

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

Appointments

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Record of Committee Proceedings

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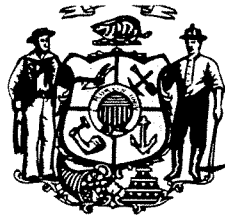
S. 13.10 Meeting
September 16, 1999

I-a. Department of Natural Resources – George E. Meyer, Secretary

The department requests creation of 5.0 SEG FTE four-year project positions and increased expenditure authority of \$232,700 SEG in fiscal year 1999-2000 and \$291,500 SEG in fiscal year 2000-01 in the appropriation under s. 20.370(1)(mu) (general program operations - state funds). The requested project positions would administer the salvaging of timber from trees felled by storms and provide services to private forest landowners.

Governor's Recommendation

Deny the request to create 5.0 FTE SEG four-year Forester-Senior project positions and associated funding to complete timber salvaging and storm damage remediation activities and to provide private forest services.



TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Date: September 14, 1999

To: Members, Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Natural Resources for Project Positions and Expenditure Authority to Salvage Timber and Provide Services to Forest Landowners.

Request

The department requests creation of 5.0 SEG FTE four-year project positions and increased expenditure authority of \$232,700 SEG in fiscal year 1999-2000 and \$291,500 SEG in fiscal year 2000-2001 in the appropriation under s. 20.370(1)(mu) (general program operations - state funds). The requested project positions would administer the salvaging of timber from trees felled by storms and provide services to private forest landowners.

Background

The Department of Natural Resources' (DNR) Bureau of Forestry has responsibility for managing Wisconsin's forestry resources. This responsibility includes forest fire management and control; promotion and support of urban forestry activities; administration of the county forest, managed forest law and private forest stewardship programs; and management of the northern state forests. To complete these tasks, the bureau has 396.44 FTE positions, including foresters, forestry technicians, fire management officers, fire control dispatchers, and plant pest and disease specialists.

The Bureau of Forestry is funded primarily by segregated revenues collected through the forestry mill tax, sales of timber and other forest products, and recreational fees. The forestry mill tax authorized in Wisconsin's constitution for acquisition, preservation and development of forests in the state and is the only property tax levied by the state. The tax rate of 0.2 mill is set by statute and generated \$49.8 million in fiscal year 1998-1999.

Since June 1998, an estimated 215,000 acres of forestland have been damaged by windstorms. The first storm, June 27, 1998, damaged approximately 100,000 acres of oak in Monroe, Trempealeau, Jackson and La Crosse Counties. The second storm occurred on July 30, 1999, and damaged approximately 115,000

acres of pine and aspen in Douglas, Bayfield, Oneida and Vilas Counties. DNR estimates the total value of the damaged timber is \$62,500,000. The majority of the acres damaged are privately owned nonindustrial forestland.

Analysis

DNR is requesting 5.0 FTE four-year project Forester – Senior positions. The bureau currently has 188.5 FTE positions classified as foresters or a similar classification. These positions manage the state-owned forests and work with county forest administrators and private forest landowners to develop and implement sustainable forestry practices on forestland throughout the state.

DNR indicates that most of the timber value of the damaged trees is lost if the timber is not salvaged within one year. DNR shifted staff resources to the affected counties after the June 1998 storm. Through this redirection of resources, the majority of the timber damaged (estimated salvage value of \$45 million) in the June 1998 windstorm has been salvaged. The estimated salvage value of the timber damaged in the July 1999 storm is \$17.5 million, with approximately 35 percent of the value located on private industrial forestland, which will be salvaged by the industrial landowners.

Although the majority of the timber has already been salvaged or will be salvaged by the industrial forest owners, other hazards remain, including increased forest fire hazard from slash (treetops and limbs) left from salvaging operations and increased potential for insect and disease infestations. In addition, DNR foresters continue to work with county foresters and private nonindustrial forest landowners to reforest the damaged areas. The requested positions would be responsible for overseeing and assisting in the remaining salvaging operations, working with local governments and residents to improve forest fire response strategies, conducting insect and disease surveys, and assisting private forest landowners with reforestation activities.

DNR states that the requested project positions would shift their focus to private forestry work as storm damage activities are completed. However, in addition to the positions DNR is now requesting, the Joint Committee on Finance passed a motion during its deliberations on Assembly Bill 133, the 1999-2001 biennial budget bill, which would create 5.0 FTE permanent Forester positions. DNR did not include any additional forester positions in its 1999-2001 biennial budget request, but the department indicates that the positions would be located in counties with the largest unmet private forestry workload.

The permanent positions that may be created in the budget would be filled with entry-level foresters who would be trained and individually mentored over a one-year period prior to placement in a permanent station. The project positions are expected to be filled with more experienced personnel who will not need the long training period. The project positions could be used to fill the immediate need for storm damage and private forestry assistance until the permanent positions are

trained and placed in their permanent stations. As such, the project positions and associated funding could be approved for two years.

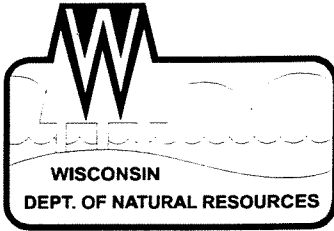
If the funding for this request is approved, the impact on the forestry account of the conservation fund should be considered. DNR has requested \$232,700 SEG in fiscal year 1999-2000 and \$291,500 SEG in fiscal year 2000-2001. A reestimate of the second-year costs of the positions would reduce the fiscal year 2000-2001 funding need to \$276,600 SEG. At this reduced level of funding and assuming enactment of all current motions and amendments to the 1999-2001 biennial budget, a fiscal year 2000-2001 closing balance of \$709,700 is projected for the forestry account.

The Bureau of Forestry and the Governor's Council on Forestry prefer to have an on-going balance of at least \$1 million in the forestry account to cover forest fire emergencies. Several approaches could be used to provide this large a balance. The request for positions and funding could be denied, or fewer positions could be approved. If the funding for the request is not approved, the account is projected to have a closing fiscal year 2000-2001 balance of \$1.2 million. Also, changes could be made to the 1999-2001 biennial budget to reduce expenditures from the account.

The Bureau of Forestry's base budget and the items included to date in Assembly Bill 133, the 1999-2001 biennial budget bill, provide many resources for public and private forestry activities. The 1997-1999 biennial budget created a private forest landowner grant program, funded at \$1 million annually, to assist private forest landowners in developing and implementing management plans. Assembly Bill 133 would provide an additional 5.0 FTE permanent positions; additional funding for DNR to contract with private foresters to prepare management plans for private forest landowners; and increased funding for forest fire suppression, forestry operations and county forest grants. Combined with the fact that the majority of the timber has already been salvaged or will be handled by private industrial landowners and the expressed need for a \$1 million balance for forest fire emergencies, these significant resources for forestry activities, including storm damage remediation, should provide DNR with adequate resources to address the storm damage.

Recommendation

Deny the request to create 5.0 FTE SEG four-year Forester-Senior project positions and associated funding to complete timber salvaging and storm damage remediation activities and to provide private forest services.



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor
George E. Meyer, Secretary

101 S. Webster St.
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Madison, Wisconsin 53707-7921
Telephone 608-266-2621
FAX 608-267-3579
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September 2, 1999

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

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

Attn: Committee Secretary, Daniel Caucutt
Division of Executive Budget and Finance, 10th Floor
Administration Building
101 E. Wilson Street

Dear Senator *Brian* Burke and Representative *John* Gard:

REQUEST

The Department of Natural Resources requests a supplement to appropriation s. 20.370 (1)(mu) from the Forestry Account of the Conservation Fund of \$232,700 SEG and 5.0 FTE project positions in FY 00, and \$291,500 and 5.0 FTE project positions in FY 01. This funding will address critical forestry needs in response to two major natural disturbances over the last 15 months in the West Central and Northern parts of Wisconsin. The project positions are requested for a four year period, and would be classified as Forester - Senior (Pay Range 15-25). The Department feels this request meets the criteria under s. 13.10 because of the unanticipated nature of the natural disasters. Without resources now we will diminish the amount of timber that will be salvaged in the North, increase the risk of damaging forest fires and insect and disease infestations, and limit the amount of land that is reforested in both Northern and West Central Wisconsin. Without additional resources we will also continue to fall further behind in meeting the needs of private forest landowners in these areas.

BACKGROUND

On June 27, 1998 a severe windstorm hit Monroe, Trempealeau, Jackson and LaCrosse Counties, damaging approximately 100,000 acres of forestland. On July 30, 1999 a windstorm damaged approximately 115,000 acres in Douglas, Bayfield, Oneida and Vilas Counties. The acreage, timber value and land ownership affected by the storms is summarized below:

Counties Affected	Estimated Acres Affected by Storms	Estimated Value of Timber Damaged	Ownership of heavily damaged areas (NIPF = private non-industrial forestland)
Monroe, Jackson Trempealeau, LaCrosse	100,000	\$45,000,000	98% NIPF 0% Industrial 2% Public
Douglas, Bayfield	100,000	\$15,000,000	22% NIPF 41% Industrial 37% Public
Oneida, Vilas	15,000	\$ 2,500,000	20% NIPF 0% Industrial 80% Public
TOTALS	215,000	\$62,500,000	57% NIPF 19% Industrial 24% Public

IMPACTS

The Department has estimated that the two storms damaged in excess of \$62 million worth of timber, primarily involving red oak, red pine, jack pine, white pine and aspen. Most of the timber value will be lost if it is not salvaged within one year of being damaged. Therefore, action must be taken quickly to salvage timber in the storm that occurred this summer in Northern Wisconsin.

Furthermore, the damage from severe storms can be exacerbated by the increased potential for both forest fires and insect and disease infestations. Areas with a significant amount of damage that are not salvaged prior to April 2000 will pose an increased forest fire hazard next spring. In addition, slash (tree tops and limbs) remaining following salvage operations will also contribute to an increased fire hazard. Areas with drier and less nutrient rich soils, dominated by jack and red pine, are at a particularly high risk for forest fires.

