advanced age of many of the affected individuals, the large number of claimants and the complexity of claims processing. The Department has had to train new claims processing staff and operate a separate claims payment system in order to avoid interfering with normal Department workload. Since many payments are made to the estates of deceased participants, the complexity of claims processing has been greater than had been anticipated.

Beginning in August 1998 the Department increased the contract staff assigned to this project from eight to sixteen. This was in recognition of the large number of claims remaining to be paid due to the unanticipated complexity in claims processing and turnover in contract staff. At the current staffing level it is estimated that an average of 200 claims per week can be paid.

The project extension approved by the Board should permit the payment of currently filed claims. In addition, the extension will provide more time to attempt to locate affected estates and, if such efforts are successful, process payments for an estimated 50% of the remaining 9800 potential claims valued at over \$500.

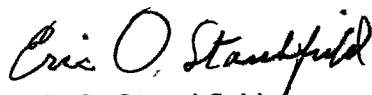
If, however, location efforts proceed more slowly than expected or a larger number of claims are filed than projected, it may be necessary for the Board to further extend the deadline. Should this occur, the Department will return to the Committee via s. 13.101 during FY 99-00.

#### **HOW THIS REQUEST MEETS STATUTORY CRITERIA**

The Department has absorbed significant expense associated with SIPD litigation since the case began over ten years ago. The Department estimates it will have absorbed about \$200,000 in direct expenses, plus management and supervisory time, by the completion of the SIPD distribution. While the Department will continue to provide management / supervisory oversight to the project from our general administrative appropriation, our base funding is insufficient to meet the unbudgeted expenses involved in the SIPD equitable distribution. I believe the statutory standards under s 13.101(3) of the statutes for granting supplementation have been met.

Thank you for your consideration of this request. I have attached a document that provides a brief description and itemizes the costs associated with the SIPD project. David Stella, Administrator of the Division of Retirement Services, and Joanne Cullen, Budget Director, will be available at your meeting to answer any questions that you may have.

Sincerely,

  
Eric O. Stanchfield  
Secretary

(608) 266-0301  
FAX: (608) 267-0633  
TTY: (608) 267-0676

Attachment

EOS:jk

## Attachment 1 - Itemization of Costs and Brief Description

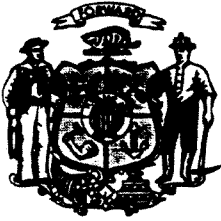
Description	Budget - FY 99
<p style="text-align: center;"><b>Limited Term Salaries</b></p> <p>Limited Term employe needed to maintain Department participant, employer and correspondence filing systems for the SIPD project. Duties include filling requests for participant records and/or other information, and completing retrieval request forms for closed SIPD records stored at the State Records Center</p>	\$15,400
Fringe Benefits	\$3,500
<b>Total Personal Services</b>	<b>\$18,900</b>
<p style="text-align: center;"><b>Messenger Service/Fleet Cars</b></p> <p>Mileage to transport folders and supplies to SIPD Downtown Office</p>	\$1,600
Telephone Local, Long Distance, Equipment And Voice Mail for SIPD Downtown Office	\$ 10,800
Space Rental Office space for SIPD contractual staff.	\$29,700
Office Supplies Office and Computer Supplies for SIPD staff	\$8,200
<p style="text-align: center;"><b>Temporary Help Services</b></p> <p>Contract with DI &amp; Associates to provide staffing to implement the SIPD equitable distribution. Duties include answering questions concerning eligibility for SIPD distribution and processing the claim forms to calculate the lump sum payments.</p>	\$415,300
Postage SIPD letters, claim packets and correspondence	\$11,400
Copier and Fax Rental for SIPD Downtown office	\$3,200
State of Wisconsin Records Center Charges Charges to retrieve participant folders	\$6,200
<b>Total Supplies &amp; Services</b>	<b>\$486,400</b>
<b>FY - 99 Grand Total Personal Services and Supplies &amp; Services</b>	<b>\$505,300</b>



