

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

**Appointments**

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**Committee Hearings**

99hr\_JC–Fi\_CH\_pt00

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**Hearing Records**

99hr\_ab0000

99hr\_sb0000

**Misc.**

99hr\_JC–Fi\_\_Misc\_\_s.13.10\_pt10c3

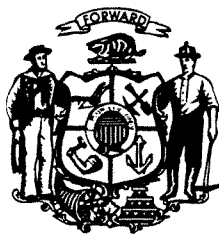
**Record of Committee Proceedings**

99hr\_JC–Fi\_RCP\_pt00

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

TOMMY G. THOMPSON  
GOVERNOR


GEORGE LIGHTBOURN  
ACTING SECRETARY



Office of the Secretary  
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**Date:** December 15, 1999

**To:** Members, Joint Committee on Finance

**From:** George Lightbourn, Acting Secretary  
Department of Administration 

**Subject:** Section 13.10 Request from the Department of Health and Family Services for a Body Alarm System for the Mendota Mental Health Institute.

### Request

The department requests the release of \$233,000 GPR in fiscal year 1999-2000 from the Committee's supplemental appropriation under s. 20.865(4)(a) to be transferred to the Division of Care and Treatment's general operations appropriation under s. 20.435(2)(a) for the purchase of a body alarm system for the Mendota Mental Health Institute (MMHI). Because MMHI is split-funded between GPR and PR depending on the type of patient, the department also requests an increase of \$87,000 PR in expenditure authority under s. 16.515 in s. 20.435(2)(gk), the institutional operations appropriation, to support the balance of the purchase of the alarm system.

### Background

During deliberations on the 1999-2001 budget, the Joint Committee on Finance adopted a motion to appropriate \$233,000 GPR and \$87,000 PR to allow MMHI to purchase or lease an 800 megahertz alarm system. Currently MMHI is the only large institution, including correctional facilities, which does not have such a system. The low-band system currently used is ineffective and does not provide adequate coverage throughout the institution. This poses a security threat to patients and to staff at MMHI who are dealing with juvenile offenders from the juvenile correctional institutions and adult male forensics patients.

The funds were placed in the Committee's supplemental appropriation and would be released after DHFS determined whether the system should be purchased outright or leased. DHFS has examined this issue and determined that it is better to buy the system. This request describes the results of that analysis and proposes that the funds be released to purchase the body alarm system.

### **Analysis**

Of the funding requested, \$155,000 would be used to purchase and install the radio system including an enclosure for the equipment, an antenna and the power supply. MMHI staff indicate that the central radio system will be located in Goodland Hall, which is the maximum security building at the Institute, because this station is manned 24 hours per day. The balance of the funding, \$165,000, will be used to buy the body alarms and associated battery chargers. As budgeted under the Joint Committee on Finance's motion, DHFS could purchase 20 "man-down" alarms, which automatically emit a non-audible radio signal if the unit is tipped a certain number of degrees. The motion also provided for the purchase of 65 portable radio units which can activate an alarm by pushing a button. DHFS's request indicates that they could actually purchase 72 of these units at current prices. DHFS will recognize some savings by using an existing Department of Corrections contract to purchase this equipment in large volumes.

These radios and alarms will be used primarily by staff in the forensic units and in the Mendota Juvenile Treatment Center, which treats youth from the juvenile correctional institutions. However, they can also be used by staff throughout the institution as needed.

DHFS staff determined that it is cheaper at this time to purchase the system rather than lease it. The vendor for the equipment indicated that a three year lease at 6.3% would cost \$340,300 compared to a purchase price of \$320,000 AF. Lengthier leases only add to the total cost of the system. Technically, leasing also presents a problem because the funds were provided on a one-time basis in fiscal year 1999-2000. Opting for lease payments would require DHFS to return to the Committee each year.

Staff also explored the possibility of leasing space on the City of Madison's base radio station. However, the coverage that would be provided at MMHI would be substandard due to the distance from the broadcast tower unless additional costs were incurred to install more cabling at the Institute.

### **Recommendation**

Approve the request.



State of Wisconsin  
**Department of Health and Family Services**

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Tommy G. Thompson, Governor  
Joe Leean, Secretary

November 23, 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 of Health and Family Services requests that the Committee, acting under s. 13.10, transfer \$233,000 from s. 20.865(4)(a) to s. 20.435(2)(a) for the purchase of an 800 megahertz radio body alarm system to be used at Mendota Mental Health Institute. The Department is requesting an increase of \$87,000 in expenditure authority in s. 20.435(2)(gk) under s. 16.515 to use this amount of program revenue funds for this purpose as well.

Background and Request

1999 Wisconsin Act 9 section 9131(3e) allows the Joint Committee on Finance to supplement the Department's funds with funds from the Committee's appropriation in order to purchase or lease a body alarm system for Mendota Mental Health Institute (MMHI). These alarms are necessary to protect the safety of staff and patients at MMHI. MMHI provides treatment to some populations, including forensic patients and juvenile offenders at the Mendota Juvenile Treatment Center (MJTC), whose behavior may pose a threat to staff and patients at the Institute.

The radio system currently in use at MMHI is ineffective. The low band system by which they operate is obsolete and does not function correctly because of the numerous "dead spots" in the system, which make it impossible for the radios to communicate with the base station. In fact, MMHI is one of the last institutions in the state to move to the new high band radio system. The Committee recognized the need for a new system during the 1999-2001 Biennial Budget process and appropriated \$233,000 GPR, to be used in conjunction with \$87,000 PR, to allow the Department to purchase new alarms. This new system will be more dependable because it will function at a higher frequency (800 megahertz). Of the amount requested, \$155,000 will be used to install the backbone system, including a base station, antenna, and equipment enclosure. The remaining \$165,000 will be used to purchase portable radios/body alarms to be carried by the staff at MMHI. This amount will purchase enough alarms to equip staff throughout the institution.