These same areas pose the greatest risk for damaging outbreaks of harmful insects and pathogens. Damaged pines attract beetles that breed in them and spread to adjacent undamaged areas in future years, effectively increasing the area and amount of damage caused by the original events. Damaged pines also are susceptible to wood-decaying fungi that quickly eliminate the commercial value of the timber. Damaged stands of aspen are susceptible to infection by two destructive pathogens that can also spread to adjacent, undamaged areas.

The storm that occurred in 1998 damaged a significant amount of oak during a time of year in which injured trees are highly susceptible to the fungus that causes oak wilt. The oaks damaged in the storm are also susceptible to a second harmful fungus and an insect. The extent to which these pathogens have invaded the damaged areas is not yet known, however, the potential exists for the storm to cause on-going damage to the oak resource of West Central Wisconsin.

WORKLOAD IMPLICATIONS

In response to natural disturbances such as these storms, the Department shifts resources from other priority work to mitigate the adverse impacts of such events. However, resources are not sufficient to effectively reach the myriad landowners affected by such events, and the shift of resources exacerbates the already significant and growing backlog of work associated with the private forestry program.

Timber damaged on private industrial lands is being salvaged and reforested by the industrial owners. The USDA Forest Service is working to address areas impacted on the National Forest. DNR staff are working in partnership with the affected County Forests to salvage timber on county-owned lands. The DNR is also responding to the need to salvage timber on state-owned lands and is working to identify, contact and provide guidance to non-industrial private forest (NIPF) landowners.

It is estimated that an additional 5-7 FTE-equivalents are needed to effectively implement workload items associated with the storms that occurred in West Central and Northern Wisconsin. Priority workload items include:

- identifying and notifying NIPF landowners with storm damage that have not already been reached;
- providing landowners with technical assistance regarding salvaging damaged timber;
- linking landowners with private forestry consultants who can provide additional assistance;
- collaborating with the logging community to respond effectively to salvage needs;
- identifying potential markets for salvaged wood;
- writing stewardship plans for landowners interested in cost-sharing practices due to storm damage;
- working with landowners to reforest damaged areas;
- working with landowners to identify and obtain applicable cost-share funding, and administering that cost-share funding;
- establishing and administering salvage sales on state lands and working in partnership with the counties to do so on county forest land;
- working with all land ownerships to intensify salvage operations in fire prone areas;
- mapping fuels that are expected to remain after salvage operations in the fall and winter of 1999-2000;
- testing large dozers that, if conditions warrant, will be contracted for use in areas with heavy fuels to identify appropriate tactics for use should a fire occur;
- intensifying training of fire departments in areas with significant damage and high fire hazard;
- working with the USDA Forest Service in the development of joint suppression plans;
- working with home and cabin owners to develop fire protection strategies for their buildings;
- site preparation for reforestation;
- conducting insect and disease surveys, both within damaged areas and in adjacent stands;
- working with landowners to assess whether and how to treat insect and disease infestations that do occur.

RECOMMENDATION

Five, four-year project positions are requested. The positions will be placed in locations in which they can most efficiently address immediate workload associated with the storms. Positions may be moved over time if an increase in efficiency can be obtained by such a move.

As the five project positions complete work directly associated with the storm damage, they will take on additional activities associated with the private forestry program. A recent study of the DNR's private

forestry program determined that the Department and private sector are collectively not capable of meeting the need for private forestry assistance. The shift of resources necessary to effectively respond to the storm has and will continue to exacerbate the growing backlog of requests for assistance from private landowners. The five project positions will mitigate the backlog both by reducing the amount of time permanent foresters need to divert to working on activities associated with the storm damage, and by directly working with other private landowners to address a small portion of the unmet private forestry needs.

COST

Five foresters hired at the Forester-Senior level will require the funding as follows:

2000fy = \$232,722 (seven months salary & fringe, supplies & services; one-time equipment)

2001fy = \$291,511 (salary & fringe, supplies & services)

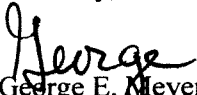
2002fy = \$296,671 (salary & fringe, supplies & services)

2003fy = \$301,934 (salary & fringe, supplies & services)

2004fy = \$128,043 (five months salary & fringe, supplies & services)

Thank you for your consideration of this request.

Sincerely,


George E. Meyer
Secretary

C: Darrell Bazzell - AD/5
Joe Polasek - MB/5
Herb Zimmerman - FN/1
Steve Miller - AD/5
Gene Francisco - FR/4

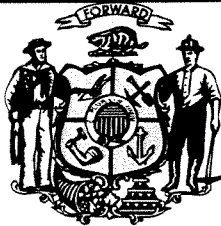
I-b. Department of Natural Resources – George E. Meyer, Secretary

The department requests a supplement of \$73,000 GPR in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865(4)(a) (general purpose revenue funds - general program supplementation) to the appropriation under s. 20.370(1)(fb) (endangered resources - general program operations) to allow DNR to make full payment of endangered resources damage claims and abatement costs.

Governor's Recommendation

Deny the request and direct DNR to use the existing funds in the GPR match appropriation under s. 20.370(1)(fe) to cover the damage claims and abatement costs.

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY



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

Date: September 14, 1999

To: Members, Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Natural Resources for Supplemental Expenditure Authority for Endangered Resources Damage Payments.

Request

The department requests a supplement of \$73,000 GPR in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865(4)(a) (general purpose revenue funds - general program supplementation) to the appropriation under s. 20.370(1)(fb) (endangered resources - general program operations) to allow DNR to make full payment of endangered resources damage claims and abatement costs.

Background

Created in 1982, the Department of Natural Resources' (DNR) Endangered Resources Bureau has received funding from a variety of sources. Initially funded by GPR, the bureau's main source of funding shifted to segregated revenues from a voluntary income tax checkoff created in 1983 and a special license plate created in 1993. The bureau also receives up to \$500,000 GPR as a match of the income tax checkoff revenue.

With the funding available, the bureau conducts inventories of endangered and threatened species, manages natural and other wildlife areas for endangered species, and provides wildlife damage control and payment of damage claims. Each year, three percent of the income tax checkoff revenues are designated by statute for wildlife damage control and claim payments. The GPR match funds are also available for damage control and claim payment costs, as well as all other bureau activities.

Since fiscal year 1984-1985, DNR has received endangered resources damage claims. The annual amount of these claims has ranged from no claims in fiscal year 1987-1988 to \$20,000 in fiscal year 1998-1999. To date, the department has received fiscal year 1999-2000 damage claims of approximately \$66,000. Although the designated three percent of tax checkoff revenues has been

sufficient to meet the damage payment costs in previous years, the projected total claims for fiscal year 1999-2000 will far exceed the estimated \$18,140 designated to make the payments.

Analysis

The timber wolf population in Wisconsin continues to grow and expand its territory. As this expansion occurs, attacks on livestock and pets will increase. Damage claims and abatement costs are expected to increase commensurately. However, delays by the U.S. Fish and Wildlife Service in responding to DNR requests to destroy individual problem wolves have significantly increased damage claim amounts in fiscal year 1999-2000. DNR is working with the Fish and Wildlife Service to reduce the likelihood that similar delays will occur in the future.

Because of the delay in the efforts to destroy problem wolves, DNR has received damage claims of approximately \$66,000 to date and expects to have additional damage claim and abatement costs of approximately \$44,000 this fiscal year. With an estimated \$110,000 of total damage claim and abatement costs and available funding of \$18,140, DNR will not be able to fully fund damage claims.

A motion passed by the Joint Committee on Finance during its deliberations on Assembly Bill 133, the 1999-2001 biennial budget bill, would designate three percent of endangered resources license plate revenues for damage claim and control costs. DNR has estimated that this provision would provide an additional \$18,980 in fiscal year 1999-2000 for payment of damage claims. However, this provision has not been enacted, and if it is included in the final version of the 1999-2001 biennial budget bill, the total amount of funding (\$37,120) would still result in a 34 percent proration of damage claims; or the majority of claimants not receiving any payment if claims are handled on a first come, first served basis.

DNR has requested \$73,000 GPR from the Joint Committee on Finance's appropriation under s. 20.865(4)(a). The funds would supplement DNR's GPR appropriation under s. 20.370(1)(fb), to which no funding has been appropriated since fiscal year 1983-1984. Although this appropriation has not received funding for many years, it has not been repealed. The statutory language of s. 20.370(1)(fb) allows funds appropriated to be used for the "endangered resources program" as defined under s. 71.10(5)(a)2., which includes "providing for wildlife damage control or the payment of claims for damage associated with endangered or threatened species."

The appropriation under s. 20.370(1)(fe), which is the GPR appropriation that provides a match for the income tax checkoff revenues, may also be used for paying wildlife damage claims. DNR currently combines the funding in this match appropriation with the income tax checkoff and license plate SEG revenues to fund endangered resources bureau activities, such as surveys and habitat improvement. At the end of fiscal year 1998-1999, a balance of approximately

\$266,000 remained from these combined funds. Since these funds reside in a continuing SEG appropriation, DNR could use the balance to cover endangered resources management and project costs and the GPR appropriation to fund wildlife damage claims without the need for a supplement.

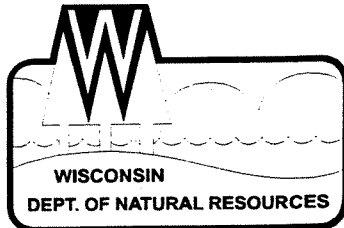
DNR has indicated that it does not believe the existing GPR funds in the GPR match appropriation under s. 20.370(1)(fe) are available for damage claim payments unless directed by the Legislature to use the funds for that purpose. DNR argues that the Legislature intended that total wildlife damage claim and control funds be limited to three percent of income tax checkoff revenues and that the GPR match appropriation may not be used for those costs without legislative direction. However, while the three percent limitation language exists in DNR's endangered resources SEG appropriation language, it does not, as mentioned above, appear in the language of the GPR endangered resources appropriations. As such, it could be argued that funding in the GPR match appropriation could be used for wildlife damage claim payments.

Several uncertainties make calculation of DNR's need for additional funding difficult. The 1999-2001 biennial budget bill has not been passed, and three percent of license plate revenues are not yet available for damage payments. Also, although DNR has already received approximately \$66,000 of damage claims, the total cost is unknown.