## Attachment 1 - Itemization of Costs and Brief Description

Description	Budget - FY 00
<b>Limited Term Salaries</b>	
Limited Term employe needed to maintain Department participant, employer and correspondence filing systems for the SIPD project. Duties include filling requests for participant records and/or other information, and completing retrieval request forms for closed SIPD records stored at the State Records Center.	\$ 11,600
Fringe Benefits	\$2,600
<b>Total Personal Services</b>	<b>\$14,200</b>
<b>Messenger Service/Fleet Cars</b>	
Mileage to transport folders and supplies to SIPD Downtown Office	\$1,500
<b>Telephone</b>	
Local, Long Distance and Voice Mail for SIPD Downtown Office	\$8,000
<b>Space Rental</b>	
Office space for SIPD contractual staff	\$22,800
<b>Office Supplies</b>	
Office and Computer Supplies for SIPD staff	\$7,200
<b>Temporary Help Services</b>	
Contract with DI & Associates to provide staffing to implement the SIPD equitable distribution. Duties include answering questions concerning eligibility for SIPD distribution and processing the claim forms to calculate the lump sum payments.	\$331,500
<b>Postage</b>	
SIPD letters, claim packets and correspondence.	\$2,100
Copier and Fax Rental for SIPD Downtown office	\$2,200
<b>State of Wisconsin Records Center Charges</b>	
Charges to retrieve participant folders	\$7,200
<b>Actuarial Services</b>	
Post-implementation review of undistributed	\$5,000
<b>Locator Services</b>	
Contract for services to locate beneficiaries and/or heirs of deceased annuitants.	\$140,000
<b>Total Supplies &amp; Services</b>	<b>\$527,500</b>
<b>FY - 00 Grand Total Personal Services and Supplies &amp; Services</b>	<b>\$541,700</b>

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TOMMY G. THOMPSON

*TH*

Governor  
State of Wisconsin

March 4, 1999

The Honorable Charles R. Sanders, Assembly Chief Clerk  
Wisconsin State Assembly  
One East Main, Suite 402  
Madison, WI 53703

*Charlie*  
Dear Mr. Sanders:

RE: Stripper XIX 1999 Oil Overcharge Plan

I am pleased to transmit my Stripper XIX 1999 Oil Overcharge Plan for consideration by the Joint Committee on Finance (JCF) at the next s. 13.10, Wis. Stats., meeting. As required by s. 14.065, Wis. Stats., I am also forwarding a copy to the Chief Clerk of the Senate.

This year's Plan allocates \$513,308 (\$447,308 of new Stripper monies and \$66,000 of reallocated Exxon monies). If accepted and implemented, the recommended program initiatives provides state citizens with credible information regarding the energy implications of Y2K, makes our buildings and homes more energy efficient and reduces our dependence on petroleum based motor fuels.

In addition to the JCF's action, the U.S. Department of Energy must also conduct a review to determine if Wisconsin's Plan conforms with Federal requirements and established definitions of restitution. The Department of Administration staff will be available to provide additional information that may be required. I appreciate your usual support.

Sincerely,

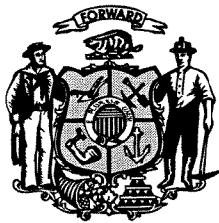
A handwritten signature in cursive script that reads "Tommy".

TOMMY G. THOMPSON  
Governor

Enclosure

cc: Mark D. Bugher, Secretary  
Department of Administration

Nathaniel E. Robinson, Administrator  
Division of Energy and Intergovernmental Relations



**TOMMY G. THOMPSON**

**Governor  
State of Wisconsin**

March 4, 1999

The Honorable Donald J. Schneider, Senate Chief Clerk  
Wisconsin State Senate  
One East Main, Suite 402  
Madison, WI 53703

Dear Mr. Schneider:

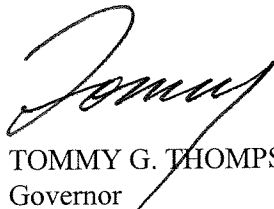
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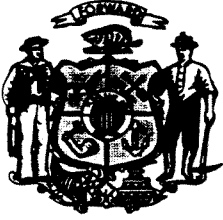


TOMMY G. THOMPSON  
Governor

Enclosure

cc: Mark D. Bugher, Secretary  
Department of Administration

Nathaniel E. Robinson, Administrator  
Division of Energy and Intergovernmental Relations



**TOMMY G. THOMPSON**

**Governor  
State of Wisconsin**

March 4, 1999

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

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

Dear Senator Burke and Representative Gard:

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I am pleased to transmit my Stripper XIX 1999 Oil Overcharge Plan for consideration by the Joint Committee on Finance (JCF) at the next s. 13.10, Wis. Stats., meeting. As required by s. 14.065, Wis. Stats., I am also forwarding a copy to the Chief Clerks of the Senate and the Assembly.

