

**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\_pt07a

**Record of Committee Proceedings**

99hr\_JC–Fi\_RCP\_pt00

~~XXXXXXXXXX~~  
S.13.10 Meeting  
July 15, 1999



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

July 12, 1999

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Materials for the Committee's July 15 Meeting

Attached are papers, prepared by this office, on those items which are scheduled for the Committee's July 15 meeting under s. 13.10.

The meeting is scheduled for 9:30 a.m. in Room 411 South, State Capitol.

BL/sas  
Attachments



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

July 15, 1999

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Employee Trust Funds: Plan Submitted for Committee Approval under Section 13.10  
Relating to Conclude the Distribution of SIPD Settlement Funds -- Agenda Item I

At the Committee's April 21, 1999, meeting under s. 13.10 of the statutes, the Department of Employee Trust Funds (ETF) sought one-time funding supplements of \$505,300 SEG for the 1998-99 fiscal year and \$541,700 SEG for the 1999-00 fiscal year for unbudgeted extraordinary costs associated with the agency's continuing implementation of the special investment performance dividend (SIPD) lawsuit settlement. The Committee approved ETF's supplementation request for the 1998-99 fiscal year but denied the agency's request for the 1999-00 fiscal year since the statutes do not authorize the Committee to make a supplementation for periods outside of the current fiscal biennium. However, the Committee also stipulated that before any further expenditure commitments (beyond fiscal year 1998-99) could be made by ETF for the project, the agency must first develop for the Committee's review and approval a plan for the orderly termination of the project. The Department has now submitted such a plan for the Committee's review and approval.

### **BACKGROUND**

In mid-1997 the parties involved in the SIPD lawsuit reached an agreement under which the state would be required to pay a settlement in the amount of \$215.0 million GPR, of which \$206.6 million GPR would be reserved for equitable distribution to WRS annuitants, beneficiaries and estates. Funding sufficient to pay this settlement was included in the 1997-99 biennial budget.

During late 1997, ETF began implementing Phase I of an anticipated three-phase project to distribute the SIPD settlement amounts. Activities during this initial phase included a notification of all WRS annuitants of the settlement and a description of the impact of the settlement on annuitants, former annuitants, alternate payees, joint survivors, beneficiaries and estates of eligible deceased annuitants who would have been eligible to receive the approved distribution. During this

period, ETF established special information lines, terminated payment of the previous SIPD distributions, adjusted the annuities of eligible annuitants (persons with WRS annuities first effective November 1, 1987, or earlier), made lump sum distributions to approximately 42,400 current and former annuitants, and instituted a new GPR-funded annuity supplement authorized by 1999 Wisconsin Act 27 to hold harmless any annuitant who would have been adversely affected by the termination of the SIPD payment.

Phase II of the project then began in early 1998, after the payments and distributions under Phase I were fully completed. The principal focus of Phase II activities has been to locate potential claimants for payments due an estimated 27,700 estates or beneficiaries of deceased annuitants who would have been eligible for the adjusted annuity payment if they were still living. The ETF Board initially directed that all claims under Phase II activities be submitted to the Department by March 31, 1999, or be barred, unless the Board acted prior to that date to extend the claims submission deadline for claims from estates and beneficiaries.

At that time, ETF anticipated that Phase III of the project would then run from March 31, 1999, the claims filing deadline date, through June 30, 1999. During Phase III activities, ETF expected that it would be processing final claims for payment, preparing final tax documents and submitting final reports to the ETF Board to conclude the project.

On June 4, 1998, the Committee provided ETF with a supplement of \$359,800 SEG (one-time funding) for 1997-98 to support the agency's unbudgeted SIPD settlement distribution costs associated with its Phase I and Phase II activities that had been undertaken up to that time. At the time this supplementation was granted, ETF was still completely involved in Phase II activities and, therefore, was unable to adhere to the original project timetable. The Department found, when it began to implement its Phase II efforts, that a much more extensive than anticipated process had to be employed to determine the names of the potential heirs for each estate for which a claims payment inquiry had been received. These procedures, plus substantial turnover of contract project staff, contributed to delays in the processing of estate payment claims, such that the ETF Board acted to extend the deadline date for filing a claim for an SIPD settlement payment from the original March 31, 1999, deadline to November 30, 1999. The cutoff date for final claims payments (anticipated to occur during Phase III) was also extended from June 30, 1999, to March 31, 2000.