During the biennial budget process, the Committee placed the funding for the radio system in its appropriation in order to ensure that the Department specifically considered a number of factors:

1. The Committee wanted to ensure that the Department would avail itself of the best available prices on this equipment.
2. The Committee wanted the Department to assess the cost effectiveness of leasing the equipment.

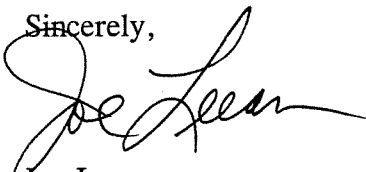
**Price of the Equipment:** The Department of Corrections has a contract with a vendor for radio alarms of the type which the Department proposes to purchase. The Department is able to utilize that contract, which reduces the cost per item through volume purchase. The requested funding reflects these reduced prices.

**Leasing v. Owning:** The Department also explored the option of leasing, rather than purchasing, the system. However, it was determined that leasing would actually be more expensive than outright purchase. For example, under a three-year tax-exempt lease at 6.3% interest the equipment would cost \$340,300, while purchasing the equipment outright would cost \$320,000. A five-year tax-exempt lease would cost the state \$384,400. In addition, funding for the alarms was provided only in the first year of the biennium, so it would be necessary to request additional funding in FY 01 if the alarms were to be leased. Further, at the end of the lease period, the Department would still have to continue a lease since the Department would not own the leased equipment. Because of this, the Department has concluded that it is preferable to purchase the radio alarms. At the other state institutions that have this system, the equipment was purchased by the state.

The Department also evaluated the option of leasing space on the City of Madison's backbone system rather than installing this equipment on site at MMHI. However, as a result of the distance between the Madison tower and the MMHI campus, it was determined that the coverage gaps in the radio system would not be resolved through this approach. It would be possible to address this issue by installing additional cabling and equipment at the MMHI campus, but this would significantly increase the cost of using the Madison backbone. Consequently, the Department concluded that the option of leasing space on the Madison backbone was not an efficient or effective alternative.

The Department is prepared to move forward immediately with the purchase and installation of the new system upon JFC approval so that this safety equipment is in place as quickly as possible. Tom Alt, Administrator for the Division of Care and Treatment Facilities, will represent the Department on this request.

Sincerely,



Joe Leean  
Secretary

XIII. Department of Health and Family Services – John Kiesow, Executive Assistant

The department requests a number of technical corrections to ensure that funds are allocated to the correct appropriations. The transfers requested include:

- \$62,100 GPR in fiscal year 2000-2001 from s. 20.435(2)(b), the Wisconsin Resource Center appropriation, to s. 20.435(2)(bm), the Sand Ridge Treatment Center appropriation.
- \$183,000 GPR in fiscal year 1999-2000 and \$170,500 GPR in fiscal year 2000-2001 from s. 20.435(2)(a), the general program operations appropriation, to s. 20.435(2)(f), the fuel and utilities appropriation.
- \$27,200 GPR in fiscal year 1999-2000 and \$21,800 GPR in fiscal year 2000-2001 from s. 20.435(2)(b), the Wisconsin Resource Center appropriation, to s. 20.435(2)(f), the fuel and utilities appropriation.
- \$83,200 GPR in each fiscal year from s. 20.435(2)(aa), the repair and maintenance appropriation, to s. 20.435(2)(f), the fuel and utilities appropriation.
- \$197,400 GPR in fiscal year 2000-2001 from s. 20.435(5)(eg), the pregnancy counseling appropriation, to s. 20.435(5)(cb), the women's health services appropriation.
- \$95,000 GPR in each fiscal year from s. 20.435(3)(bc), the community grants program appropriation, to s. 20.435(7)(bc), the community programs appropriation.

Governor's Recommendation

Approve the request as adjusted.

TOMMY G. THOMPSON  
GOVERNOR

GEORGE LIGHTBOURN  
ACTING SECRETARY



Office of the Secretary  
Post Office Box 7864  
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**Date:** December 15, 1999

**To:** Members, Joint Committee on Finance

**From:** George Lightbourn, Acting Secretary  
Department of Administration *George Lightbourn*

**Subject:** Section 13.10 Request from the Department of Health and Family Services for Technical Corrections to Appropriations.

**Request**

The department requests a number of technical corrections to ensure that funds are allocated to the correct appropriations. The transfers requested include:

- \$62,100 GPR in fiscal year 2000-2001 from s. 20.435(2)(b), the Wisconsin Resource Center appropriation, to s. 20.435(2)(bm), the Sand Ridge Treatment Center appropriation.
- \$183,000 GPR in fiscal year 1999-2000 and \$170,500 GPR in fiscal year 2000-2001 from s. 20.435(2)(a), the general program operations appropriation, to s. 20.435(2)(f), the fuel and utilities appropriation.
- \$27,200 GPR in fiscal year 1999-2000 and \$21,800 GPR in fiscal year 2000-2001 from s. 20.435(2)(b), the Wisconsin Resource Center appropriation, to s. 20.435(2)(f), the fuel and utilities appropriation.
- \$83,200 GPR in each fiscal year from s. 20.435(2)(aa), the repair and maintenance appropriation, to s. 20.435(2)(f), the fuel and utilities appropriation.
- \$197,400 GPR in fiscal year 2000-2001 from s. 20.435(5)(eg), the pregnancy counseling appropriation, to s. 20.435(5)(cb), the women's health services appropriation.
- \$95,000 GPR in each fiscal year from s. 20.435(3)(bc), the community grants program appropriation, to s. 20.435(7)(bc), the community programs appropriation.