If this request is approved, several modifications should be made. The amount approved should be limited by the amount of claims DNR has already received. Also, the probability of the three percent of license plate revenues for damage and abatement costs being available in fiscal year 1999-2000 should be considered. If the assumptions are made that the license plate revenues will not be available for wildlife damage payments and that total claims to be paid are \$66,000, the amount of the request should be adjusted to \$48,000.

Recommendation

Deny the request and direct DNR to use the existing funds in the GPR match appropriation under s. 20.370(1)(fe) to cover the damage claims and abatement costs.



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Tommy G. Thompson, Governor
George E. Meyer, Secretary

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September 3, 1999

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

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

Attn: Committee Secretary, Daniel Caucutt
Division of Executive Budget and Finance, 10th Floor
Administration Building
101 E. Wilson Street.

Brian John

Dear Senator Burke and Representative Gard:

Request:

The Department of Natural Resources requests to supplement the expenditure amount of appropriation s. 20.370 (1) (fb), *Endangered resources - general program operations* by \$73,000 GPR for FY 1999-00 for the wolf damage and abatement program from the Joint Committee on Finance supplemental appropriation under s. 20.865 (4)(a). If approved, this request will provide funding for the Department to compensate private citizens for damage claims related to gray wolves in FY 1999-00 that exceed the amount of funding available for this purpose under appropriation 20.370 (1) (fs), *Endangered resources - voluntary payments; sales, leases and fees*. The Department feels this request meets the criteria under s. 13.10 because the uncompensated damages directly affect the people incurring the damages, and there is not another legal source of funds to use to make the payments.

Background

The Legislature has authorized the Department to pay for wildlife damage caused by endangered or threatened species using 3% of the funds received from the endangered resources voluntary tax check-off contributions certified under s. 71.10 (5) (h) 4 in each fiscal year, but not to exceed \$100,000. In the past 10 years, the amount available for damage claims under this provision has ranged from approximately \$15,000 to \$19,700. In FY 00, the amount available under this provision is \$18,140. Damage claims paid in the last 10 years have ranged from a low of \$400 to a high of approximately \$20,000. Claims paid in FY 99 amounted to \$20,016. The payments in FY 99 include a one-time federal supplement for the costs of certain abatement measures, which allowed the payments to exceed the amount of revenue available from the tax check-off provision.

The 1999-01 biennial budget currently contains a provision that would add 3% of the revenue received from endangered resources license plate sales under s. 341.14(6r) (b) 5 to be allocated for damage cause by endangered and threatened species in addition to the 3% currently allocated from the tax check-off



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revenue. Anticipated funding from the license plate revenue is estimated to be \$18,980, for a total amount of funding available for damage in FY 00 of \$37,120.

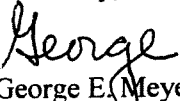
Damage claims already received by the Department related to gray wolves in FY 00 total approximately \$66,000. Estimates of additional damage claims and abatement costs associated with endangered and threatened species based on projections of past years are anticipated to be approximately \$44,000. These anticipated claims include additional claims due to gray wolves, claims related to damage by other endangered and threatened species such as swans, and funding for abatement measures. These additional claims bring the total amount of funding needed to satisfy all existing and anticipated claims in FY 00 to \$110,000. With available revenue of an estimated \$37,000, the amount needed to supplement the appropriation is the requested \$73,000.

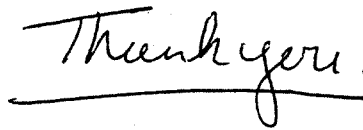
The high level of damage claims experienced in FY 00 is believed by the Department to be a unique situation, and not anticipated to recur. Two of the claims received made up most of the total, and were related to deer farms where private hunting is offered for a fee. In both instances, the damage amounts were greatly exacerbated by the extended presence of problem wolves in the vicinity of the captive deer. Efforts to capture the individual wolves responsible for the damage were unsuccessful, and the Department's efforts to get approval from the U. S. Fish & Wildlife Service (U.S.F.W.S.) to destroy the individual wolves were greatly delayed, allowing damage amounts to increase excessively. In one of the cases, a permit to destroy the wolf was eventually granted, the wolf causing the damage was destroyed, and damages were no longer incurred. The excessive delay by the U.S.F.W.S. greatly contributed to the level of damages, and is not expected to continue. The Department is working with U.S. F. W. S. to have clear authority to deal with these situations promptly if they re-occur in the future.

Conclusion

The Legislature has recognized the need to compensate individual citizens for damage done by endangered and threatened species, and has provided a limited amount of funding for the Department to pay for damage claims. The situation this fiscal year related to damage by gray wolves is believed by the Department to be an anomaly, and not anticipated to recur. This unique situation has generated damage claims far in excess of the amounts made available by the legislature to pay these claims. The Department feels an obligation to these citizens to compensate them for damages that affect their, and to make compensation payments in a timely manner. Approval of this request will allow the Department to honor existing and anticipated damage claims for FY 00. The Department will continue to work with the legislature to effectively resolve issues in this area in the future.

Sincerely,


George E. Meyer
Secretary



c: Darrell Buzzell - AD/5
Joe Polasek - MB/5
Herb Zimmerman - FN/1
Steve Miller - AD/5
Stan Druckenmiller - ER/4

I-c. Department of Natural Resources – George E. Meyer, Secretary

The department requested approval of the creation of two 0.5 PR-S FTE permanent positions in the appropriation under s. 20.370(1)(mk) (general program operations – service funds) under the 14-day passive review required under s. 16.505. The positions were requested to provide data coordination and to develop and maintain geographic information systems and digital maps.

Due to an objection from a committee member, this request is now before the committee under s. 13.10.

I-d. Department of Natural Resources – George E. Meyer, Secretary

The department requested approval of the purchase of 32,000 acres in Lincoln, Oneida, Iron and Vilas Counties from Packaging Corporation of America under the 14-day passive review required under s. 23.0915(4). The purchase would be completed in two phases of 16,000 acres.

Due to an objection from a committee member, this request is now before the committee under s. 13.10.

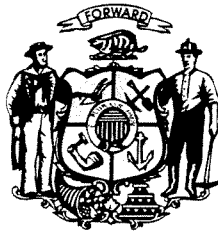
II. Department of Commerce – Phil Albert, Deputy Secretary

The department requests authorization to extend 1.0 GPR FTE grants specialist-advanced one-year project position for three additional years in the general program operations appropriation under s. 20.143(1)(a), to assist in the financing and management of awards associated with the department's Dairy 2020 program.

Governor's Recommendation

Approve the request.

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY



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

Date: September 14, 1999

To: Members, Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: Section 13.10 request from the Department of Commerce for to extend 1.0 GPR FTE Grants Specialist-Advanced project position for three additional years.

Request

The department requests authorization to extend 1.0 GPR FTE grants specialist-advanced one-year project position for three additional years in the general program operations appropriation under s. 20.143(1)(a), to assist in the financing and management of awards associated with the department's Dairy 2020 program.

In response to increased demand for assistance under the Dairy 2020 program, the Committee approved a one-year project position in September 1998, to ensure a timely response to farmers' requests for assistance under the program. At the time of the September 1998, request, the department anticipated needing an extension of the project position up to the maximum of four years in response to continued interest in the program.

Background

The Dairy 2020 initiative was created in 1993 to bring together producers, processors and state agencies to find ways to increase competitiveness and profitability in the dairy industry. The Department of Commerce (Commerce) joined the Dairy 2020 initiative in 1994. In the 1995-97 biennial budget, Commerce was provided \$106,800 GPR in fiscal year 1995-96 and \$158,000 GPR in fiscal year 1996-97, as well as 1.0 GPR FTE position, to support its Dairy 2020 efforts. This funding supports the Dairy 2020 coordinator position as well as providing \$54,700 annually, beginning in fiscal year 1996-97, for a Farm Business Assessment Program.

The Farm Business Assessment Program was created to provide educational and technical assistance to agribusinesses. During fiscal year 1996-97 and fiscal year 1997-98, Commerce entered into a contract with the University of Wisconsin (UW) to provide assistance and training on "best practices" in farming. This type of "best practices" material is also developed through Dairy 2020 awards for early planning grants and grants for start-up, modernization or expansion of a dairy farm or other agribusiness.

Since fiscal year 1996-97, the number of farm businesses applying for and receiving awards through Dairy 2020 has increased significantly. During the 1995-97 biennium, the department received only 26 Dairy 2020 applications. In fiscal year 1997-98 and fiscal year 1998-99, Commerce received 175 and 262 applications, respectively. The project position approved by the Committee has been instrumental in ensuring these applications are rapidly processed so farmers can proceed with feasibility studies and business plan development associated with farm expansion and modernization.

Funding for Dairy 2020 grants is provided through the Rural Economic Development program. Due to the demand for assistance, this program received an additional \$250,000 GPR annually in 1997 Wisconsin Act 237, the Budget Adjustment Bill. In the 1997-99 biennium, approximately \$500,000 in assistance was provided annually through the Dairy 2020 program. This level of awards is expected to continue for the foreseeable future. Producers using the program have invested over \$50 million to increase milk production by more than 300 million pounds annually.

Analysis

The Dairy 2020 program is located in the Bureau of Business Finance along with eight other Commerce financial assistance programs. The bureau has a total of 12.5 FTE positions, and administers a portfolio of projects totaling almost \$111 million. The bureau currently has a permanent 1.0 GPR FTE Economic Development Consultant position, which acts as the Dairy 2020 program coordinator, developing the Dairy 2020 initiative by assisting communities and businesses, developing dairy related policies, and promoting the program throughout the state. This position does not have the time or expertise to manage the financial aspects of grant applications. The following are current positions allocated to the Bureau of Business Finance and their functions.