Further, when ETF received a second funding supplement of \$505,300 SEG (one-time funding) at the Committee's April 21, 1999, s. 13.10 meeting for unbudgeted 1998-99 cost associated with SIPD lawsuit settlement implementation project, there was further indication given by ETF that one or more additional extensions of the deadlines for the filing of claims might ultimately be required. As a result, the question was raised as to what extent ETF should make additional, potentially substantial expenditures of retirement fund dollars to locate additional potential claimants, particularly where the potential individual claim amounts were expected to be small. Further, it was then apparent that ETF would likely incur substantial additional expenditures beyond the total of \$865,100 SEG already provided for implementing SIPD settlement payouts. In light of these concerns, the Committee directed ETF to submit a plan at the Committee's next regular meeting under s. 13.10 of the statutes addressing each of the following items:

- An identification by the ETF Board of the specific additional activities required to locate any remaining uncontacted eligible estates, beneficiaries and heirs regarding potential lump sum distributions due under the SIPD settlement agreement;
- A statement from the ETF Board of an absolute deadline by which all SIPD claims to be handled by this project would have to be filed;
- Details of a procedure for reserving settlement funds for claims after the current SIPD lawsuit settlement implementation project ends; and
- A proposed budget for the 1999-01 fiscal biennium to accomplish these remaining tasks under the project to allow its orderly termination.

The Committee further stipulated that Committee approval of the plan must occur before any future expenditure commitments for the continuing SIPD lawsuit implementation project could be made by ETF.

## **ANALYSIS**

The Department has now submitted the required plan for the completion of the SIPD project and the plan has been approved by the ETF Board. The plan, which addresses each of the four required elements identified by the Committee, is summarized below:

### **Additional Activities to Locate Eligible Estates, Beneficiaries and Heirs**

The Department's plan states that the ETF Board's trustee responsibility in managing the interests of all participants under the WRS requires the Board to exercise "due diligence" in finding all currently "unlocated" estates, heirs and beneficiaries that may be eligible for a share of the SIPD settlement funds. These currently unlocated estates, heirs and beneficiaries represent potential claimants who did not respond to a mass mailing sent to the last known address of such estates or individuals in June of 1998. In an effort to meet this due diligence requirement, ETF plans to retain a professional "locator service" to attempt to find heirs or estate administrators to whom a settlement payment might be made. The Department will provide the locator service with a list of potentially eligible individuals or estates for which ETF estimates a potential claim due of \$250 or more. The \$250 threshold was arrived at by ETF by calculating the estimated cost expected to be incurred in successfully locating an individual or estate through the use of the locator service and then processing and paying the resulting claim.

ETF estimates that of the remaining 16,423 potentially eligible estates, heirs or beneficiaries for which no contact has yet been made, 10,659 represent potential claims of \$250 or more. This list of potential claimants will be referred to the locator service. The remaining 5,764 represent potential claims of less than \$250 that will not be referred to the locator service.

The Department anticipates that approximately one-half of the potential claims referred to the locator service (representing 5,330 potential claimants) will be successfully located by the service and will result in a follow-up claim. ETF plans to make the actual referrals to the locator service in three separate phases: (1) the names of 1,942 potential claimants for claims of over \$2,000 each will be turned over to the locator service between approximately July 1, 1999, and September 30, 1999; (2) the names of 2,664 potential claimants for claims of between \$1,000 and \$2,000 each will be turned over to the locator service between October 1, 1999, and December 31, 1999; and (3) the names of 6,053 potential claimants for claims of between \$250 and \$1,000 each will be turned over to the locator service between January 1, 2000, and March 31, 2000. The Department's expectation is that this phased referral approach will: (1) serve to spread the arrival of new claim inquiries over the entire 1999-00 fiscal year; (2) accord claimants sufficient time to reopen estates, if required; and (3) enable project contract staff to better manage the processing and payment of claims over the remaining life of the project. This is particularly important since, as of the date of the submittal of the plan, the project still had some 7,000 previously submitted claims inquiries remaining to be processed.

Finally, ETF indicates that once all of the referrals have been made to the locator service, the Department will consider other low cost means of providing yet additional notice to any remaining unlocated potential claimants. ETF's plan indicates that these efforts could include such approaches as additional press releases, advertisements in general circulation newspapers and publishing the names of such individuals in the biennial unclaimed property legal notice prepared by the Office of the State Treasurer. The Department's plan does not specifically indicate when such action would be taken or if the Committee would be informed of the specific plan.

### **Deadline by Which All SIPD Claims Must Be Filed**

Under the submittal, as approved by the ETF Board, the Department has stated that it will process and pay all claim inquiries received no later than June 30, 2001, or within 60 days after ETF provides a claim form and has requested supporting documentation for the claim. Failure to file a completed claim form or to supply all required information by one of these deadlines will result in the claim file being closed without payment.

### **Procedure for Reserving Settlement Funds for Subsequent Claims**

The Department's plan states that through June 30, 2001, SIPD settlement funds sufficient to pay all claims will be reserved and separately accounted for in the WRS annuity reserve. Then, prior to the June 30, 2001, deadline date for claim payments, ETF will review the number and amount of pending claims and gauge the volume of remaining likely claim inquiries. Based on this review, the Department will then ask the ETF Board to continue to reserve sufficient funds within the annuity reserve for the estimated amount of all such final payments. ETF anticipates that it will ask the Board to establish the final amounts to be reserved at the Board's June, 2001, quarterly meeting. Any remaining SIPD settlement funds not needed for this final reserve would then revert to fund balance of the annuity reserve.

## **Proposed Project Budgets for the 1999-01 Biennium**

ETF was also directed by the Committee to include in its plan a projected budget for the 1999-01 biennium to accomplish all remaining activities under the SIPD settlement project.