### **Background**

Currently, nearly all of the sexually violent persons are housed at the Wisconsin Resource Center (WRC) and will remain there until the new treatment facility for sexually violent persons, the Sand Ridge Treatment Center, opens in April, 2001. As a result, the WRC appropriation, s. 20.435(2)(b), contains funds and positions which serve both sexual predators and mentally ill inmates. During the 1999-2001 budget process, the Department of Health and Family Services (DHFS) requested staffing and funding needed for the new treatment facility. Those funds and positions were placed in appropriation s. 20.435(2)(bm) which is the correct appropriation for the predator facility. In addition, some positions and funds which supported staff at the WRC were transferred to the new treatment facility. As a result, DHFS, the State Budget Office and the Legislative Fiscal Bureau all worked to have the WRC budget reflect the resources that would transfer to Sand Ridge. In the process of adjusting and moving funds, technical errors were made which require correction.

There are also two instances of children's programs where funds were inadvertently removed from incorrect appropriations.

This request, which has no net GPR impact, moves the funds to the correct appropriations.

### **Analysis**

First, adjustments were made to the Sand Ridge budget to reduce funding for LTEs, food and variable non-food items, such as drugs and medical supplies. However the reductions were made in the WRC appropriation rather than the Sand Ridge appropriation. There was also an increase in funding to allow Sand Ridge to purchase alcohol and drug treatment counseling services, but this increase was placed in the WRC appropriation by mistake. The net transfer amount needs to be adjusted slightly from \$62,100 to \$63,600 GPR in fiscal year 2000-2001 to reflect the proper amount that should transfer from the WRC appropriation to the Sand Ridge appropriation.

Second, reestimates were made for fuel and utility costs. However, the decreases were taken from s. 20.435(2)(a), the general operations appropriation, and from s. 20.435(2)(b), the WRC appropriation. These reductions should have been made to s. 20.435(2)(f), the fuel and utilities appropriation. As a result, a total of \$210,200 GPR in fiscal year 1999-2000 and \$192,300 GPR in fiscal year 2000-2001 should be transferred from the WRC and the general operations appropriation to the Sand Ridge appropriation.

Third, at the time the Governor prepared his budget, the sewage assessment to be paid to the City of Mauston had not yet been finalized. As a result, staff used a



very rough estimate. Later in the budget process, the actual amount needed was reduced. However, the reduction was made to s. 20.435(2)(aa), the repair and maintenance appropriation, rather than to s. 20.435(2)(f), the fuel and utilities appropriation. As a result, \$83,200 GPR in each fiscal year needs to be transferred from the repair and maintenance appropriation to the fuel and utilities appropriation.

Fourth, the Governor's budget consolidated appropriations for women's health services, pregnancy counseling, pregnancy outreach and infant health and family planning. In addition, the budget transferred \$197,400 GPR of pregnancy counseling funding in fiscal year 2000-2001 to the Division of Children and Family Services to be used in the Brighter Futures Initiative. 1999 Wisconsin Act 9 retains the individual appropriations for pregnancy counseling, pregnancy outreach and infant health and family planning. However, in restoring the appropriations, \$197,400 GPR was inadvertently transferred from s. 20.435(5)(cb), women's health services, instead of s. 20.435(5)(eg), pregnancy counseling, in fiscal year 2000-2001. Therefore, \$197,400 GPR should be transferred from the pregnancy counseling appropriation to the women's health appropriation.

Finally, the Governor's budget, at the request of the department, created s. 20.435(3)(bc), grants for community programs in the Division of Children and Families to fund four programs that were in the Division of Supportive Living appropriation s. 20.435(7)(bc). In transferring the funding, the department moved \$50,000 GPR rather than \$5,000 GPR for police athletic league recreational activities and \$100,000 GPR rather than \$50,000 GPR for runaway programs. Thus, the department is requesting the transfer of \$95,000 GPR in each fiscal year from s. 20.435(3)(bc) back to s. 20.435(7)(bc).

### **Recommendation**

Approve the request as adjusted.

Prepared by: Susan Jablonsky 267-9546  
Gretchen A. Fossum 266-2288



State of Wisconsin  
**Department of Health and Family Services**

Tommy G. Thompson, Governor  
 Joe Leraan, Secretary

November 23, 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 of Health and Family Services requests that the Committee, acting under s. 13.10, transfer GPR funds between appropriations to correct technical errors in 1999 Wisconsin Act 9, the 1999-01 Biennial Budget. This request has no net impact on GPR funding. The first four items apply to the Division of Care and Treatment Facilities (DCTF) and the fifth item applies to the Division of Public Health (DPH). The Department requests that the following funds be transferred:

1. \$62,100 in FY 01 from s. 20.435(2)(b) to s. 20.435(2)(bm). Re-estimates of funding for Sand Ridge Treatment Center were placed in the appropriation which funds Wisconsin Resource Center. This transfer moves the funding intended for Sand Ridge to the appropriation for Sand Ridge.
2. \$183,000 in FY 00 and \$170,500 in FY 01 from s. 20.435(2)(a) to s. 20.435(2)(f) and \$27,200 in FY 00 and \$21,800 in FY 01 from s. 20.435(2)(b) to s. 20.435(2)(f). GPR fuel and utility costs for DCTF institutions are budgeted in a specific fuel and utilities appropriation. Fuel and utility costs were re-estimated downwards in the Legislature's deliberations on the biennial budget. Funding for re-estimates of these costs were incorrectly deducted from other appropriations. This transfer accounts for the re-estimates in the appropriate appropriation, the fuel and utilities appropriation.
3. \$83,200 in FY 00 and \$83,200 in FY 01 from s. 20.435(2)(aa) to s. 20.435(f). The GPR fuel and utilities appropriation contains funding for the City of Mauston sewer assessment. The sewer assessment was re-estimated downwards in the Legislature's deliberations on the biennial budget. The funding for the re-estimate of these costs was incorrectly deducted