Administrative Duties		
Administrative Officer 2-Supervisor	1.0 FTE	GPR
Program Assistant 4	0.5 FTE	GPR
Community Development Block Grant		
Program Assistant 4	0.5 FTE	PR-F
Grants Specialist-Advanced	1.0 FTE	PR-F
	1.75 FTE	GPR
Dairy 2020		
Economic Development Consultant	1.0 FTE	GPR
Grants Specialist - Advanced (project)	1.0 FTE	GPR
Remaining Programs		
Grants Specialist-Advanced	2.75 FTE	GPR
	1.0 FTE	PR
Community Services Specialists	1.0 FTE	FED
	1.0 FTE	PR-S

Between fiscal year 1993-94 and fiscal year 1998-99, the Bureau of Business

Finance was responsible for an average of 416 applications annually, excluding the Community Development Block Grant program. Prior to full implementation of the Dairy 2020 grant program in fiscal year 1997-98, the average was 341 applications. As such, Dairy 2020 grants have increased the average number of applications by 22%. The project position has addressed this increase by eliminating a previous backlog of requests, significantly reducing the previous four-month wait for receipt of funds by a farm business.

Each application managed by the bureau involves not only financial packaging and assistance, but also monitoring throughout the duration of the contract. Commerce received 262 Dairy 2020 applications in fiscal year 1998-99, in addition to 452 applications in the bureau's other programs. While Dairy 2020 applications do not require extensive monitoring after an award is made, the application process is resource intensive because of the limited financial background of most applicants when compared to more traditional corporate applicants. Due to the continued demand for Dairy 2020 funding and the resource intensive application process, the department is requesting extension of the project grant specialist position to its full four-year eligibility.

The project position would continue to be funded from the current Dairy 2020 supplies and services budget. The cost of the position is as follows:

<u>Grants Specialist-Advanced</u>	
Salary	\$34,400
Fringe Benefits	<u>\$12,500</u>
Total	\$46,900

The department anticipates being able to absorb any supplies and services costs associated with this position within its remaining budget authority.

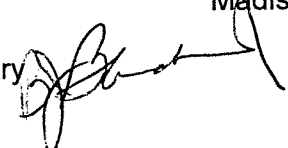
Recommendation

Approve the request.

Prepared by: David P. Schmiedicke
266-1040

DATE: August 26, 1999

TO: The Honorable Brian Burke, Co-Chair The Honorable John Gard, Co-Chair
Joint Committee on Finance Joint Committee on Finance
Room 316 South, State Capitol Room 315 North, State Capitol
Madison, WI 53702 Madison, WI 53702

FROM: Brenda J. Blanchard, Secretary
Department of Commerce 

SUBJECT: 13.10 Request to Extend 1.0 FTE Project Position for the Dairy 2020 Program

The Department of Commerce requests a 3-year extension of a Grants Specialist-Advanced project position, which would help administer the Dairy 2020 program. The timeframe for the extension would be from September 14, 1999 to September 13, 2002. Funding for the position would be obtained from the supplies and services funds for the Dairy 2020 program, which is part of the Department's 101 GPR appropriation.

Background

The Dairy 2020 Grant Program, which began in November 1996, provides grants to dairy producers through the Rural Economic Development (RED) program. The goal of the program is to help dairy producers obtain the professional services necessary to complete a feasibility study or business plan related to a farm expansion or modernization. The program is part of a broad-based effort to revitalize the state's dairy industry.

Demand for Dairy 2020 grants has been strong, which indicates that the program is fulfilling an important need for financial assistance among dairy producers. As shown in the table below, the number of Dairy 2020 applications increased nearly 50% and the number of awards increased nearly 58% from FY 1998 to FY 1999. In addition, the dairy producers that have utilized the program have invested more than \$50 million to increase production and have increased milk production by more than 300 million pounds on an annualized basis.

Dairy 2020 Activity--FY 1997-99

	FY 97	FY 98	FY 99
Applications	27	175	262
Awards	10	156	246
Funds Awarded	\$30,445	\$484,527	\$530,793

Staffing

The Grants Specialist-Advanced project position is critical to the success of the Dairy 2020 program. The only permanent position that staffs the program, an Economic Development Consultant, serves as the Executive Director of the Dairy 2020 Council, provides technical assistance regarding the retention and expansion of dairy farms and other agricultural businesses, and provides assistance to communities regarding the attraction and retention of dairy industry jobs. As a result, the Economic Development Consultant does not have the time to process the large volume of applications in a timely and effective manner. Furthermore, other department staff members do not have an adequate understanding of the unique challenges facing the dairy industry or the time to effectively administer the program.

The primary responsibilities of the proposed Grants Specialist position include the following:

- Underwrite Dairy 2020 applications.
- Develop contracts for awards and authorize the disbursement of program funds.
- Monitor projects that are funded by the program.
- Provide assistance to dairy producers as an agriculture finance expert.
- Conduct training on dairy assistance programs.
- Staff the Dairy 2020 Council.
- Provide advice to the Department on the changes that should be made to the program, which would better serve the dairy industry.

The position will be located in the Bureau of Business Finance in the Division of Economic Development.

Funding Source/Position Costs

The Department will fund the project position with supplies and services funds that are authorized for the Dairy 2020 program. Annual costs for the position are as follows:

Grants Specialist-Advanced

Salary	34,390
Fringes	12,470
Total	\$46,860

In addition, it is anticipated that there will be supplies and services expenses associated with the position, which will be absorbed by the remaining supplies and services funds that are available to the program.

Agency Representation

Mr. Phil Albert, Deputy Secretary of the Department of Commerce, will be representing the agency when this request is taken up by the Committee.

III. Department of Administration - Dan Stephans, Division of Facilities Development

The department requests a supplement of \$400,000 GPR from the Committee's appropriation under s. 20.865(4)(a) to the appropriation for historically significant furnishings under s. 20.855(3)(c) in order to take possession of furniture items and place them at various locations in the Capitol building, as directed by the Joint Committee on Legislative Organization.

Governor's Recommendation

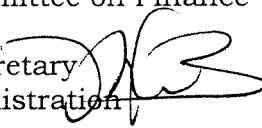
Approve the request.



TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Date: September 14, 1999

To: Members, Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration 

Subject: Section 13.10 Request from the Department of Administration for the Release of Funding for Historically Significant Furnishings

Request

The department requests a supplement of \$400,000 GPR from the Committee's appropriation under s. 20.865(4)(a) to the appropriation for historically significant furnishings under s. 20.855(3)(c) in order to take possession of furniture items and place them at various locations in the Capitol building, as directed by the Joint Committee on Legislative Organization.

Background

Beginning in 1987, DOA has done extensive research in order to locate pieces of original Capitol furniture. This research revealed that a portion of the original furniture had been removed from the Capitol building and relocated to various state agencies as well as to private owners. In addition, of the pieces remaining in the Capitol many were found to be in poor condition.

DOA has tried without success to acquire some of the furniture from state agencies as part of the Capitol renovation project. There have also been minor restoration projects that have been completed mainly through private funding sources.

1999 Wisconsin Act 4 published on July 12, 1999 created a new biennial appropriation, 20.855(3)(c), for historically significant furnishings. The law provided that DOA, when directed by the JCLO, could re-acquire furnishings for the State Capitol building. To facilitate this initiative, Act 4 also granted DOA title to the pieces of furniture in state agencies allowing them to be moved to the Capitol building.

The act appropriated \$100,000 in s. 20.855(3)(c) and an additional \$400,000 in the Joint Committee of Finance's supplemental appropriation under s. 20.865(4)(a), which may be used to support the acquisition of the property.

Analysis

In a letter to the JCLO Co-Chairs, consultant Diane Al Shihabi of Historic Restoration, Inc. identified and listed original furniture to be retrieved and/or replaced. This includes acquisition of all original furniture currently known to reside outside of the Capitol; the restoration of 94% of retrieved furniture, 100% of the unrestored furniture in the North and West Wings of the Capitol and all but 8 pieces of the original furniture in storage. It also includes the purchase of furniture from the public sector that recently became available.

The list submitted by Ms. Al Shihabi gives a total of \$499,561 for the restoration and/or replacement of the items.

DOA has indicated that items not included in the list to be restored or refinished are excluded due to non-sufficient funds available. The original request of \$950,000 (SB179) was reduced to \$500,000 (\$100,000 in s. 20.855(3)(c) and \$400,000 in s. 20.865(4)(a) to be released by the Committee) in Act 4.

The consultant indicated that approving this request now would save costs on transport and restoration because they bill customers at a quantity discount that would not be available on a per item basis.

Recommendation

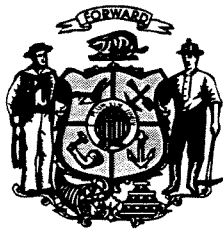
Approve the request.

Prepared by: Cynthia Dombrowski
266-5878

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

TOMMY G. THOMPSON
GOVERNOR

MARK D. BUGHER
SECRETARY



Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842
TTY (608) 267-9629

September 2, 1999

Senator Brian Burke, Co-Chair
Rep. John Gard, Co-Chair
Members Joint Finance Committee
State Capitol
Madison, WI

Dear Senator Burke, Representative Gard and Members:

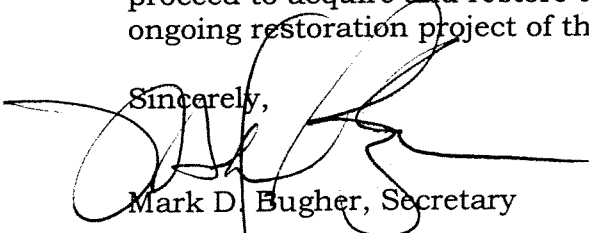
Wisconsin Act 4 published July 12, 1999 created a new appropriation for historically significant furnishings. The act empowered the Department of Administration when directed by the Joint Committee on Legislative Organization to acquire such furnishings for the State Capitol. On August 25, 1999 the Committee so directed the department. See attached letter from legislative leaders.

In the act \$100,000 was placed in the new biennial appropriation 20.855(3)(c) and an amount of \$400,000 was placed in 20.865(4)(a) for the appropriation of the Joint Committee on Finance. The latter sum was to increase the funding for historic furnishings if released by the Committee.

A list showing historically significant furnishings, which totals \$500,000 has been prepared and reviewed. Please see the attachment.

At this time it is requested that the Joint Committee on Finance release the additional \$400,000 to 20.855(3)(c) so the architects and designers may proceed to acquire and restore the furnishings in a timely manner with the ongoing restoration project of the State Capitol.