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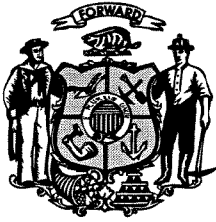
A handwritten signature in cursive script, appearing to read "Tommy".

TOMMY G. THOMPSON  
Governor

Enclosure

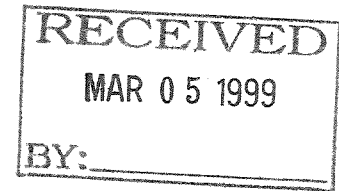
cc: Mark D. Bugher, Secretary  
Department of Administration

Nathaniel E. Robinson, Administrator  
Division of Energy and Intergovernmental Relations



**TOMMY G. THOMPSON**

**Governor  
State of Wisconsin**



March 4, 1999

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

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

Dear Senator ~~Burke~~ and Representative Gard:

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In addition to the JCF's action, the U.S. Department of Energy must also conduct a review to determine if Wisconsin's Plan conforms with Federal requirements and established definitions of restitution. The Department of Administration staff will be available to provide additional information that may be required. I appreciate your usual support.

Sincerely,

TOMMY G. THOMPSON  
Governor

Enclosure

cc: Mark D. Bugher, Secretary  
Department of Administration

Nathaniel E. Robinson, Administrator  
Division of Energy and Intergovernmental Relations

**GOVERNOR'S 1999 OIL OVERCHARGE PLAN**

Stripper XIX Funds: \$513,308.63 Available

Prepared by the Department of Administration  
Division of Energy and Intergovernmental Relations

March 4, 1999

## GOVERNOR'S 1999 OIL OVERCHARGE PLAN

### 1999 Plan At-A-Glance

The Governor's 1999 Oil Overcharge Plan (Stripper XIX), proposes allocation of \$513,308.63 (\$447,308.63 of new Stripper monies and \$66,000 of reallocated Exxon monies). The Plan is designed to provide state citizens with credible information regarding the energy implications of Y2K, make our buildings and homes more energy efficient and reduce our dependence on petroleum based motor fuels.

The recommended programs, each summarized in the Plan, are as follows:

<b>Recommended Programs #</b>	<b>New Monies</b>	<b>Reallocated Monies</b>	<b>Oil Overcharge</b>
1) Y2K Outreach	\$ 150,000		\$ 150,000
2) Community Services Energy Efficiency Awards	\$ 75,000	\$ 25,000	\$ 100,000 @
3) Fresh Start	\$ 90,000	\$ 10,000	\$ 100,000
4) Energy Star Windows Promotion	\$ 44,000	\$ 31,000	\$ 75,000 ^
5) Alternative Motor Fuels--Clean Cities	\$ 72,000		\$ 72,000
6) Energy Program Management	\$ 16,309		\$ 16,309 *
Total	\$ 447,309	\$ 66,000	\$ 513,309

# Dollars rounded, see program description for precise figure.

@ The existing contract administrator may use 10 percent of these monies for administration.

^ The Energy Bureau may use 10 percent of these monies for delivery of program services.

\* Program also receives all available interest.

## PROGRAM SUMMARY

### **1. Y2K Outreach**

**\$150,000**

Wisconsin residents are receiving conflicting information on the impact the Y2K computer problem will have on their supply of energy and the appropriate actions to take in response. To address these concerns, the Governor has established the Blue Ribbon Commission on Year 2000 Preparedness to study this issue and to provide the state's citizens with credible, timely and actionable information about institutional, personal and household preparedness.

This program funds a portion of this outreach/educational effort. Because Wisconsin is a cold winter state, the potential interruption of the electric or natural gas delivery system in January could have severe consequences. While the preliminary findings of the blue Ribbon Commission are cautiously optimistic that disruptions will not occur, there is an ongoing need to convey this and other Y2K information to citizens. Absent reliable information, some residents may purchase and install equipment (e.g. electric generators and space heaters) which, if improperly installed or operated, could pose a safety hazard for themselves and others.

This program will provide credible information that will help citizens understand the Y2K issue and prepare for energy contingencies associated with it. The goal is to provide citizens with the information needed to make a transition to the Year 2000 smoothly, without unfounded anxiety, and adequately prepared to meet the short term challenges that could arise.