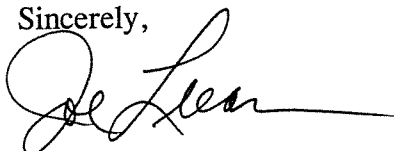
from another appropriation. This transfer moves the re-estimate to the fuel and utilities appropriation.

4. \$197,400 in FY 01 from s. 20.435(5)(eg) to s. 20.435(5)(cb). As part of the biennial budget, the Legislature approved the transfer of \$197,400 from the Pregnancy Counseling program to the Brighter Futures program. Due to a technical error, the funding was taken out of the Women's Health Services appropriation rather than the Pregnancy Counseling appropriation. This transfer corrects that error.
5. \$95,000 in each year from s. 20.435(3)(bc) to s. 20.435(7)(bc). 1999 Wisconsin Act 9 created a new appropriation, Grants for Children's Community Programs, in the Division of Children and Family Services (DCFS). Funds were transferred to this appropriation from an appropriation in the Division of Supportive Living (DSL). Due to a technical error, \$95,000 that was to have remained in DSL was transferred to DCFS. This transfer corrects that error.

This request meets the criterion of s. 13.101(4). Specifically, "legislative intent will be more effectively carried out because of such transfers," because this request transfers funding so that it is consistent with legislative decisions during the biennial budget.

Executive Assistant John Kiesow will represent the Department on this item. Attached is a schedule providing details of the transfers.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Leean", with a long horizontal flourish extending to the right.

Joe Leean  
Secretary

Attachment

Technical Changes to 1999 Wisconsin Act 9, 1999-2001 Biennial Budget

1. Transfer funding provided for Sand Ridge Treatment Center to correct appropriation.

	Appropriation (2)(b) FY 01	Appropriation (2) (bm) FY 01
LTE reduction	47,000	(47,000)
Food	20,500	(20,500)
Variable Non-Food	3,400	(3,400)
AODA	(8,800)	8,800
Total	62,100	(62,100)

2. Transfer changes in fuel and utilities funding at DCTF institutions to correct appropriation

	Appropriation (2)(a) [201] FY 00	Appropriation (2)(f) [206] FY 00	Appropriation (2)(f) [206] FY 01
Fuel and Utilities	183,000	(183,000)	(170,500)
	Appropriation (2)(b) FY 00		FY 01
Fuel and Utilities	27,200	(27,200)	(21,800)

3. Transfer changes made to Mauston Sewer Assessment to correct appropriation.

	Appropriation (2)(aa) [210] FY 00	Appropriation (2) (f) [206] FY 00	Appropriation (2) (f) [206] FY 01
Sewer Assessment	83,200	(83,200)	(83,200)

4. Correct transfer of funds from Pregnancy Outreach to Brighter Futures

	Appropriation (5) (cb) [570] FY 01	Appropriation (5)(eg) [511] FY 01
Brighter Futures	197,400	(197,400)

5. Correct transfer of funds from the Division of Community Services to the Division of Children and Family Services

	Appropriation (3)(bc) FY 00	Appropriation (7) (bc) FY 00	Appropriation (7) (bc) FY 01
Community Grant Program	(95,000)	95,000	95,000

XIV. Department of Health and Family Services – Joe Llean, Secretary

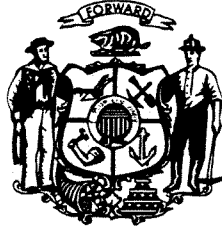
The department requests the release of \$16,489,600 GPR from the Committee's supplemental appropriation under s. 20.865(4)(a) to be transferred to the appropriation for child welfare services in Milwaukee County under s. 20.435(3)(cx). The department also requests the release of \$5,005,700 GPR from the Committee's appropriation under s. 20.865(4)(a) to be transferred to the appropriation for community aids under s. 20.435(7)(b).

Governor's Recommendation

Approve the release of \$8,244,800 GPR from the Committee's supplemental appropriation under s. 20.865(4)(a) to be transferred to the appropriation for child welfare services in Milwaukee County under s. 20.435(3)(cx) and the release of \$2,502,900 GPR from the Committee's appropriation under s. 20.865(4)(a) to be transferred to the appropriation for community aids under s. 20.435(7)(b).

TOMMY G. THOMPSON  
GOVERNOR

GEORGE LIGHTBOURN  
ACTING SECRETARY



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**Date:** December 15, 1999

**To:** Members, Joint Committee on Finance

**From:** George Lightbourn, Acting Secretary  
Department of Administration *George Lightbourn*

**Subject:** Section 13.10 Request from the Department of Health and Family Services for the Child Welfare Program in Milwaukee County and Community Aids.

**Request**

The department requests the release of \$16,489,600 GPR from the Committee's supplemental appropriation under s. 20.865(4)(a) to be transferred to the appropriation for child welfare services in Milwaukee County under s. 20.435(3)(cx). The department also requests the release of \$5,005,700 GPR from the Committee's appropriation under s. 20.865(4)(a) to be transferred to the appropriation for community aids under s. 20.435(7)(b).