The Department has developed a tentative budget for the 1999-00 and 2000-01 fiscal years, based on: (1) retaining the proposed locator service in 1999-00; and (2) continuing a contract project staffing, totalling some 15-18 FTE, to handle the estimated workload associated with processing a current backlog of 7,010 pending claims and a projected total of 5,330 new claims expected to be generated by the locator service. Based on a current expectation that each claim inquiry generates an average of 1.3 claim payments and that contract staff can process approximately 165 claim payments per week, ETF believes that nearly two years (98 weeks) of claims processing activities will be required under the plan. ETF further indicates that, assuming the processing of claims proceeds according to this schedule, it would then close its separate contract employee-staffed SIPD office by June 30, 2001, and any residual claims payment activity after that date would then be handled by permanent ETF staff.

ETF indicates that if it actually locates fewer potential claimants than projected through the locator service, or if claims processing proceeds more quickly than anticipated, the Department could, with ETF Board approval, terminate its claims settlement activities prior to the current June 30, 2001, end date. However, the plan submitted by the Department also lists the following factors that could potentially slow the schedule for completing the SIPD distributions: (1) a significantly higher success rate than 50% in locating estate, beneficiary and heir contacts that, in turn, would file settlement claims in greater numbers than anticipated; and (2) unexpected other work priorities, such as a WRS benefit improvement bill or other significant retirement legislation, that could result in activities that would create competing priorities with the SIPD distribution project.

Based on the Department's current estimates, the following proposed budgets have been submitted for the 1999-00 and the 2000-01 fiscal years. These represent only the proposed budgets as requested by the Committee and do not constitute a supplementation request at this time. Rather, ETF indicates in the plan that in March, 2000, it would submit a supplementation request to the Committee for approval for the actual expenses incurred or expected to be incurred for fiscal year 1999-00. At that time, ETF indicates that it would also submit a revised estimated budget for 2000-01, with an actual supplementation request likely not to be presented until the spring of 2001. Finally, ETF indicates that any resources needed for residual claims payment activities after June 30, 2001, that could not be funded from base level resources would be included in the agency's 2001-03 biennial budget request.

The proposed project budgets for 1999-00 and 2000-01 are detailed in the following tables.



### Proposed Budget for 1999-00 SIPD Claims Settlement Costs

<u>Cost Category</u>	<u>Proposed Amount</u>
ETF Personal Services	
Additional LTE Assistance	\$22,500
Locator Service Costs	
Services to Locate Heirs and Beneficiaries (est. 5,330 claims)	456,700
Special SIPD Services Center Operations	
Contractual Staff	459,800
Space Rental	30,700
Office and Computer Supplies	10,500
Telephone and Fax Services	12,100
Postage Expenses	11,800
Annuitant Files Retrieval and Storage	<u>16,200</u>
 Total	 \$1,020,300

### Proposed Budget for 2000-01 SIPD Claims Settlement Costs

<u>Cost Category</u>	<u>Proposed Amount</u>
ETF Personal Services	
Additional LTE Assistance	\$22,500
Special SIPD Services Center Operations	
Contractual Staff	508,000
Space Rental	31,300
Office and Computer Supplies	10,500
Telephone and Fax Services	12,100
Postage Expenses	11,800
Annuitant Files Retrieval and Storage	9,100
Actuarial Services	<u>5,000</u>
 Total	 \$610,300

### CONSIDERATIONS FOR THE COMMITTEE

As required by the Committee at its April 21, 1999, s. 13.10 meeting, the Department of Employee Trust Funds has submitted a plan, which has been approved by the ETF Board, detailing the manner by which remaining SIPD settlement funds will be distributed during the 1999-01 biennium to eligible estates, beneficiaries and heirs and how the project will be brought to an orderly termination. This plan addresses each of the elements specified by the Committee: (1) the

additional activities that ETF will pursue during the 1999-01 biennium to locate eligible claimants; (2) a final deadline for filing a claim for SIPD settlement funds under the project; (3) a procedure for reserving settlement funds for claims submitted after the project ends; and (4) a tentative project budget for the 1999-00 and 2000-01 fiscal years.

Since the cost elements for the proposed budgets will be sensitive to the number of additional potential claimants located, the Department's ability to efficiently process claims payments and the size of the pending claims backlog, the Committee may wish to require ETF, as a part of any approval of the plan, to submit quarterly progress reports on the status of these activities.

### CONCLUSION

Approval of this plan by the Joint Committee on Finance is required before any future expenditure commitments may be made by ETF for the SIPD claims settlement project. Since the plan has been approved by the ETF Board and addresses the required items, the Committee may wish to approve the plan. However, the Committee could consider adding a condition to require that ETF submit quarterly progress reports on project activities including the number of additional potential claimants located, the number of claims actually paid and the current claims payment backlog.