### **2. Community Services Energy Efficiency Awards**

**\$100,000**

Wisconsin has a strong interest in making child care and community based residential facilities (CBRF) more energy efficient. This program initiative furthers that interest by continuing to provide awards to eligible child care and CBRF for energy efficient improvements based on the replacement of appliances with energy efficient (EPA energy star) units. Existing program guidelines will be used to determine the award amounts. Existing facilities and facilities that are in the process of being renovated/retrofitted will continue to be eligible under this program.

### **3. Fresh Start**

**\$100,000**

This program emphasizes the construction of energy efficient new homes. Program monies would be used to provide the homes with energy efficient furnaces, water heaters and other appliances and the insulation materials and windows necessary to assure the homes are energy efficient. Approximately ten energy efficient homes would be constructed with Stripper XIX monies.

The homes would be constructed with assistance from youths who are experiencing difficulties with the judicial system. This program engages these youth in productive activities and helps them develop basic job skills and potentially specialized trade skills. Program monies would also be used to provide the training and supervision necessary to help these youth develop and use the skills necessary for constructing energy-efficient housing and for life building skills.



**4. Energy Star Windows Promotion****\$75,000**

This program would allow Wisconsin to increase its market share of energy efficient windows produced and sold by Wisconsin manufacturers. Recently, Minnesota and Wisconsin updated their residential building codes requiring the use of more energy efficient windows. This program would assist Wisconsin window manufacturers by providing technical and labeling assistance, increasing the awareness of the public, window dealers and building contractors of the benefits of high efficiency, low-e glass windows and identifying market opportunities for the window manufacturers. The program would be implemented through the use of consultants familiar with the window industry and the marketing of energy efficient products.

**5. Alternative Motor Fuels—Clean Cities****\$72,000**

Wisconsin Clean Cities--Southeast Area Inc. (WCC-SEA) is a voluntary, southeastern Wisconsin, non profit, public/private partnership whose mission is to expand the use of alternative motor fuels by accelerating/facilitating the purchase of alternative fueled vehicles and the development of a supporting refueling infrastructure. This program would cost share a two year coordinator position for the WCC-SEA. The coordinator would work to educate fleet managers, the public and decision makers on the benefits of alternative fueled vehicles, available financial assistance and on understanding and satisfying government requirements regarding the purchase and use of alternative fueled vehicles.

**6. Energy Program Management****\$16,308.63 plus interest**

The Stripper IV, XV, XVI, XVII and XVIII Oil Overcharge Plans allocated monies (primarily interest and residual monies) to assist the Wisconsin Energy Bureau in continuing its mandated oil overcharge management activities and to promote energy efficiency in Wisconsin. This program continues that support by allocating Stripper XIX interest and residual monies to this program.

**PROGRAM REALLOCATIONS****Exxon – Low Income Pilots**

As part of Stripper XVII, the Governor and Legislature allocated \$1.1 million of new and reallocated Stripper monies to the Department of Administration, Division of Housing, to fund the Low Income Energy Assistance Program (LIHEAP). In exchange for the Stripper monies, the Governor and Legislature deobligated \$1.1 million of Exxon oil overcharge monies that were previously allocated to LIHEAP. The reason for the funding exchange was the anticipation that Federal LIHEAP regulations would allow a dollar-for-dollar Federal match to State LIHEAP expenditures made with Stripper funds but not with Exxon funds.

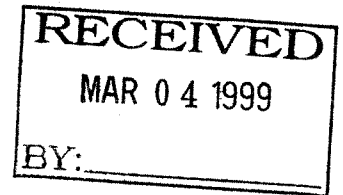
Of the \$1.1 million of deobligated Exxon monies, \$66,000 remains to be reallocated. This plan allocates these monies to provide partial funding for the Energy Star Windows Promotion (\$31,000), Community Services Energy Efficiency Awards (\$25,000) and Fresh Start (\$10,000). See the program descriptions for details.



# State Historical Society of Wisconsin

816 State Street ♦ Madison, Wisconsin 53706-1488 ♦ 608/264-6400 ♦ Fax: 264-6404

March 4, 1999



TO: Senator Brian Burke, Senate Chair  
Representative John Gard, Assembly Chair  
Members, Joint Committee on Finance

FROM: George Vogt, Director  
State Historical Society

SUBJECT: Request Under Section 13.101 of the Statutes

## Brief Summary of the Request

The Society requests the creation of a .50 SEG Archivist-Senior position in the appropriation under section 20.245(1)(r) in 1998-1999.