Sincerely,


Mark D. Bugher, Secretary

State of Wisconsin

JOINT COMMITTEE ON LEGISLATIVE ORGANIZATION

Cochairperson

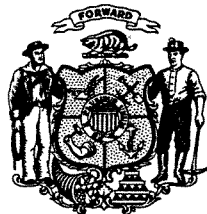
PRESIDENT FRED A. RISSER

State Senate

P.O. Box 7882

Madison, WI 53707-7882

Phone: 266-1627



Cochairperson

SPEAKER SCOTT R. JENSEN

State Assembly

P.O. Box 8952

Madison, WI 53708-8952

Phone: 266-3387

September 2, 1999

Mr. Mark Bugher
Secretary of Administration
Administration Building
101 East Wilson Street, 10th Floor
Madison, WI 53703

Dear Secretary Bugher:

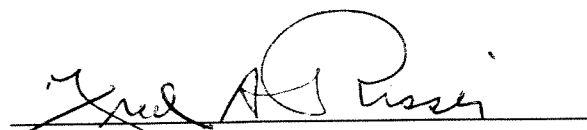
1999 Wisconsin Act 4 authorizes the Joint Committee on Legislative Organization (JCLO) to direct the Department of Administration (DOA) to take possession of historically significant furnishings to which the DOA has title, to restore historically significant furnishings in the DOA's possession, if necessary, and to locate such furnishings at the places in the Capitol specified by the JCLO. In implementation of Act 4, Ms. Diane Al Shihabi, a consultant retained by the DOA, has prepared a report identifying historically significant furniture to be retrieved, restored and placed in the Capitol.

We write to certify that, by an August 25, 1999 mail ballot, the JCLO approved directing the DOA to take possession of historically significant furniture to which it has title, to restore the historically significant furniture in its possession and to place such furniture at various locations in the Capitol building, all as specified in Ms. Al Shihabi's report. By virtue of this action, the DOA is now authorized to proceed to implement Act 4. It is our understanding that, among other things, the DOA will be initiating a request to the Joint Committee on Finance under s. 13.10, Stats., to release the funds appropriated in support of this project by SEC. 7m of Act 4.

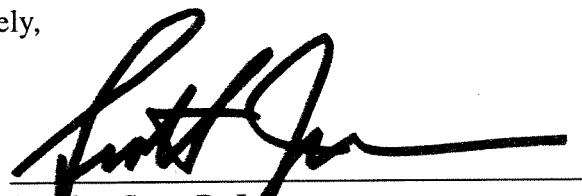
If you have any questions about this action by the JCLO, please feel free to contact either of us.

Thank you.

Sincerely,



President Fred A. Risser
Cochairperson



Speaker Scott R. Jensen
Cochairperson

FAR:SRJ:kja;wu

**DIANE AL SHIHABI
HISTORIC RESTORATION, INC.**

Aug. 5, 1999

To: **Members of JCLO**

Copy: **D. Stephans**

**Senator Fred Risser, Senate Co-Chair
Scott Jensen, Assembly Co-Chair**

From: **Diane Al Shihabi, ASID**

Re: **Request to Retrieve, Restore, and Place Original Capitol Furniture**

Senator Risser and Representative Jensen,

Attached is a list of original furniture to be retrieved with recommended placements. To summarize briefly, the request covers the retrieval and replacement of all original furniture currently known to reside outside of the Capitol; the restoration of 94% of retrieved furniture; the restoration of 100% of the unrestored furniture in the North and West Wings; the restoration of all but 8 pc. of the original furniture in storage; and the purchase of furniture from the public sector which recently became available.

It does not cover the restoration of non-original furniture with historical significance; the restoration of all original furniture recently acquired from the public; or the restoration of all existing original furniture.

Recommended placements were based on need, available space to accommodate furniture, cost effectiveness, and equity among occupants. It may appear that one occupant, such as the Assembly, has an advantage over another. JCLO should keep in mind that the Senate did restore pieces of original furniture for the South Wing; the Supreme Court has already retrieved the majority of their original furniture from their own agencies, which will be restored for the East Wing; all Capitol occupants will receive significant pieces and benefit from the placement; and the original furniture will be placed rather than stored.

Approving the request at this time will allow us to determine quantities of new furniture required for the East Wing; integrate the retrieval and restoration with the current East Wing moves, saving dollars on transport and restoration; and achieve the Senate, Assembly, Supreme Court, and the Department of Administration's goal of acquiring and preserving the remaining original furniture.

Thank you for your cooperation and please let me know if I can be of further assistance.

ITEM #	DESCRIPTION	WOOD	ROOM	WING	M INV.	\$ TO RESTORE	\$ TO RESTORE SW DESIGN	\$ TO REPLACE	PROPOSED LOCATION
DIANE AL-SHIHABI HISTORIC RESTORATION, INC.									
Aug. 5, 1999									
WISCONSIN STATE CAPITOL									
EAST WING RESTORATION AND RENOVATION									
ORIGINAL FURNITURE TO BE RETRIEVED									
							LATER DATE		
LEGISLATIVE REFERENCE BUREAU/ 100 N. HAMILTON									
C-65	BOOKCASE, SECTION	OAK	LRB5	100NH	RPC-1SE	\$6,500.00	Type C Bookcase, 2 p	\$4,216.00	EW-ASSM CO-CHAIR
C-65	BOOKCASE, SECTION	OAK	LRB5	100NH	M-3' SEC.	\$3,250.00	Type C Bookcase, 1 p	\$2,108.00	EW-SENATE CO-CHAIR
A-123	BOOKSHELVES	OAK	LRB5	100NH	RPC-2 SEC.		\$5,300.00	Type A Bookcase	\$1,870.00
A-123	BOOKSHELVES	OAK	LRB5	100NH	RPC		\$5,300.00	Type A Bookcase	\$1,870.00
A-123	BOOKSHELVES	OAK	LRB5	100NH	RPC-2-SEC,36" O C		\$5,300.00	Type A Bookcase	\$1,870.00
A-147	BOOKSHELVES	OAK	LRB5	100NH	RPC-2-SEC, 36" O C.		\$5,300.00	Type A Bookcase	\$1,870.00
A-149	BOOKSHELVES	OAK	LRB5	100NH	A 1		\$2,650.00	Type A Bookcase	\$1,870.00
A-78	CHAIR, ARM	OAK	LRB2	100NH	J 1	\$1,318.00	Type A Replica	\$1,870.00	EW- ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	LRB2	100NH	L 2	\$2,636.00	"	\$2,590.00	EW- ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	LRB5	100NH	A 2	\$2,636.00	"	\$2,590.00	EW- ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	LRB5	100NH	A 1	\$1,318.00	"	\$1,295.00	EW- ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	LRB5	100NH	A 1	\$1,318.00	"	\$1,295.00	EW- ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	LRB5	100NH	A 2	\$2,636.00	"	\$2,590.00	EW- ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	LRB5	100NH	A 3	\$3,954.00	"	\$3,883.00	EW- ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	LRB5	100NH	A 2	\$2,636.00	"	\$2,590.00	EW- ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	LRB5	100NH	P 3	\$3,954.00	"	\$3,883.00	EW- ALL OCCUPANTS
D-11	CHAIR, ARM	OAK	LRB2	100NH	P 1	\$1,600.00	"	\$1,295.00	EW-AG OR GOV
C-41	CHAIR, ARM	OAK	LRB5	100NH	P 1	\$1,600.00	"	\$1,980.00	EW-ALL OCCUPANTS
C-51	CLOTHES TREE	OAK	LRB2	100NH	J 1	\$450.00	Type A Coat Tree	\$450.00	EW-LIEUT. GOV.
C-50	UMBRELLA STAND	OAK	LRB2	100NH	R 1	\$515.00	Type A Telephone Tb	\$865.00	EW-ASSM CO-CHAIR
C-50	UMBRELLA STAND	OAK	LRB5	100NH	A 1	\$515.00	Type A Telephone Tb	\$865.00	EW-SENATE CO-CHAIR
A-92	WASTE BASKET	OAK	LRB5	100NH	A 1	\$375.00	Type A Replica	\$450.00	WW
O-1	DESK, ROLL TOP	OAK	LRB5	100NH	A 1				Listed under Type O
DEPARTMENT OF ADMINISTRATION BUILDING									
A-146	BOOKCASE	OAK	FL 5	101 EW	J 1	\$2,650.00	Type A Bookcase	\$1,870.00	WW
TENNEY BUILDING									
B-23	TABLE	WOLL.	FL 6	110 E. MAIN	1	\$1,995.00	Type B-23 Replica	\$3,250.00	EW-SUPREME CT.
B-41	BOOKCASES	OAK	FL 4	110E. M.	RPC-2SE	\$6,500.00	Type B Bookcase, 2 p	\$3,640.00	EW-AG
B-41	BOOKCASE	OAK	FL 4	110E. M.	G 1	\$3,250.00	Type B Bookcase	\$1,820.00	EW-AG