Prepared by: Tony Mason

MO#			
2	BURKE	Y	N A
	DECKER	Y	N A
	JAUCH	Y	N A
	MOORE	Y	N A
	SHIBILSKI	Y	N A
	PLACHE	Y	N A
	COWLES	Y	N A
	PANZER	Y	N A
	GARD	Y	N A
	PORTER	Y	N A
	KAUFERT	Y	N A
	ALBERS	Y	N A
	DUFF	Y	N A
	WARD	Y	N A
	HUBER	Y	N A
	RILEY	Y	N A

AYE \_\_\_\_\_ NO \_\_\_\_\_ ABS \_\_\_\_\_



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

July 15, 1999

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Corrections – Section 13.10 Request for Serious Juvenile Offender Costs – Agenda  
Item II

The Department of Corrections (DOC) requests the transfer of \$251,100 GPR from three appropriations under the Division of Juvenile Corrections to the appropriation for serious juvenile offenders [s. 20.410 (3)(cg)]. The transfer would address a shortage of funds for payments required under the serious juvenile offenders appropriation. The amounts would be transferred from the following appropriations:

<u>Appropriation</u>	<u>Amount Transferred</u>
s. 20.410(3)(a) -- general program operations	\$146,300
s. 20.410(3)(c) -- county reimbursement claims	43,100
s. 20.410(3)(f) -- community intervention program	61,700
Total Transfer	\$251,100

### BACKGROUND

The Serious Juvenile Offender (SJO) program was created under 1995 Act 27, the 1995-97 biennial budget act. A juvenile is subject to an SJO placement for certain acts committed on or after July 1, 1996, as follows: (a) if the juvenile is 14 years of age or over and has been adjudicated delinquent for committing an act that is equivalent to a Class A or B felony; or (b) the juvenile is 10 years of age or over and has been adjudicated delinquent for attempting or committing first-degree

intentional homicide or for committing first-degree reckless homicide or second-degree intentional homicide. An SJO disposition may only be made for these juveniles if the judge finds that the only other disposition that would be appropriate is placement in a secured correctional facility.

For a juvenile receiving a disposition as a Serious Juvenile Offender, the court is required to make the order apply for a period of five years if the adjudicated act was equivalent to a Class B felony offense, or until the juvenile reaches 25 years of age if the adjudicated act was equivalent to a Class A felony offense. The program provides for component phases (various institutional, treatment and community-based sanctions) that are intensive, highly structured and based on both public safety considerations and the participant's needs. An SJO-adjudicated juvenile is subject to supervision, care and rehabilitation that are more restrictive than ordinary supervision in the community.

The costs relating to institutional care and all components of aftercare for juveniles under an SJO disposition are paid by the state from a GPR appropriation for serious juvenile offenders. The state is also required to pay, from this appropriation, the institutional and aftercare costs of juveniles adjudicated for certain violent offenses committed before July 1, 1996 (termed "violent juvenile offenders") and the costs of "waived and extended jurisdiction" juveniles. This latter category includes certain juveniles under adult court jurisdiction currently placed at juvenile facilities and juveniles under the extended jurisdiction of the juvenile court who committed certain serious offenses prior to July 1, 1996. Under current law, then, serious juvenile offenders, violent juvenile offenders and waived/extended jurisdiction juveniles are state funded; counties have no fiscal responsibility for the care and treatment of these offenders. Any unencumbered balance in the SJO appropriation on June 30 of each fiscal year is transferred to community youth and family aids (youth aids) provided to counties.

Under the 1997-99 biennial budget act, the SJO appropriation was authorized to expend \$6,569,600 GPR in 1997-98 and \$10,813,200 GPR in 1998-99. Under a June 23, 1998, s. 13.10 action, the Committee approved the transfer of \$1,377,800 in SJO funding from the 1998-99 appropriation to the 1997-98 appropriation, to cover 1997-98 SJO expenses. This transfer resulted in 1998-99 expenditure authority of \$9,435,400 GPR for SJO costs.

## **ANALYSIS**

The Department's request is to transfer \$251,100 GPR within the Department to fund the serious juvenile offenders appropriation in 1998-99. Under the request, the SJO funding would be transferred from three juvenile correctional services appropriations.

The annual SJO appropriation amounts are calculated on the basis of the anticipated average daily population (ADP) for each type of care, multiplied by the daily rate for each type of care,

times 365 days. The types of care include secured correctional facilities, alternate care (such as child caring institutions, foster homes and group homes), aftercare supervision and corrective sanctions.

The following table shows the estimated ADP relating to each type of care and the projected cost, under both the 1997-99 budget act and the current reestimate.