**Background**

The Governor's 1999-2001 Executive Budget provided federal Medical Assistance (MA) funding for the administrative costs for case management services for children in the child welfare system who are in out-of-home care. Traditionally, states receive federal reimbursement for these costs through the Title IV-E foster care program. However, federal reimbursement under MA is greater than reimbursement under Title IV-E. An amendment to the state's MA plan is needed in order to receive MA funding for the case management services.

The Governor's Budget also provided funding for services for parents who lose their MA eligibility when their children are placed in out-of-home care. Services such as substance abuse and mental health treatment are often needed to facilitate the reunification of the family. Without services for the parents, children face the risk of indefinitely remaining in out-of-home care. An MA waiver is needed to extend eligibility to parents who would be MA eligible except for the absence of their children.

In April 1999 the Department of Health and Family Services (DHFS) received a letter from the federal Health Care Financing Administration (HCFA) indicating that HCFA was not optimistic that the state's MA plan amendment would be

approved. In addition, due to the method used to claim the federal reimbursement, approval of the MA waiver is contingent upon approval of the state plan amendment. Consequently, 1999 Act 9 provided \$5,025,500 GPR in FY00 and \$5,005,700 GPR in FY01 for Community Aids and \$12,738,300 GPR in FY00 and \$11,978,500 GPR in FY01 for child welfare in Milwaukee County for the administrative costs of case management services in case HCFA did not approve the MA plan amendment. The budget bill also provided \$4,403,800 GPR in FY00 and \$4,511,100 GPR in FY01 for services for parents who have lost their MA eligibility. The funding for FY01 was placed in the Committee's supplemental appropriation in case DHFS did receive approval of the state's MA plan amendment.

### **Analysis**

In late summer of 1999 HCFA notified DHFS by phone that the amendment to the state's MA plan to allow for the administrative costs of case management services would not be approved because reimbursement under Title IV-E is available. HCFA further stated that it planned to issue a letter to all states that MA funding cannot be claimed for activities which are reimbursable under Title IV-E. Prior to submission of Wisconsin's state plan amendment, HCFA had approved the use of MA funding for child welfare administrative costs in several other states. HCFA has not sent out the written notification to Wisconsin or the other states concerning this restriction on MA funding.

The department's contracts for community aids and child welfare case management services in Milwaukee County are on a calendar year basis. DHFS is now requesting the release of funds from the Committee's supplemental appropriation since CY2000 funding relies on funds appropriated in FY01 for the period July 2000 through December 2000. The department contends that the release will provide certainty to counties and the case management vendors concerning their CY2000 allocations and will ensure that sufficient funds are available to support the contracts. However, DHFS only needs half of the funds (\$2,502,900 GPR for community aids and \$8,244,800 GPR for Milwaukee case management) to support the CY2000 contracts.

There remains the possibility that HCFA will eventually approve the state's plan amendment. HCFA has approved MA funding for case management services in other states and to now claim that MA funding cannot be used since Title IV-E funding is available would result in the approved states having to reimburse the federal government for prior year funding. In addition, these states may have problems with their current and future budgets because of loss of MA funding. Since HCFA has not finalized its decision and since DHFS only needs the release of half the funds, one alternative is to transfer \$2,502,900 GPR for community aids and \$8,244,800 GPR for Milwaukee child welfare case management.

Members, Joint Committee on Finance

Page 3

December 15, 1999

**Recommendation**

Approve the release of \$8,244,800 GPR from the Committee's supplemental appropriation under s. 20.865(4)(a) to be transferred to the appropriation for child welfare services in Milwaukee County under s. 20.435(3)(cx) and the release of \$2,502,900 GPR from the Committee's appropriation under s. 20.865(4)(a) to be transferred to the appropriation for community aids under s. 20.435(7)(b).

Prepared by: Gretchen A. Fossum  
266-2288





State of Wisconsin  
**Department of Health and Family Services**

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Tommy G. Thompson, Governor  
Joe Lean, Secretary

November 23, 1999

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

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

Dear Senator Burke and Representative Gard:

The Department requests the transfer of \$21,495,300 from the FY 2001 Joint Committee on Finance supplemental appropriation under 20.865 (4)(a) to the Department. The Department requests transfer of \$16,489,600 to appropriation 20.435 (3)(cx), numeric 315, for child welfare services the Department provides in Milwaukee County, and \$5,005,700 to appropriation 20.435 (7)(b), numeric 705, for community aids.

Background

The Governor's 1999-2001 budget for Milwaukee Child Welfare assumed that the Department would claim federal Medicaid (MA) funds, rather than federal Title IV-E foster care funds, for case management services for children in out-of-home care in the child welfare system. The MA funds were budgeted to substitute for federal IV-E funds in both the Milwaukee Child Welfare and community aids programs.

In April 1998 the Department submitted an MA state plan amendment to the federal government to enable the Department to claim MA federal reimbursement for case management services for children in the child welfare system. The federal government had approved similar requests in other states. The Department expected to capture more federal funds under the MA claiming approach because the reimbursement methodology is more favorable under MA than the federal IV-E foster care program. As a result, less GPR is needed if MA reimbursement is utilized.

Since April 1998, the Department has responded to numerous questions and concerns raised by the federal government and provided a substantial amount of additional material

in support of this request. In April 1999 the Director of the federal Health Care Financing Administration's (HCFA) Center for Medicaid and State Operations notified the Department in a letter that it was unlikely that the Department's request would be approved. In late summer 1999 federal HCFA officials notified the Department by phone that after a thorough review of the Department's request, the federal government concluded that it would not permit MA reimbursement in situations where an alternative federal funding source (such as federal IV-E funds) is available. HCFA officials said they intend to issue a letter in the near future to all states notifying them that MA funding cannot be claimed for activities which are reimbursable under Title IV-E.