A-75	CHAIR, PER. SEAT	OAK	FL. 4	110E. M.	C	1	\$1,500.00	Type A-78 Replica	\$1,295.00	EW-ALL OCCUPANTS
B-22	TABLE	OAK	FL. 4	110E.M.	N	1	\$1,995.00	Type B-22 Replica	\$3,250.00	WW
A-78	CHAIR, ARM	OAK	131 WEST WILSON							
A-77	CHAIR, REV. DESK	OAK	FL. 8	131 WW	R	2	\$2,636.00	Type A-78 Replica	\$2,590.00	EW-ALL OCCUPANTS
A-107	SHELVING CABINET	OAK	FL. 8	131 WW	R	1	\$1,318.00	Type A-78 Replica	\$1,295.00	EW-ALL OCCUPANTS
A-78	CHAIR	OAK	17 SOUTH FAIRCHILD							
A-78	CHAIR	OAK	FL. 4	17 S. FAIR. W	W	1	\$4,200.00	Type A Bookcase		EW-AG
A-78	CHAIR	OAK	DEM. CAU	5TH FLOOR		1	\$1,318.00		\$1,295.00	EW-ALL OCCUPANTS
A-78	CHAIR	OAK	MEYERHO5TH FLOOR			3	\$1,318.00		\$1,295.00	EW-ALL OCCUPANTS
A-78	CHAIR	OAK	REP. CAU	6TH FLOOR		2	\$1,318.00		\$1,295.00	EW-ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	1 EAST MAIN							
A-78	CHAIR, ARM	OAK	L. LVL.	1E-M	J	3	\$3,954.00	Type A-78 Replica	\$3,885.00	EW-ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	L. LVL.	1E-M	L	1	\$1,318.00	"	\$1,295.00	EW-ALL OCCUPANTS
D-25	UMBRELLA STAND	MAH.	4TH FL.	1E-M	C	1	\$515.00	Type A Tel. Table	\$865.00	EW-GOV. CHIEF OF STAFF
A-78	CHAIR, ARM	OAK	30 WEST MAIN							
C-65	BOOKCASE, SECTION	OAK	FL. 9	30 WM	R	2	\$2,636.00	Type A Replica	\$2,590.00	EW-ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	FL. 10	30WM	S	1	\$6,500.00	Type C Replica	\$4,216.00	EW-SENATE CO-CHAIR
A-78	CHAIR, ARM	OAK	FL. 10	30WM	S	1	\$1,318.00	Type A Replica	\$1,295.00	EW-ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	FL. 10	30WM	S	1	\$1,318.00	"	\$1,295.00	EW-ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	FL. 10	30WM	S	6	\$7,908.00	"	\$7,770.00	EW-ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	FL. 10	30WM	S	1	\$1,318.00	"	\$1,295.00	EW-ALL OCCUPANTS
A-78	CHAIR, ARM	OAK	FL. 10	30WM	L	2	\$2,636.00	"	\$2,590.00	EW-ALL OCCUPANTS
K-1	CHAIR, ARM	OAK	FL. 10	30WM	S	1	\$1,979.00	Type D-11 Replica	\$1,295.00	WW-ASSEMBLY CHAM.
A-77	CHAIR, REV. DESK	OAK	FL. 10	30WM	S	1	\$1,318.00	Type A-78 Replica	\$1,295.00	EW- ALL OCCUPANTS
A-24	DESK	OAK	FL. 10	30WM	S	1	\$2,225.00	Type A Desk, 36x72	\$2,975.00	EW-ASSEMBLY
A-16	DESK, FLAT TOP	OAK	FL. 10	30WM	S	1	\$2,225.00	Type A Desk, 36x72	\$2,975.00	EW-ASSEMBLY
A-8	DESK, FLAT TOP	OAK	FL. 10	30WM	S	1	\$2,225.00	Type A Desk, 36x72	\$2,975.00	EW-ASSEMBLY
A-144	BOOKCASE, SEC.	OAK	FL. 10	30WM	S	1	\$6,900.00	Type A, 3 pc.	\$5,610.00	EW
C-10	DESK, FLAT TOP	OAK	FL. 10	30WM	S	1	\$2,800.00	Type C Desk, 54x96	\$2,108.00	EW-LIEUTENANT GOV.
C-13	DESK, FLAT TOP	OAK	FL. 10	30WM	L	1	\$2,500.00	Type C Desk, 36x72	\$2,108.00	EW-ASSEMBLY CO-CHAIR
A-139	TABLE	OAK	FL. 10	30WM	S	1	\$2,500.00	Type A Cred. Tbl.	\$1,300.00	EW-JOINT FINANCE, IF SPACE PERM
C-25	TABLE	OAK	FL. 10	30WM	S	1	\$1,925.00	Type C Cred. Tbl.	\$1,650.00	EW-LIEUTENANT GOV.
D-2	TABLE	OAK	FL. 10	30WM	S	1	\$4,500.00	Type B Replica	\$3,250.00	EW-ATTORNEY GENERAL
A-75	CHAIR, PER. SEAT	OAK	CAPITOL HEAT AND POWER							
A-5	DESK, FLAT TOP	OAK	FL. 2	CH&P	R	1	\$1,347.00	Type A-78 Replica		AS NEEDED
		OAK	FL. 1	CH&P	J	1	\$2,225.00	Type A Desk, 36x72	\$2,500.00	EW-ASSEMBLY

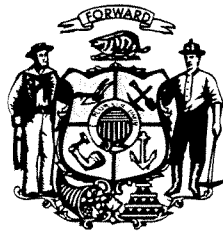
C-2	DESK, ROLL TOP	MAH.	STATE HISTORICAL SOCIETY		HIS. SOC.	J	1	\$5,995.00	Type C Desk, 36x72	\$2,108.00	EW-SUPREME CT.	
			FL.4	MAH.								
	SUBTOTAL: OUTSIDE CAPITOL											
	CAPITOL											
A-78	CHAIR	OAK			9 NORTH		2	\$2,636.00			NW	
A-78	CHAIR	OAK	17A		NORTH		1	\$1,318.00			NW	
A-78	CHAIR	OAK	9A		NORTH		1	\$1,318.00			NW	
A-78	CHAIR	OAK		19	NORTH		1	\$1,318.00			NW	
A-115	WARDROBE	OAK	104A		NORTH		1	\$2,350.00			NW	
A-78	CHAIR	OAK		107	NORTH		2	\$2,636.00			NW	
K-1	CHAIR	OAK	107A		NORTH		1	\$1,979.00			NW	
B-41	BOOKCASE	OAK	109A		NORTH	1	1	\$3,250.00			NW	
C-41	CHAIR	OAK	112A		NORTH		1	\$1,979.00			NW	
D-25	UMBRELLA STAND	OAK	112A		NORTH		1	\$515.00	Type A Tel. Tbl.	\$1,100.00	EW-GOVERNOR	
E-33	BOOKCASE	MAH.	112A		NORTH		1	\$6,500.00	Type A, 2 pc.	\$4,684.00	EW-GOVERNOR	
B-22	TABLE	OAK	118A		NORTH		1	\$1,700.00			NW	
C-41	CHAIR	OAK	118A		NORTH		1	\$1,979.00			NW	
C-41	CHAIR	MAH.	118A		NORTH		1	\$1,979.00	C-41, OAK	\$2,730.00	EW-SUPREME CT.	
A-78	CHAIR	OAK		124	NORTH		1	\$1,318.00			NW	
A-78	CHAIR	OAK	124A		NORTH		1	\$1,318.00			NW	
K-1	CHAIR	OAK	126A		NORTH		2	\$1,979.00			NW	
C-45	SOFA	MAH.		204	NORTH		1	\$4,620.00	C-45, OAK	\$5,012.00	EW-SUPREME CT.	
B-24	TABLE	OAK		209	NORTH	3	1	\$1,700.00			NW	
B-41	BOOKCASE	OAK		212	NORTH	2	1	\$6,500.00			NW	
C-61	BOOKCASE, REV.	MAH.		223	NORTH	3	1	\$1,995.00	Type A, 1pc.	\$1,926.00	EW-SUPREME CT.	
A-78	CHAIR	OAK		409	NORTH		1	\$1,318.00			NW	
A-78	CHAIR	OAK		8	WEST		1	\$1,318.00			WW	
A-78	CHAIR	OAK		9	WEST		1	\$1,318.00			WW	
A-115	WARDROBE	OAK		105	WEST		1	\$2,350.00			WW	
A-57	TABLE	OAK		115	WEST		1	\$1,700.00			WW	
D-5	TABLE	MAH.	119A		WEST		1	\$4,000.00	Type B, 42 x 78	\$3,906.00	EW-GOVERNOR	
A-78	CHAIR	OAK		117	WEST		1	\$1,318.00			WW	
A-78	CHAIR	OAK		119	WEST		1	\$1,318.00			WW	
B-2	DESK, ROLL TOP	OAK	116A		WEST		1	\$5,995.00			WW	
B-29	BED COUCH	OAK		121	WEST		1	\$4,500.00			WW	
C-46	BED COUCH	OAK		127	WEST		1	\$5,000.00			WW	
A-92	WASTEBASKET	OAK		201	WEST		1	\$375.00			WW	
B-42	BOOKCASE	MAH.		201	WEST		1	\$4,900.00	Type A, 1 pc.	\$2,342.00	EW-SUPREME CT.	
G-8	WASTEBASKET	CIR. WA		209	WEST		1	\$375.00			WW	
G-8	WASTEBASKET	CIR. WA		411	WEST		1	\$375.00			WW	
A-78	CHAIR	OAK		411	WEST		5	\$6,590.00			WW	

IV-a. Department of Health and Family Services – Joe Lekan, Secretary

The department requests a transfer of \$5,000,000 GPR in fiscal year 1999-2000 from the medical assistance benefits appropriation under s. 20.435(4)(b) to the BadgerCare benefits appropriation under s. 20.435(4)(bc) to be used for BadgerCare program expenditures between October 1, 1999, and December 31, 1999.

Governor's Recommendation

Approve the department's request.



TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Date: September 14, 1999

To: Members, Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Health and Family Services for a supplement to the BadgerCare benefits appropriation.

Request

The department requests a transfer of \$5,000,000 GPR in fiscal year 1999-2000 from the medical assistance benefits appropriation under s. 20.435(4)(b) to the BadgerCare benefits appropriation under s. 20.435(4)(bc) to be used for BadgerCare program expenditures between October 1, 1999 and December 31, 1999.

Background

The 1997-99 biennial budget directed the Department of Health and Family Services (DHFS) to create a health insurance program for low-income families with children called BadgerCare. The department was directed to obtain all necessary federal waivers and to implement the program no later than July 1, 1998 or the effective date of the waivers, whichever was later.

On January 22, 1999, the federal government approved the BadgerCare waiver with a July 1, 1999 effective date. After making the necessary modifications to the Client Assistance for Reemployment and Economic Support (CARES) system and designing local and statewide implementation plans, DHFS officially began accepting BadgerCare applications on July 1, 1999.

In June, the legislature debated what level of funding will be needed for the BadgerCare program during the 1999-01 biennium. In part based on a request from the Administration, the Joint Committee on Finance (JCF) approved \$22,356,500 GPR in fiscal year 1999-2000 and \$34,218,300 GPR in fiscal year 2000-01, for a total of \$56,574,800 GPR and \$161,226,000 all funds over the biennium. These funding levels remained unchanged in the Assembly and Senate versions of the budget.