### 1998-99 Serious Juvenile Offenders Appropriation

	<u>1998-99 Budget</u>	<u>June, 1999 Reestimate</u>
<u>Secured Facilities</u>	<u>ADP</u>	<u>ADP</u>
Serious Juvenile Offenders	154	112
Violent/Waived/Extended	<u>0</u>	<u>32</u>
Subtotal Secured Facilities	154	144
 <u>Alternate Care</u>		
Serious Juvenile Offenders	10	14
Violent/Waived/Extended	<u>0</u>	<u>4</u>
Subtotal Alternate Care	10	18
 <u>Aftercare</u>		
Serious Juvenile Offenders	10	16
Violent/Waived/Extended	<u>28</u>	<u>14</u>
Subtotal Aftercare Care	38	30
 <u>Corrective Sanctions</u>		
Serious Juvenile Offenders	31	12
Violent/Waived/Extended	<u>9</u>	<u>3</u>
Subtotal Corrective Sanctions	40	15
 Total Projected Cost	 \$10,813,200	 \$9,686,500

The Department's estimates of ADP and total 1998-99 costs for the SJO appropriation appear to be accurate. As noted above, under Committee action relating to a June 23, 1998, s. 13.10 request, \$1,377,800 in SJO funding was transferred from the 1998-99 appropriation, to cover 1997-98 SJO expenses. This results in 1998-99 expenditure authority of \$9,435,400 GPR for SJO costs. The projected costs of \$9,686,500 exceed this expenditure authority by \$251,100. These costs must be fully covered, as the state is obligated to pay the cost of care and treatment relating to these juveniles.

At the time the Department's s. 13.10 request was submitted, it was anticipated that the SJO costs could be covered through transfers from three GPR appropriations under the Division of Juvenile Corrections: (a) general program operations; (b) reimbursement claims of counties containing secured correctional facilities; and (c) community intervention program. However, the balances in these three appropriations lapsed to the general fund on June 30, 1999.

In order to cover the additional 1998-99 SJO costs, the Department could pay the costs from its 1999-00 SJO appropriation. Until the passage of the 1999-01 budget, the Department's 1998-99 SJO appropriation authority (\$10,813,200) would continue in 1999-00. Under the 1999-01 budget, as adopted by the Joint Committee on Finance, the Assembly and the Senate, the SJO appropriation would be provided \$11,973,400 GPR in 1999-00 and \$14,407,100 GPR in 2000-01 in a biennial appropriation.

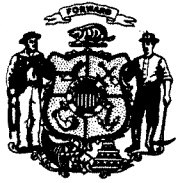
### CONCLUSION

Authorize the Department of Corrections to pay \$251,100 in remaining 1998-99 SJO expenses from its 1999-00 SJO appropriation.

Prepared by: Art Zimmerman

MO#			
2	BURKE	Y	N A
	DECKER	Y	N A
	JAUCH	Y	N A
	MOORE	Y	N A
	SHIBILSKI	Y	N A
	PLACHE	Y	N A
	COWLES	Y	N A
	PANZER	Y	N A
	GARD	Y	N A
	PORTER	Y	N A
	KAUFERT	Y	N A
	ALBERS	Y	N A
	DUFF	Y	N A
	WARD	Y	N A
	HUBER	Y	N A
	RILEY	Y	N A

AYE \_\_\_\_\_ NO \_\_\_\_\_ ABS \_\_\_\_\_



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

July 15, 1999

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Health and Family Services -- Section 13.10 Request for BadgerCare Funding --  
Agenda Item III

The Department of Health and Family Services (DHFS) requests the transfer of \$16.6 million GPR from the Committee's 1998-99 program supplements appropriation to the 1998-99 BadgerCare benefits appropriation to support health care services to persons enrolled in BadgerCare for the period between July 1, 1999, and the effective date of the 1999-01 biennial budget act.

### ANALYSIS

1997 Wisconsin Act 27, the 1997-99 biennial budget act, provided \$16.6 million GPR in the Committee's 1998-99 program supplements appropriation to support the costs of a health insurance program for low-income families and directed DHFS to obtain a federal waiver to implement the BadgerCare program created in Act 27. DHFS submitted a waiver request in January 1998, and on January 22, 1999, the federal Department of Health and Human Services approved the waiver. Act 27 requires DHFS to implement BadgerCare on July 1, 1998, or the effective date of the waiver (July 1, 1999), whichever is later.

DHFS began enrolling families in BadgerCare on July 1, 1999, and will be required to reimburse health care providers for services provided to enrollees beginning on July 19, 1999. Since no funding was budgeted in the BadgerCare appropriation in 1998-99, there is no base funding for the program that would enable DHFS to make payments for BadgerCare services in 1999-00 until the general effective date of the 1999-01 biennial budget. As recommended by the Joint Committee on Finance, the 1999-01 biennial budget would provide \$22,356,500 GPR and \$40,033,600 FED in 1999-00 and \$34,218,300 GPR and \$61,758,100 FED in 2000-01 to fund the

costs of BadgerCare benefits. However, this funding will not be available to support the program until the general effective date of the biennial budget. Consequently, in order for DHFS to meet its obligation to reimburse health care providers for services provided under BadgerCare, it is necessary to transfer funds to the 1999-00 GPR BadgerCare appropriation before July 19, 1999.

At the time DHFS submitted its s. 13.10 request, it was anticipated that the funding budgeted in the Committee's 1998-99 supplemental appropriation would be available for transfer to the 1999-00 GPR BadgerCare appropriation. However, this funding was lapsed to the general fund on June 30, 1999, and is no longer available to support BadgerCare expenses in 1999-00.