Although the funds requested from the JFC appropriation are for FY 2001, the Department is requesting the funds be released now because CY 2000 contracts for Milwaukee child welfare services and community aids contracts with the counties, rely on FY 2001 appropriations for half or more of their funding to cover the July – December, 2000 period. Funding needs to be released at this time to provide the counties and Milwaukee child welfare program the certainty of their CY 2000 funding level so that they can plan their service levels appropriately. This request meets the criterion of an emergency request under s. 13.101 (3)(a) because, without the transfer to the Department of funds in the Committee's supplemental appropriation, sufficient funds would not be available to support these contracts.

I will represent the Department on this issue. Thank you for your consideration of the Department's request.

Sincerely,



Joe LEEAN  
Secretary

XV. Department of Health and Family Services – Withdrawn

XVI. Department of Administration – Brian Schimming, Administrator, Division of Housing

The department requests the release of \$232,000 GPR in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865(4)(a) to be transferred to the appropriation under s. 20.505(7)(c) to fund Operation Fresh Start.

Governor's Recommendation

Approve the request.

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

TOMMY G. THOMPSON  
GOVERNOR

GEORGE LIGHTBOURN  
ACTING 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

**Date:** December 15, 1999

**To:** Members, Joint Committee on Finance

**From:** George Lightbourn, Acting Secretary  
Department of Administration

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

**Subject:** Section 13.10 Request from the Department of Administration for the release of funds for Operation Fresh Start.

### **Request**

The department requests the release of \$232,000 GPR in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865(4)(a) to be transferred to the appropriation under s. 20.505(7)(c) to fund Operation Fresh Start.

### **Background**

Operation Fresh Start (OFS) is a program aimed at increasing the self esteem and self sufficiency of young people, ages 16-24 who have shown evidence of alcohol and other drug abuse problems; poor health and nutrition; low educational achievement; poor employment history; physical, sexual and emotional abuse or criminal histories. Since its inception in 1970, OFS has offered young adults the opportunity to complete work toward a high school diploma or equivalent while learning basic home construction, rehabilitation and remodeling skills. In addition, the vocational element focuses on the production of well-built, mechanically sound and affordable homes for low-income homeowners. More than 6,000 youth and young adults have benefited from OFS while producing more than 120 homes.

In the past, DOA's Division of Housing has committed base level resources to fund grants to replicate projects similar to OFS projects. Monies from the Home Investment Partnership (HOME) and from the Wisconsin Housing and Economic Development Agency (WHEDA) were used in the replication projects.

During the 1999-2001 biennial budget negotiations, the Governor provided \$464,000 GPR (\$232,000 annually) to DOA for these replication projects as a part of his initiative to identify new or currently available funding of \$2 million annually to fund ten new OFS projects. The Joint Committee on Finance then placed that funding into s. 20.865(4)(a) for release to DOA upon the submittal of a

funding plan once total actual funding commitments for the OFS projects are known and are secured.

**Analysis**

The department has submitted its funding plan outlining a multi-agency partnership to reach the overall funding goal of \$2 million annually from various sources to fully fund ten state-sponsored OFS programs (\$200,000 per grant). The following summary details the amount and source of funding expected to be in the partnership.

<u>Agency</u>	<u>Program</u>	<u>Amount</u>	<u>Instrument of Agreement</u>
Administration	Federal HOME	\$438,600 FED	Identification in Consolidated Plan/Purchase Requisition encumbered funds.
Administration	Oil Overcharge	\$100,000 FED	The JCF approved Stripper 19 at the 3 <sup>rd</sup> quarter, 1999 meeting. The plan identified the funding for OFS.
Administration (Office of Justice Assistance)	Challenge Grant and Juvenile Accountability Incentive Block Grant	\$200,000 PR	Award letter from OJA.
Administration		\$232,000 GPR	JCF action under s. 13.10
Corrections	Community Corrections	\$255,000 GPR	Letter from DOC division administrator.
National Community Services Board	Americorps	\$500,000 PR	Award letter from NCSB.
Wisconsin Housing Economic Development Authority	Dividends Plan	\$259,995 PR	Letter from WHEDA Board.
<b>Total:</b>		\$538,600 FED \$487,000 GPR \$959,995 PR <b>\$1,985,595</b>	

Seven grantees have been selected to receive full funding for their OFS projects. Included are the following counties: Columbia, Eau Claire, Fond du Lac, Marathon, Milwaukee, Sawyer and Waushara. Each grantee will receive

Members, Joint Committee on Finance

Page 3

December 15, 1999

approximately \$200,000 of state funding according to the plan and use a minimum of \$51,250 of their own funds as a match. Approximately twelve at-risk youths will benefit at each location. Grants for the remaining three projects will be approved as each is identified and meets the division's standards.

**Recommendation**

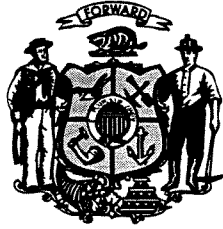
Approve the request.

Prepared by: Cynthia Dombrowski  
266-5878

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

TOMMY G. THOMPSON  
GOVERNOR

GEORGE LIGHTBOURN  
ACTING 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

November 24, 1999

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

The 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 East Wilson Street

Dear Senator Burke and Representative Gard:

**REQUEST**

The Department of Administration requests a transfer of \$232,000 GPR for FY00 of the 1999-2001 biennium from the committee's supplemental appropriation under 20.865(4)(a) to appropriation 20.505(7)(c) for the purpose of funding Operation Fresh Start (OFS).