Lacking expenditure authority in the BadgerCare appropriation due to the budget impasse, DHFS requested a transfer of funds to implement the BadgerCare program on schedule. On July 15, JCF approved a temporary transfer of \$5,000,000 GPR from the medical assistance benefits appropriation (s. 20.435(4)(b)) to the BadgerCare benefits appropriation (s. 20.435(4)(bc)). JCF further directed the Department of Administration (DOA) to transfer \$5,000,000 GPR from the fiscal year 1999-2000

BadgerCare benefits appropriation to the fiscal year 1999-2000 medical assistance benefits appropriation within 30 days of the general effective date of the biennial budget act.

Analysis

DHFS has submitted this request to continue funding for the BadgerCare program because the 1999-01 biennial budget bill has not yet been signed. The purpose of the current request is to provide funds to cover BadgerCare expenses until the December 13.10 meeting or until the 1999-01 biennial budget passes.

In line with Legislative Fiscal Bureau (LFB) estimates, DHFS expects that the \$5,000,000 GPR provided in July by JCF will be completely expended in November. Actual BadgerCare GPR expenditures through August total \$503,000, a little more than half the amount estimated by LFB, \$918,000. This difference is primarily due to (1) a lag in receipt of fee-for-service claims and (2) slower enrollment than was expected.

Similarly, actual enrollment is lower than LFB projected. At the end of August, 14,309 individuals were enrolled, which is 60 percent of the 23,584 expected. While enrollment has been lower than expected, recent enrollment statistics show that the gap is narrowing. It is likely that BadgerCare enrollment and expenditures will continue to rise to projected levels, necessitating this request for additional funds to supplement those that are expected to run out in November.

Similar to the 13.10 action in July, DHFS is requesting a transfer of \$5,000,000 from the fiscal year 1999-2000 GPR medical assistance benefits appropriation (s. 20.435(4)(b)) to the fiscal year 1999-2000 GPR BadgerCare benefits appropriation (s. 20.435(4)(bc)). In addition, the department requests that DOA transfer an additional \$5,000,000 GPR (\$10,000,000 GPR total) from the fiscal year 1999-2000 BadgerCare benefits appropriation back to the fiscal year 1999-2000 medical assistance benefits appropriation within 30 days of the effective date of the 1999-01 biennial budget bill.

It is possible that the department will not need the full \$5,000,000 to continue operating the BadgerCare program until the second quarter 13.10 meeting or the budget is passed. Regardless of if DHFS expends the full amount, there is no harm in transferring the dollars requested at this time since there is a mechanism in place to transfer the full amount of the borrowed funds back to the medical assistance benefits appropriation once the 1999-01 biennial budget is passed.

Recommendation

Approve the department's request.

Prepared by: Melissa Mullikin
267-7980

IV-a



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leraan, Secretary

August 30, 1999

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

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

Dear Senator Burke and Representative Gard:

The Department of Health and Family Services (DHFS) requests that the Joint Finance Committee, acting under s. 13.10 transfer \$5,000,000 GPR in FY00 from s. 20.435(4)(b) Medical Assistance Program Benefits to s. 20.435(4)(bc) Health Care for Low-Income Families to be used for estimated BadgerCare program benefit expenditures between October 1, 1999 and December 31, 1999.

Background

The 1997-99 biennial budget directed the Department to implement a health care program called BadgerCare for low-income families with children and obtain the necessary federal approvals and waivers to do so. On June 2, as part of its 1999-01 biennial budget deliberations, the Committee adopted Motion #997, which included funding for the BadgerCare program, as described in Legislative Fiscal Bureau Paper #476. The Committee approved GPR funding of \$22,356,500 GPR in FY 00 and \$34,218,300 GPR in FY 01 for BadgerCare benefits.

Wisconsin statutes (s. 49665(2)) require the Department to implement BadgerCare on the effective date of the waiver. On January 22, 1999 the federal government approved the Department's waiver with an effective date of July 1, 1999.

BadgerCare began enrolling recipients on July 1, the beginning of FY 00. On July 15, the Joint Finance Committee, acting under s. 13.10, transferred \$5,000,000 GPR from the Department's Medical Assistance benefits appropriation to the Department's BadgerCare benefits appropriation to support program expenditures due to the delay in passage of the 1999-01 biennial budget.

Request

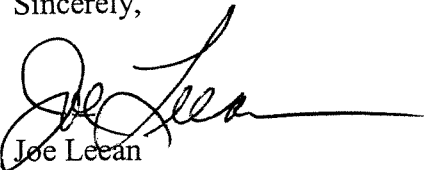
Based on enrollment patterns to date and Legislative Fiscal Bureau budget projections, the Department estimates that the \$5,000,000 of funding will be expended during the month of November 1999, which is prior to the next regular s. 13.10 committee meeting in December. Since it is uncertain at this time whether the biennial budget bill will be finalized prior to November, the Department needs additional funding transferred to the BadgerCare program to continue running the program on an uninterrupted basis.

In order to ensure that sufficient funding is available to pay providers for health services under BadgerCare, the Department requests an additional \$5,000,000 GPR transfer for continued support of BadgerCare program expenditures. As was done in the July 15 s. 13.10 action, the Committee could direct the Department of Administration (DOA) to transfer this \$5,000,000 from the FY00 BadgerCare benefits appropriation back to the FY00 Medical Assistance benefits appropriation after the general effective date of the 1999-01 biennial budget act.

This request meets the criteria for committee action as an "unforeseen emergency" under s. 13.101(3)(a). The length of the delay in the passage of the biennial budget could not be foreseen. Once enrolled in BadgerCare a client is entitled by statute to continue receiving health care benefits provided he/she continues to meet the program's financial eligibility criteria. In the absence of additional funding being transferred into BadgerCare, the Department will not be able to continue providing health care benefits to BadgerCare enrollees to which they are entitled.

I will represent the Department on this item at the Committee's meeting.

Sincerely,



Joe Leca
Secretary

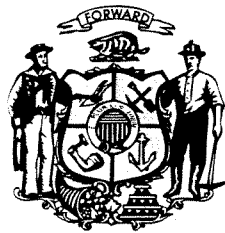
IV-b. Department of Health and Family Services – Sinikka McCabe, Administrator
Division of Supportive Living

The department requests the transfer of \$69,100 GPR from the appropriation under s. 20.435(7)(bm), purchased services for clients, to the appropriation under s. 20.435(6)(a), general program operations, for the provision of services to the deaf and hard of hearing.

Governor's Recommendation

Approve the request.

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



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

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Date: September 14, 1999

To: Members, Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration *DKB*

Subject: Section 13.10 Request from the Department of Health and Family Services for the Transfer of Funds from the Purchased Services for Clients Appropriation to the General Program Operations Appropriation.

Request

The department requests the transfer of \$69,100 GPR from the appropriation under s. 20.435(7)(bm), purchased services for clients, to the appropriation under s. 20.435(6)(a), general program operations, for the provision of services to the deaf and hard of hearing.

Background

Wisconsin 1995 Act 27 transferred the Bureau of Sensory Disabilities (BSD) from the Division of Vocational Rehabilitation to the Division of Supportive Living (DSL) in the Department of Health and Family Services (DHFS). As part of the transfer, \$163,900 GPR was appropriated in s. 20.435(7)(bm) for rehabilitation teaching services for persons who are blind or visually impaired. Since the transfer, DHFS has been using \$69,100 GPR from this appropriation for services for the deaf and hard of hearing. BSD has used \$42,500 to support the Community Services Associates contract and \$26,600 for adaptive equipment and rehabilitation services.

Analysis

Prior to 1995 Act 27, statutory language relating to the \$163,900 allowed the funds to be used for services to both blind and deaf individuals. The statutory language changes that were made to facilitate the transfer of BSD to DSL did not capture the use of the \$69,100 GPR for services to the deaf and hard of hearing. Only recently did DHFS become aware of the specific statutory purpose for the

funds appropriated under s. 20.435(7)(bm). The transfer of the \$69,100 GPR from s. 20.435(7)(bm) to s. 23.435(6)(a) will allow DHFS to legally continue to provide services to the deaf and hard of hearing at the level intended by the Legislature.

Recommendation

Approve the request.

Prepared by: Gretchen A. Fossum
266-2288



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leean, Secretary

IV-b

September 3, 1999

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

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

Dear Senator Burke and Representative Gard:

The Department requests a permanent transfer of \$69,100 GPR beginning in FY 00 from the appropriation under s. 20.435(7)(bm) to the appropriation under s. 20.435(6)(a) to correct a technical error in the Department's appropriation structure.

Background and Request

The Department uses the \$69,100 GPR to support programs for the deaf and hard of hearing community. Of the \$69,100, \$42,500 funds a portion of a \$230,000 contract to fund Community Services Associates (CSA) in the Bureau of Sensory Disabilities. These contract staff work primarily with 6 regional coordinators of deaf and hard of hearing and provide interpreting services to those staff as well as direct counseling and informational services to clients. The remainder, \$26,600, is provided to the Department of Workforce Development to partially fund "case services" (which consist of the purchase of adaptive equipment and rehabilitative services) for vocational rehabilitation clients who are deaf.