## Background of the Request

The Society's McCormick-International Harvester Company collection ranks among the premier research resources in the country on the history of the McCormick family, mechanization of agriculture, growth of major industrial corporations and entrepreneurship. The collection first came to the Society in 1951 and currently includes about 4,000 cubic feet of textual records and includes additional large quantities of photographs, films, posters and related materials. The collections popularity has grown markedly during the 1990's.

In 1989, the Society proposed the creation of an endowment to manage the collection to Brooks McCormick. He agreed to provide a total gift of \$292,000 with \$250,000 of that amount for an endowment to fund a permanent half-time archivist position. The gift came to the Society in three installments and, as the result of the increase in the value of the endowment, produced enough annual earnings to support a .50 SEG-funded archivist within three years. The Joint Finance Committee approved a Society half-time position request at their January, 1992 meeting.

With the hiring of the part-time archivist, the demand for access to the collection accelerated. The increased demand on the archivist's time left inadequate time for collection processing, description, preservation and programming. In response to a second Society proposal, Brooks McCormick agreed in 1993 to provide an additional \$462,000 to manage and care for the collection. Monies were provided toward increasing the archivist position to full-time (\$400,000) and a variety of public programming (\$62,000). The expansion of the endowment principal occurred through five equal installments — the last payment arriving in December, 1998. The five additions to and an increase in the value of the endowment have produced a principal sufficiently large to support a full-time archivist.

### How the Request Meets Statutory Criteria

In effect, section 16.505(1) of the Statutes requires SEG-funded positions be created through a biennial budget bill, other legislation or by the Joint Committee on Finance acting under section 13.10 of the Statutes.

In mid-November, 1998, the Society made a number of assumptions (including the receipt of the last \$80,000 payment from Brooks McCormick) to project whether there would be sufficient endowment earnings to cover the costs for a full-time position. Considering the Society's endowment management policy not to authorize the expenditure of more than five percent of an endowment's beginning fiscal year principal, it was projected there would be slightly more expenditure authority than expenditures for a full-time, SEG-funded archival position in 1998-1999. In succeeding fiscal years, the difference between these figures was projected to increase annually starting with a \$6,600 difference beginning in 1999-2000. As a result, the Society believes now is the time to seek the additional position authorization to meet the demand for the management and care of the collection.

The Society will be represented at the March meeting by myself and the Associate Director, Bob Thomasgard.



# State Historical Society of Wisconsin

816 State Street ♦ Madison, Wisconsin 53706-1488 ♦ 608/264-6400 ♦ Fax: 264-6404

March 4, 1999

TO: Senator Brian Burke, Senate Chair  
Representative John Gard, Assembly Chair  
Members, Joint Committee on Finance

FROM: George Vogt, Director  
State Historical Society

SUBJECT: Request Under Section 13.101 of the Statutes

## Brief Summary of the Request

The Society requests (1) the transfer of a .75 GPR position from the appropriation under section 20.245(4)(a) to the appropriation under section 20.245(1)(a) and (2) the elimination of a .75 PRO unclassified position in the appropriation under section 20.245(4)(h) and the transfer of the .75 unclassified status for that position and the .25 unclassified status for an existing GPR position in the appropriation under section 20.245(4)(a) to another existing GPR classified position in the appropriation under section 20.245(4)(a).

## Background of the Request

Although complicated, the Society's request would address several issues in a package. One issue relates to stabilizing the funding for the Society's Graphic Artist position. Presently, the position is funded entirely with PRO. However, the position generates no revenues, so other agency program revenues cover the position's costs. The transfer of 75 percent of a vacant GPR position in the Division of Administrative Services (DOAS) to the Division of Public History would put the position on a sounder financial footing and allow the program revenues now funding three-quarters of the Graphic Artist position to be used by the programs generating them.

A second issue relates to cleaning up after a Society reorganization approved at the end of 1997. As a result of that approval, the Division of Development and State Relations was reorganized into an Office of Development. The division was headed by an unclassified division administrator; the office by an unclassified position. The Society would like to restructure that position in several ways. First, the Society would like to reduce the position to half-time to be totally funded with GPR. The full-time position is funded .75 PRO and .25 GPR. The existing .25 GPR authorization would be combined with the remaining .25 GPR position from the above vacant DOAS position to create a half-time GPR position. Second, the Society would like to return the position to a classified status (which it had been previously). Third, the Society would like to "shift" the unclassified status of the full-time position to an existing GPR position in DOAS.