**BACKGROUND**

The nearly thirty year old Madison-based OFS program is aimed at increasing the self-esteem and self-sufficiency of young people (ages 16-24) who display alcohol and drug abuse problems; poor health and nutrition; low educational achievement; poor employment history; physical, sexual and emotional abuse; or criminal histories. The program offers an educational component in which participants complete work toward a high school diploma or equivalent, and a vocational component in which participants learn basic home construction, rehabilitation and remodeling skills. An additional goal of the vocational component is the production of well-built, mechanically sound and affordable homes for low-income households.

**Biennial Plan, 1999-2001**

Efforts were undertaken by the department in the recent biennial budget to work with other state agencies to form a multi-agency partnership to reach Governor Thompson's goal of fully funding ten state-sponsored Fresh Start programs. The goal was to have a total of \$2,000,000 to fund ten competitive grants of \$200,000 each for programs located throughout the state. The Division of Housing and Intergovernmental Relations has been joined by partnering agencies including the National Community Services Board, Department of Corrections, Department of Public Instruction, the Office of Justice Assistance, and the Wisconsin Housing Economic Development Authority.

The \$232,000 of GPR funds requested for JCF release are a critical component of the proposed budgets for each Fresh Start grantee. For each OFS project, there is an educational component and a vocational component. Because each funding source referenced below can only be used for one component or the other, the GPR funds provide a flexible source to complete the funding picture for each OFS project.



During the 1999-2001 budget negotiations, the legislature transferred \$232,000 GPR to the Department of Administration for expanding OFS. The Joint Committee on Finance placed the \$232,000 GPR into the committee's reserve appropriation for future release by the committee upon presentation of a firm, comprehensive funding plan to be presented by the department. The department has secured all funding components to support the expansion of OFS. There are 7 different funding sources for OFS:


Agency	Program	\$ Amount	Agency Agreement	Instrument of Agreement
Administration	Federal HOME	\$438,600 FED	Yes	Identified in Consolidated Plan/Purchase Requisition encumbered funds
Administration	Oil Overcharge	\$100,000 FED	Yes	The JCF approved Stripper 19 at the 3 <sup>rd</sup> quarter, 1999 meeting. The plan identified \$100,000 for OFS.
Administration (Office of Justice Assistance)	Challenge Grant and Juvenile Accountability Incentive Block Grant	\$200,000 PR	Yes	Award letter from OJA
Administration		\$232,000 GPR	JCF	JCF action under 13.10
Corrections	Community Corrections	\$255,000 GPR	Yes	Letter affirming the department's commitment by division administrator of community corrections; also issue on December 13.10 calendar.
National Community Services Board	Americorps	\$500,000 PR	Yes	Award letter from NCSB received
Wisconsin Housing Economic Development Authority	Dividends Plan	\$259,995 PR	Yes	Letter from WHEDA Board
	<b>Total</b>	<b>\$1,985,595</b>		

Seven grantees have been selected to receive full funding of their OFS project. The awarded counties include Waushara, Eau Claire, Fond du Lac, Columbia, Milwaukee, Marathon, and Sawyer. Approximately 12 at-risk youth will benefit at each location. Each project will use a minimum of \$51,250 of their own funds for match.

Brian Schimming, administrator for the Division of Housing and Intergovernmental Relations, will be present at the December meeting to answer any questions by the committee.

Copies of the confirming documents from each funding source are attached.

Sincerely,

  
 George Lightbourn  
 Acting Secretary

cc: Brian Schimming, Administrator

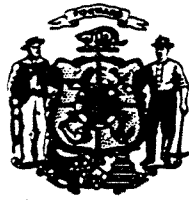
**WISCONSIN FRESH START PROGRAM 1999-2000  
TENTATIVE PLAN FOR DISTRIBUTION OF GRANT FUNDS**

**LOCATION OF GRANTEE PROGRAMS BY COUNTY**

<u>Source of Funds</u>	<u>Fond du Lac</u>	<u>Waushara</u>	<u>Sawyer</u>	<u>Milwaukee</u>	<u>Columbia</u>	<u>Marathon</u>	<u>Eau Claire</u>	<u>Subtotal</u>	<u>Balance For Additional Grantees</u>	<u>Total</u>
DOA - Division of Housing HOME	66,600	66,600	66,600	66,600	66,600	66,600	66,600	399,600		399,600
HOME - Administration	6,500	6,500	6,500	6,500	6,500	6,500	6,500	39,000		39,000
GPR (from DPI)	56,150	22,850	22,850	32,850	22,850	22,850	45,050	225,450	6,550	232,000
WHEDA										
HOME Equivalent				66,600				66,600		66,600
HOME Admin. Equivalent				6,500				6,500		6,500
General	23,385	23,385	31,685	21,685	31,685	31,685	23,385	186,895		186,895
DOA - Division of Energy & Intergovernmental Relations	10,000	10,000	10,000	10,000	10,000	10,000	10,000	70,000	30,000	100,000
Department of Corrections	30,000	30,000	30,000	30,000	30,000	30,000	30,000	210,000	45,000	255,000
Office of Justice Assistance JAIBG		33,300					11,100	44,400	55,600	100,000
Challenge			25,000	25,000	25,000	25,000		100,000		100,000
AmeriCorps	50,000	50,000	50,000	50,000	50,000	50,000	50,000	350,000	150,000	500,000
<b>TOTAL</b>	<b>242,635</b>	<b>242,635</b>	<b>242,635</b>	<b>242,635</b>	<b>242,635</b>	<b>242,635</b>	<b>242,635</b>	<b>1,698,445</b>	<b>287,150</b>	<b>1,985,595</b>
Number of Young People Served	12-16	12-16	12-16	12-16	12-16	12-16	12-16	84-112		