The Department requests the transfer of the \$69,100 because current statutory language in s. 20.435(7)(bm) states that the funds must be spent for services for the blind. The funds were incorrectly placed in (7)(bm) in the 1995-97 biennial budget as a result of a technical error in the context of the major interagency reorganization implemented in that budget. The 1995-97 budget transferred the Bureau of Sensory Disabilities from the Division of Vocational Rehabilitation (now in DWD) to the Division of Supportive Living (in DHFS). Budget documents indicate that the 1995-97 budget transferred the funds from the appropriation under s. 20.435(5)(bm) to the appropriation under s. 20.435(7)(bm). Statutory language prior to

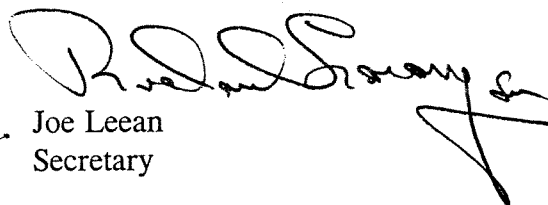
reorganization allowed (5)(bm) funds to be used for services to all disabled individuals, including the deaf and hard of hearing. The appropriation into which the funding was transferred requires the funds to be used only for services to the blind. However, the Department did not intend, nor is there any indication that the Legislature intended, to reallocate funds from the Office of the Deaf and Hard of Hearing to the Office of the Blind as part of the 1995-97 reorganization. The \$69,100 was inadvertently transferred from an appropriation funding a broad range of services to the disabled to one restricted to services for the blind. The Department requests the transfer of the funds to Division of Supportive Living's GPR general operations appropriation to correct this technical error.

The Department used the funding for the CSA contract and case services prior to the 1995-97 reorganization. DHFS continued to allocate the funding for this purpose since the reorganization. The Department only recently became aware of the technical error.

This request meets the criteria of s. 13.101(4) in that legislative intent will be more effectively carried out as a result of the transfer and the purposes for which the transfer is requested have been authorized by the Legislature.

Sinikka McCabe, Administrator of the Division of Supportive Living, will represent the Department at the committee's meeting on this issue. Thank you for considering this request.

Sincerely,



Joe Leean
Secretary

V. Higher Educational Aids Board – Jane Hojan-Clark, Executive Secretary

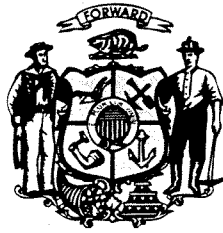
The agency requests a supplement of \$27,082 GPR in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865(4)(a) to HEAB's appropriation for general program operations under s. 20.235(2)(aa) to provide one-time funding for the costs of accumulated sabbatical and other leave time being paid to a recently retired, long-time employee.

Governor's Recommendation

- (1) Approve a \$11,115 GPR supplement from the Committee's appropriation under s. 20.865(4)(a) to HEAB's appropriation under s. 20.235(2)(aa).
- (2) Place the supplement in unallotted reserve until the shortfall can be accurately determined.

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

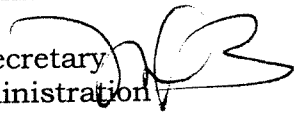
TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY



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

Date: September 14, 1999

To: Members, Joint Committee on Finance

From: Mark D. Bugher, Secretary
Department of Administration 

Subject: Section 13.10 Request from the Higher Educational Aids Board for Supplemental GPR Funding.

Request

The agency requests a supplement of \$27,082 GPR in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865(4)(a) to HEAB's appropriation for general program operations under s. 20.235(2)(aa) to provide one-time funding for the costs of accumulated sabbatical and other leave time being paid to a recently retired, long-time employee.

Background

In August 1999, HEAB's Financial Officer retired from service with the agency. After 34 years of service, the Financial Officer had accumulated a substantial amount of sabbatical and other leave time. While the employee's last day in the office was July 29, 1999, he will remain on the HEAB payroll through March 25, 2000, due to the amount of leave time he has accumulated. Because the former Financial Officer will remain on the payroll for several months, filling the position with a new employee will cause a budget shortfall within the agency.

When the agency prepared its 1999-01 biennial budget request, HEAB staff were not aware that the Financial Officer would be retiring in August 1999. Therefore, the agency did not request funds to cover this shortfall in its 1999-01 biennial budget request.

HEAB believes that if the Financial Officer position were not filled, duties essential to the operation of the agency would not be carried out. As a result, financial aid recipients would experience delays in receiving the funds necessary to pay for education-related expenses. HEAB programs provide financial aid to just under 60,000 students at the University of Wisconsin, the Wisconsin Technical Colleges and private colleges in Wisconsin.

Currently, HEAB has 11.0 FTE positions to administer:

- Seven grant programs
- Two teacher loan programs
- Collections for two other loan programs
- The Academic Excellence Scholarship program
- The Paul Douglas Teacher Scholarship program
- The Dental Education Contract
- The Medical College of Wisconsin Capitation program
- The Minnesota-Wisconsin Tuition Reciprocity program

HEAB staff state that, given the current workload, existing staff could not absorb the duties of the Financial Officer meet existing responsibilities. In addition, there are no vacant positions that could be used for this purpose.

To address the immediate need to perform the duties of the Financial Officer, HEAB reclassified the Financial Officer position as a Budget and Policy Analyst (BPA) and transferred the agency's Human Resources Coordinator (HRC) into the BPA position, effective August 29, 1999. The new BPA is being paid the same salary she received as the HRC. The HRC position will be reclassified as an Office Management Specialist (OMS). HEAB plans to fill the OMS position by October 1999.

Analysis

Agency's Methodology

To determine its request, HEAB:

- Determined the length of time that both the new BPA (the former HRC) and the former Financial Officer would be on HEAB's payroll. This covers the time between August 29, 1999 and March 25, 2000, which amounts to 15 pay periods, or 1,200 hours.
- At \$16.664, the total salary needed to cover the cost of filling the position would be \$19,997.
- Determined the cost of fringe benefits associated with the position to be \$7,085 (35.42% of the salary amount).
- Summed the cost of salary and fringe benefits to arrive at the total requested amount of \$27,082.

HEAB staff also used the following assumptions:

- The hourly rate used to calculate the salary cost for the new BPA includes a 2% increase above that employee's current salary, as provided in the proposed pay plan increase for FY00.
- The salary of the new employee filling the OMS position would be equal to that of the former HRC (\$16.337/hour).
- After March 2000, the funding that the agency receives for the former Financial Officer will not be needed to pay that employee, because he will have drawn on all his accumulated leave time. The agency did not take into

account that the remaining funds for that position (April 2000 through June 2000) could be used to offset the cost associated with filling that position between September 1999 and March 2000.

Analysis of Request

HEAB's conclusion that the demands on HEAB staff would not allow existing staff to absorb the existing duties of the Financial Officer position appears reasonable. With only 11.0 FTE positions, HEAB's ability to reallocate workload is limited. In addition, the Financial Officer position performs essential core duties for the agency, such as budgeting and accounting, that cannot be deleted. Furthermore, HEAB's has limited ability to absorb the cost of both the accumulated leave of the retired Financial Officer and his replacement through March 25, 2000.

However, our analysis indicates that the costs of replacing the retired Financial Officer and paying for the accumulated leave are significantly less than the \$27,082 requested. As Table 1 (attached) indicates, the funding included for the Financial Officer and HRC positions in the FY00 base budget is expected to be \$89,438. The cost of the accumulated leave and the BPA and OMS positions is estimated to be \$100,549, as shown in Table 2 (attached). Therefore, the estimated GPR shortfall would be \$11,111 rather than the \$27,082 requested.

The \$15,970 difference appears to be the result of several assumptions made by HEAB in estimating the shortfall:

- Including \$7,085 of fringe benefit costs for the BPA position in the request. Full funding of fringe benefit costs is addressed as part of the annual pay plan supplement process.
- Including \$395 for the 2% pay plan increase for the BPA position. Pay plan increases are also addressed through the pay plan supplement process.
- Not reallocating the estimated \$5,070 in savings which will occur after the accumulated leave is paid off due to the difference between the salary for the retired Financial Officer (\$26.903/hour) and the salary of the BPA (\$16.337/hour).
- Not reallocating the estimated \$3,920 in savings resulting from the (minimum) six weeks (8/29 to 10/10) in which the OMS position will be vacant.

NOTE: \$500 was added the agency's request to reflect the difference between what the agency receives in their FY00 budget (the 1998 B-1 base salary of \$16.096/hour) and the what the agency will need to cover the cost of the HRC position (the current salary of \$16.337/hour). The 1998 B-1 base salary and current salary for the Financial Officer position is the same, thus no adjustment was made for that position (see Tables 1 and 2, attached).

Since it is not possible to determine this early in the fiscal year whether HEAB will save any additional funds due to future vacancies or a delay in filling the OMS position, it seems reasonable to place the \$11,115 GPR in unallotted reserve to be released when HEAB's need can be more accurately determined. Placing the funds in unallotted reserve assures HEAB that should the anticipated shortfall occur, it will be funded.

Recommendation

- (1) Approve a \$11,115 GPR supplement from the Committee's appropriation under s. 20.865(4)(a) to HEAB's appropriation under s. 20.235(2)(aa).
- (2) Place the supplement in unallotted reserve until the shortfall can be accurately determined.

Prepared by: Erin Kalinosky
6-2843

Table 1

Funding Provided in FY00					
Position Title	Notes	Time Period	Bi-Weekly Salary (in B-1 base)	Pay Periods	Total Funding Provided
Fiscal Affairs Financial Officer (FAFO)	Former FAFO retired and has been out of the office since 7/29/99, but will remain on the payroll through 3/25/00.	FY00 6/20/99 to 6/17/00	\$2,152.24	26	\$55,958
Human Resources Coordinator (HRC)	Former HRC moved into the FAFO position as of 8/29/99, but will be reclassified as a BPA, and will continue to receive her current salary.	FY00 6/20/99 to 6/17/00	\$1,287.68	26	\$33,480
				TOTAL	\$89,438

Table 2

Funding Needed in FY00					
Position Title	Notes	Time Period	Bi-Weekly Salary	Pay Periods	Total Funding Provided
Fiscal Affairs Financial Officer (FAFO)	Former FAFO retired and has been out of the office since 7/29/99, but will remain on the payroll through 3/25/00.	6/20/99 to 3/25/00	\$2,152.24	20	\$43,044
Human Resources Coordinator (HRC)	Former HRC moved into the FAFO position as of 8/29/99, but will be reclassified as a BPA, and will continue to receive her current salary.	FY00 6/20/99 to 6/17/00	\$1,306.96	26	\$33,980
Office Management Specialist (OMS)	Employee in this position will take over duties of HRC. The position has not yet been filled; agency estimates it will be filled by 10/99.	10/10/99 to 6/17/00	\$1,306.96	18	\$23,525
				TOTAL	\$100,549