A third issue relates to improving the services of the DOAS in several ways. The division's responsibilities would be expanded. Although not requiring formal approval, the Offices of Human Resources and Data Processing would move under the division. The use of an existing position in the appropriation under section 20.245(4)(a) — the appropriation which includes the Division of Administrative Services and the Offices of the Director, Development, Human Resources and Data Processing — to create a new division administrator position would allow the existing division administrator position to focus on financial management and analysis in the agency. The Society would like to change the status of the division administrator from a classified to unclassified. That new designation would be shifted from the head of the Office of Development.

#### How the Request Meets Statutory Criteria

The first part of the Society's request falls under section 13.101(4) and the second part falls under section 13.101 (2). A series of recent discussions caused the Society to consider the solution of these issues holistically. As the result of the discussions, it was concluded (1) the problems with several Society program revenue accounts must be addressed and (2) the expansion and redefinition of the responsibilities of the Division of Administrative Services would improve service delivery.

The Society will be represented at the March meeting by myself and the Associate Director, Bob Thomasgard.

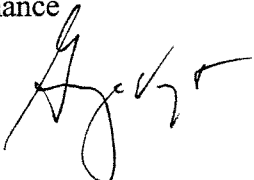


# State Historical Society of Wisconsin

816 State Street ♦ Madison, Wisconsin 53706-1488 ♦ 608/264-6400 ♦ Fax: 264-6404

March 26, 1999

TO: Senator Brian Burke, Senate Chair  
Representative John Gard, Assembly Chair  
Joint Committee on Finance

FROM: George Vogt, Director  
State Historical Society 

SUBJECT: Revised Requests Under Section 13.10

Attached are revised copies of the two section 13.10 requests the Society submitted previously with a March 4 date. Although each includes minor wording changes, the main revisions are requests to increase expenditure authority for the archivist request and transferred expenditure authority for the other request.

I hope these revisions can be considered amendments to our initial requests at the as-yet unscheduled third quarterly meeting of the Committee under section 13.10.

cc: Ruth Hardy, Legislative Fiscal Bureau  
Dan Caucutt, State Budget Office  
Josh Hummert, State Budget Office



# State Historical Society of Wisconsin

816 State Street ♦ Madison, Wisconsin 53706-1488 ♦ 608/264-6400 ♦ Fax: 264-6404

March 26, 1999

TO: Senator Brian Burke, Senate Chair  
Representative John Gard, Assembly Chair  
Members, Joint Committee on Finance

FROM: George Vogt, Director  
State Historical Society

SUBJECT: REVISED Request Under Section 13.10

## Brief Summary of the Request

The Society requests the creation of a .50 SEG Archivist-Senior position and authorization to expend an additional \$19,000 SEG on an annualized basis in the appropriation under section 20.245(1)(r) in 1998-1999.

## Background of the Request

The Society's McCormick-International Harvester Company collection ranks among the premier research resources in the country on the history of the McCormick family, mechanization of agriculture, growth of major industrial corporations and entrepreneurship. The collection first came to the Society in 1951 and currently includes about 4,000 cubic feet of textual records and additional large quantities of photographs, films, posters and related materials. The collection's popularity has grown markedly during the 1990's.

In 1989, the Society proposed the creation of an endowment to manage the collection to Brooks McCormick. He agreed to provide a total gift of \$292,000 with \$250,000 of that amount for an endowment to fund a permanent half-time archivist position. The gift came to the Society in three installments and, as the result of the increase in the value of the endowment, produced enough annual earnings to support a .50 SEG-funded archivist within three years. The Joint Finance Committee approved a Society half-time position request at their January, 1992 meeting.

With the hiring of the part-time archivist, the demand for access to the collection accelerated. The increased demand on the archivist left inadequate time for collection processing, description, preservation and programming. In response to a second Society proposal, Brooks McCormick agreed in 1993 to provide an additional \$462,000 to manage and care for the collection. Monies were provided toward increasing the archivist position to full-time (\$400,000) and a variety of public programming (\$62,000). The expansion of the endowment principal occurred through five equal installments — the last payment arriving in December, 1998. The five additions to and an increase in the value of the endowment have produced a principal sufficiently large to

support a full-time archivist.