In order to ensure that sufficient funding is available to pay providers for health services under BadgerCare, the Committee could approve a temporary transfer of \$16.6 million from the 1999-00 GPR medical assistance benefits appropriation to the 1999-00 GPR BadgerCare benefits appropriation and direct the Department of Administration (DOA) to transfer \$16.6 million from the 1999-00 BadgerCare benefits appropriation to the 1999-00 MA benefits appropriation within 30 days after the general effective date of the 1999-01 biennial budget act.

Because the funding provided in the budget bill, as recommended by the Joint Committee on Finance, is more than \$16.6 million in 1999-00, this action would not affect total GPR expenditures in the 1999-01 biennium.

**CONCLUSION**

DHFS will need to begin paying providers for services beginning on July 19, 1999. In order to enable DHFS to make these payments, the Committee could transfer ~~\$16.6 million~~ GPR in 1999-00 from the MA benefits appropriation to the 1999-00 BadgerCare benefits appropriation and require DOA to transfer ~~\$16.6 million~~ from the 1999-00 BadgerCare benefits appropriation to the 1999-00 MA benefits appropriation within 30 days of the general effective date of the biennial budget act.

*\$5 million*

*\$5 million*

Prepared by: Amie T. Goldman

MO#			
2	BURKE	<input checked="" type="radio"/> Y	N A
	DECKER	<input checked="" type="radio"/> Y	N A
	JAUCH	<input checked="" type="radio"/> Y	N A
	MOORE	<input checked="" type="radio"/> Y	N A
	SHIBILSKI	<input checked="" type="radio"/> Y	N A
	PLACHE	<input checked="" type="radio"/> Y	N A
	COWLES	<input checked="" type="radio"/> Y	N A
	PANZER	Y	N <input checked="" type="radio"/> A
1	GARD	<input checked="" type="radio"/> Y	N A
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	ALBERS	<input checked="" type="radio"/> Y	N A
	DUFF	<input checked="" type="radio"/> Y	N A
	WARD	<input checked="" type="radio"/> Y	N A
	HUBER	<input checked="" type="radio"/> Y	N A
	RILEY	Y	N <input checked="" type="radio"/> A

AYE \_\_\_\_\_ NO \_\_\_\_\_ ABS \_\_\_\_\_



**JOINT COMMITTEE ON FINANCE**  
**SUMMARY OF GPR APPROPRIATION STATUS**  
(Incorporating Committee Actions thru April 21, 1999)

	1997-98	1998-99	1997-99 Biennium	Releases to Date	Remaining Reserve
Current Biennial Appropriation Amount [s. 20.865(4)(a)]	\$46,318,275	\$73,138,125	\$119,456,400	N.A.	N.A.
<u>Reserved For:</u>					
DOA -- Budget system redesign consultant's study	\$60,000	\$0	\$60,000	\$60,000	\$0
DOA -- Compensation reserves supplement	1,326,000	674,000	2,000,000	0	2,000,000
DOA -- Compensation reserves supplement	20,000,000	0	20,000,000	0	20,000,000
DOC -- Additional contract beds	7,431,496	10,100,000	17,531,496	17,531,496	0
DOC -- Pay plan supplements reserve	0	1,729,600	1,729,600	0	1,729,600
DOC -- Probation and parole absconder unit	702,700	1,025,600	1,728,300	1,728,300	0
DOC -- Racine food service costs	117,300	645,700	763,000	463,000	300,000
DOC -- St. John's Correctional Center expansion	0	991,800	991,800	991,800	0
ELECTIONS BD -- Electronic filing enhancement	102,800	0	102,800	102,800	0
ETF -- SIPD supplemental annuity payments	2,650,400	3,547,100	6,197,500	0	6,197,500
DHFS -- Adoption assistance	187,200	0	187,200	0	187,200
DHFS -- BadgerCare	0	16,600,000	16,600,000	0	16,600,000
DHFS -- Criminal background checks	0	1,920,000	1,920,000	510,900	1,409,200
DHFS -- Medical assistance administration	468,300	0	468,300	468,300	0
DHFS -- Prevention grants	744,800	1,489,700	2,234,500	2,234,400	100
DHFS -- Women's health initiative	2,200,000	1,300,000	3,500,000	3,500,000	0
DPI -- School for the Deaf maintenance funds	74,000	74,000	148,000	148,000	0
DPI -- School for the Visually Handicapped maintenance funds	17,200	17,200	34,400	34,400	0
SPD -- Pay plan supplements reserve	242,800	524,400	767,200	0	767,200
SPD -- Restoration of budget reductions	0	987,600	987,600	0	987,600
Public Land Sales Reserve (see attached summary sheet)	282,879	5,525	288,404	142,963	145,441
DOR -- Integrated computer system	1,257,100	203,500	1,460,600	1,460,600	0
UW -- BadgerNet	1,470,000	1,470,000	2,940,000	2,940,000	0
UW -- Technology infrastructure and faculty technology	1,060,800	3,307,200	4,368,000	4,368,000	0
DWD -- Centralized receipt and disbursement for child support	0	117,100	117,100	117,100	0
DWD -- KIDS system	5,570,300	11,055,900	16,626,200	16,626,200	0
Sub-total Reserved Balance	\$45,966,075	\$57,785,925	\$103,752,000	\$53,428,159	\$50,323,841
<u>Releases from Reserved Balance</u>					
DOA -- Budget system redesign consultant's study (9/24/98)	\$0	\$60,000	\$60,000		
DOC -- Probation and parole absconder unit (12/18/97)	446,900	1,025,600	1,472,500		
DOC -- Release from probation & parole absconder unit reserve (6/23/98)	255,800	0	255,800		
DOC -- Release from contract beds (6/23/98)	6,649,200	10,100,000	16,749,200		
DOC -- Release from contract beds (12/2/98)	0	782,296	782,296		
DOC -- Release from KIDS system reserve (6/23/98)	0	448,200	448,200		
DOC -- Release from Racine food service costs (6/23/98)	117,300	0	117,300		
DOC -- Release from Racine food service costs (12/2/98)	0	345,700	345,700		
DOC -- Release from St. John's Correctional Center expansion (12/2/98)	0	991,800	991,800		
ELECTIONS BD -- Electronic filing enhancement (12/18/97)	102,800	0	102,800		
DHFS -- Release from prevention grants (12/12/97 -- s. 16.515)	744,800	744,800	1,489,600		
DHFS -- Release from prevention grants (12/2/98)	0	744,800	744,800		
DHFS -- Criminal background checks (6/4/98)	120,300	154,100	274,400		
DHFS -- Criminal background checks (9/24/98)	0	236,400	236,400		
DHFS -- Medical assistance administration (6/23/98)	468,300	0	468,300		
DHFS -- Release from public land sales reserve (6/23/98)	140,200	0	140,200		
DHFS -- Women's health initiative (12/18/97)	1,700,000	1,200,000	2,900,000		
DHFS -- Women's health initiative (5/7/98 -- s. 16.515)	100,000	500,000	600,000		
DPI -- School for the Deaf maintenance funds (12/18/97)	74,000	0	74,000		
DPI -- School for the Deaf maintenance funds (12/2/98)	0	74,000	74,000		
DPI -- School for Visually Handicapped maintenance funds (12/18/97)	17,200	0	17,200		
DPI -- School for Visually Handicapped maintenance funds (12/2/98)	0	17,200	17,200		
DOR -- Integrated computer system (6/4/98)	45,000	1,415,600	1,460,600		
UW -- BadgerNet (12/18/97)	1,470,000	1,470,000	2,940,000		
UW -- Technology infrastructure and faculty technology (12/18/97)	1,060,800	3,307,200	4,368,000		
UW -- Release from public land sales reserve (4/21/99)	0	2,763	2,763		
DWD -- Centralized receipt and disbursement for child support (6/23/98)	0	117,100	117,100		
DWD -- KIDS System (12/18/97)	5,231,800	0	5,231,800		
DWD -- KIDS System (6/23/98)	0	10,607,700	10,607,700		
DWD -- KIDS System (9/24/98)	0	338,500	338,500		
Total Releases	\$18,744,400	\$34,683,759	\$53,428,159		
Remaining Reserved Balance	\$27,221,675	\$23,102,166	\$50,323,841		
Net Unreserved Balance Available	\$352,200	\$15,352,200	\$15,704,400		
<u>Releases from Unreserved Balance</u>					
DATCP -- Food inspection program efficiency study (12/18/97)	\$50,000	\$50,000	\$100,000		
ELECTIONS BD -- Electronic filing enhancement (12/18/97)	12,000	0	12,000		
ELECTIONS BD -- Electronic filing enhancement (4/21/99)	0	43,100	43,100		
HEAB -- Program assistant position (12/18/97)	19,700	33,100	52,800		
LRB -- Additional attorneys (9/24/98)	0	65,600	65,600		
RRC -- Salary shortfall and actuarial studies (6/4/98)	51,500	45,100	96,600		
Total Releases	\$133,200	\$236,900	\$370,100		
Net Unreserved Balance Remaining	\$219,000	\$15,115,300	\$15,334,300		
<b>TOTAL AVAILABLE</b> (Net Reserved & Unreserved Balance Remaining)	<b>\$27,440,675</b>	<b>\$38,217,466</b>	<b>\$65,658,141</b>		

**SUMMARY**  
**JOINT COMMITTEE ON FINANCE**  
**PR APPROPRIATION STATUS**  
(Incorporating Committee Actions thru April 21, 1999)

	1997-98	1998-99	1997-99 Biennium
<b>Current Biennial Appropriation Amount [s. 20.865(4)(g)]</b>	<b>\$0</b>	<b>\$160,300</b>	<b>\$160,300</b>
<u>Reserved For:</u>			
OCI -- Information technology imaging project	\$0	\$160,300	\$160,300
	-----	-----	-----
Sub-total Reserved Balance	\$0	\$160,300	\$160,300
 <u>Releases from Reserved Balance</u>			
	\$0	\$0	\$0
	-----	-----	-----
Total Releases	\$0	\$0	\$0
 <b>Remaining Reserved Balance</b>	 <b>\$0</b>	 <b>\$160,300</b>	 <b>\$160,300</b>