#### How the Request Meets Statutory Criteria

In effect, section 16.505(1) of the Statutes requires SEG-funded positions be created through a biennial budget bill, other legislation or by the Joint Committee on Finance acting under section 13.10 of the Statutes. In mid-November, 1998, the Society made a number of assumptions (including the receipt of the last \$80,000 payment from Brooks McCormick) to project whether there would be sufficient endowment earnings to cover the costs for a full-time position.

Considering the Society's endowment management policy not to authorize the expenditure of more than five percent of an endowment's beginning fiscal year principal, it was projected there would be slightly more expenditure authority than expenditures for a full-time, SEG-funded archival position in 1998-1999. In succeeding fiscal years, the difference between these figures was projected to increase annually starting with a \$6,600 difference beginning in 1999-2000. As a result, the Society believes it is now appropriate to seek the additional position and funding authorization to meet the demand for the management and care of the collection.

The Society will be represented at the March meeting by myself and the Associate Director, Bob Thomasgard.



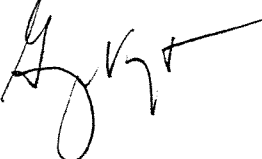


# State Historical Society of Wisconsin

816 State Street ♦ Madison, Wisconsin 53706-1488 ♦ 608/264-6400 ♦ Fax: 264-6404

March 26, 1999

TO: Senator Brian Burke, Senate Chair  
Representative John Gard, Assembly Chair  
Members, Joint Committee on Finance

FROM: George Vogt, Director  
State Historical Society 

SUBJECT: REVISED Request Under Section 13.10

## Brief Summary of the Request

The Society requests [1] the transfer of .75 GPR of a position and \$34,000 GPR on an annualized basis from the appropriation under section 20.245(4)(a) to the appropriation under section 20.245(1)(a); [2] the elimination of .75 PRO of an unclassified position in the appropriation under section 20.245(4)(h); and [3] the transfer of the unclassified status for that position (which is .75 PRO and .25 GPR) to another GPR classified position in the appropriation under section 20.245(4)(a).

## Background of the Request

Although complicated, the Society's request would address several issues in a package. One issue relates to stabilizing the funding for the Society's Graphic Artist position. Presently, the position is funded entirely with PRO. However, the position generates no revenues, so other agency program revenues cover the position's costs. The transfer of 75 percent of a vacant GPR position in the Division of Administrative Services (DOAS) to the Division of Public History would put the Graphic Artist position on a sounder financial footing and allow the program revenues now funding three-quarters of the position to be used by the programs generating them instead.

A second issue relates to clean-up after a Society reorganization approved at the end of 1997. As a result of that approval, the Division of Development and State Relations was reorganized into an Office of Development. The division was headed by an unclassified division administrator; the office was headed by that same unclassified position. The full-time unclassified position is funded .75 PRO and .25 GPR. The Society requests three actions relating to the position. First, the Society would like to combine that .25 GPR authorization with the remaining .25 GPR authorization for the above vacant DOAS position to create a half-time GPR position. Second, the Society would like to return the "new" half-time position to a classified status (which it had been previously). Third, the Society would like to "shift" the unclassified status of the existing full-time position to an existing GPR position in DOAS.

A third issue relates to improving the services of the DOAS in several ways. The division's responsibilities would be expanded. Although not requiring formal approval, the Offices of Human Resources and Data Processing would move under the division. The use of an existing position in the appropriation under section 20.245(4)(a) — the appropriation which includes the Division of Administrative Services and the Offices of the Director, Development, Human Resources and Data Processing — to create a new division administrator position would allow the existing division administrator position to be reconfigured and focused on financial management and analysis throughout the agency. Additionally, the Society would like to change the status of the "new" division administrator from a classified to unclassified status. That unclassified designation would be shifted from the head of the Office of Development.

#### How the Request Meets Statutory Criteria

The first part of the Society's request falls under section 13.101(4) and the second part falls under section 13.101 (2). It is unclear whether the Committee could approve the third action.

A series of recent discussions caused the Society to consider the solution of these issues holistically. As the result of the discussions, it was concluded (1) the problems with several Society program revenue accounts must be addressed and (2) the expansion and redefinition of the responsibilities of the Division of Administrative Services would improve service delivery.

The Society will be represented at the March meeting by myself and the Associate Director, Bob Thomasgard.