**SUMMARY**  
**JOINT COMMITTEE ON FINANCE**  
**FED APPROPRIATION STATUS**  
(Incorporating Committee Actions thru April 21, 1999)

	1997-98	1998-99	1997-99 Biennium
<b>Current Biennial Appropriation Amount [s. 20.865(4)(m)]</b>	<b>\$15,000,000</b>	<b>\$2,000,000</b>	<b>\$17,000,000</b>
<u>Reserved For:</u>			
DHFS/DWD -- Temporary aid to needy families	\$14,000,000	\$0	\$14,000,000
DWD -- W-2 transportation assistance	1,000,000	2,000,000	\$3,000,000
	-----	-----	-----
Sub-total Reserved Balance	\$15,000,000	\$2,000,000	\$17,000,000
<u>Releases from Reserved Balance</u>			
DHFS/DWD - Temporary aid to needy families (12/18/97)	\$4,136,500	\$9,863,500	\$14,000,000
DWD -- W-2 Transportation assistance (12/18/97)	1,000,000	2,000,000	\$3,000,000
	-----	-----	-----
Total Releases	\$5,136,500	\$11,863,500	\$17,000,000
<b>Remaining Reserved Balance</b>	<b>\$9,863,500</b>	<b>(\$9,863,500)</b>	<b>\$0</b>

**SUMMARY**  
**JOINT COMMITTEE ON FINANCE**  
**SEG APPROPRIATION STATUS**  
(Incorporating Committee Actions thru April 21, 1999)

	1997-98	1998-99	1997-99 Biennium
<b>Current Biennial Appropriation Amount [s. 20.865(4)(u)]</b>	<b>\$1,208,000</b>	<b>\$1,384,400</b>	<b>\$2,592,400</b>
<u>Reserved For:</u>			
ETF -- Retirement rollover project	\$0	\$180,000	\$180,000
ETF -- Health insurance data appropriation	0	140,400	\$140,400
DVA -- Veterans assistance program	200,000	200,000	\$400,000
UW -- BadgerNet	1,008,000	864,000	\$1,872,000
	-----	-----	-----
Sub-total Reserved Balance	\$1,208,000	\$1,384,400	\$2,592,400
<u>Releases from Reserved Balance</u>			
UW - BadgerNet (12/18/97)	\$1,008,000	\$864,000	\$1,872,000
DVA -- Veterans assistance program (6/4/98)	0	200,000	200,000
DVA -- Veterans assistance program (12/4/98 s. 16.515)	0	197,200	197,200
ETF -- Health insurance data collection (6/23/98)	0	120,400	120,400
	-----	-----	-----
Total Releases	\$1,008,000	\$1,381,600	\$2,389,600
<b>Remaining Reserved Balance</b>	<b>\$200,000</b>	<b>\$2,800</b>	<b>\$202,800</b>

**SUMMARY**

**DETAIL OF JOINT FINANCE COMMITTEE APPROPRIATED LEVELS**

Status as of April 21, 1999

	1997-98	1998-99	1997-99 Biennium
<b>865(4)(a) Appropriation Total Summary - GPR</b>			
Act 27 (Biennial Budget)	\$24,598,100	\$54,245,300	\$78,843,400
Proceeds from Sale of Public Land (Mendota State Hospital -- July, 1997)	280,379	0	280,379
Transfer per Act 27, Section 9256(3x)	20,000,000	0	20,000,000
Act 237 (Budget Adjustment Bill)	(1,039,900)	3,887,300	2,847,400
Addition to JFC Contract Beds Reserve by Transfer of 1997-98 Ending DOC Appropriation Balance (s. 13.10 meeting; 3/15/98)	2,531,496	0	2,531,496
Act 308 (Reduce adoption assistance reserved funds)	(54,300)	0	(54,300)
Proceeds from Sale of Public Land (Green Bay Correctional Institution -- May, 1998)	2,500	0	2,500
Proceeds from Sale of Public Land (Ashland Ag. Research Station 11/98)	0	5,525	5,525
Transfer from DWD appropriation s. 20.445(3)(dz) [s. 13.10 meeting; 12/3/98]		15,000,000	15,000,000
 Current Total	 <u>\$46,318,275</u>	 <u>\$73,138,125</u>	 <u>\$119,456,400</u>
 <b>865(4)(g) Appropriation Total Summary - PR</b>			
Act 27 (Biennial Budget)	\$0	\$160,300	\$160,300
 <b>865(4)(m) Appropriation Total Summary - FED</b>			
Act 27 (Biennial Budget)	\$15,000,000	\$2,000,000	\$17,000,000
 <b>865(4)(u) Appropriation Total Summary - SEG</b>			
Act 27 (Biennial Budget)	\$1,208,000	\$1,384,400	\$2,592,400