Tommy G. Thompson  
Governor

Michael J. Sullivan  
Secretary



Mailing Address  
149 East Wilson Street  
Post Office Box 7925  
Madison, WI 53707-7925  
Telephone (608) 266-2471

## State of Wisconsin Department of Corrections

---

December 15, 1998

Mr. Steven Yule  
Division of Housing  
Department of Administration  
101 E. Wilson St., 4<sup>th</sup> Floor  
Madison, WI 53702

Dear Steve:

This is to confirm the Department of Corrections, Division of Community Corrections' (DCC) commitment of up to \$600,000 (\$300,000 in each year of the next biennium) in a multi-agency effort titled, "Operation Fresh Start Replication Program." This commitment, in full or in part, is contingent on the final biennial budget allocations.

The program will target 10 Wisconsin cities and provide educational opportunities and job skills development for the participants. The Department of Corrections will purchase three slots for offenders at each of the 10 sites.

The Department of Corrections is pleased to join the Department of Administration's Division of Housing; and Division of Energy and Intergovernmental Relations, as well as the Department of Public Instruction and Wisconsin Housing Economic Development Authority in this initiative.

I understand that we will be involved in the Requests for Proposal (RFP) process. Please contact me for the name(s) of individuals from DCC for the RFP process.

I look forward to working with you and the other agencies in this endeavor.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Grosshans".

William J. Grosshans, Administrator  
Division of Community Corrections

Cc: Secretary Michael J. Sullivan  
Deputy Secretary Cindy O'Donnell  
Executive Assistant Jessica O'Donnell  
DCC Assistant Administrators  
David LaBott

# STATE OF WISCONSIN OFFICE OF JUSTICE ASSISTANCE

TOMMY G. THOMPSON, GOVERNOR  
JERRY BAUMBACH, EXECUTIVE DIRECTOR



October 27, 1999

Steven Yule, Project Director  
Wisconsin Department of Administration  
101 East Wilson Street, 4<sup>th</sup> Floor  
Madison, WI 53708

RE: Juvenile Accountability Incentive Block Grant Award, OJA Grant #JB-98-ST-0034

Dear Mr. Yule:

I am pleased to inform you that Governor Thompson has approved the Department of Administration's application for grant funds for the above project. These monies are available to state and local units of government and private, not-for-profit agencies under the Juvenile Accountability Incentive Block Grant program.

In accepting this award, you assume responsibility for implementing this project in the manner described in the application, as amended by any budgetary and programmatic changes reflected in this award packet. Any budgetary changes from your original application are described in detail on Attachment A of the grant award. If your award is subject to any special conditions, they are enumerated on Attachment B. Together, these attachments reflect the scope of the project as intended and supported by this award. In accepting the award, you are also responsible for all general subgrant assurances and requirements, and for proper administrative and financial processes, as described in other application and award related documents you have received.

The individual identified in the signature block on the front page of the grant award must sign the enclosed award documents to indicate acceptance of this grant. (One of the two signed copies should be maintained for your records.) One of the signed award documents must be returned to OJA within 20 days of the date of this letter or the award may lapse. No funds can be released until these documents are received. If the award has time specific general or special conditions, they must be satisfied within the specified time period. Also enclosed is an Acknowledgement Notice, the final page of the grant document, which refers to the special instructions and materials required for your project. This must be signed by the Project Director.

We encourage you to issue a press release advising area residents of Governor Thompson's recent award. Office of Justice Assistance (OJA) staff have prepared a sample press release for your consideration.

Please review all the materials carefully and distribute them to the appropriate members of your organization. We look forward to a collaborative working relationship with you. If we may be of further assistance, please feel free to call Tina Connelly at 608/789-4677.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Baumbach", written over a white background.

JERRY BAUMBACH  
Executive Director

Enclosures

STATE OF WISCONSIN  
OFFICE OF JUSTICE ASSISTANCE  
Suite 202

131 W. Wilson Street

Madison, WI 53702-0001

**JUVENILE ACCOUNTABILITY INCENTIVE BLOCK GRANT AWARD**

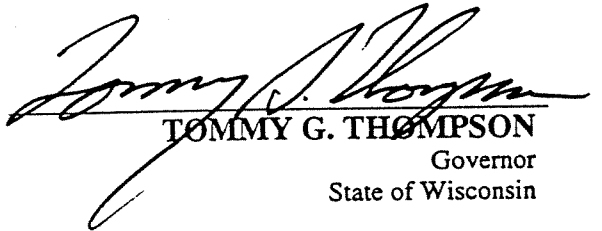
The Office of Justice Assistance (OJA), on behalf of Governor Tommy G. Thompson, hereby awards to **the Wisconsin Department of Administration** (hereinafter referred to as the **Grantee**) the amount of **\$111,111** for programs or projects pursuant to the federal Juvenile Accountability Block Grant Act of 1997.

This grant may be used until **September 30, 2000** for the programs enumerated in Attachment A to this grant award, subject to any limitations or conditions set forth in Attachments A and B to this grant award.

The Grantee shall administer the programs or projects for which this grant is awarded in accordance with the applicable rules, regulations, and conditions of the Office of Justice Assistance.

*This grant shall become effective, and funds may be obligated (unless otherwise specified in Attachments A and B) when the Grantee signs and returns one copy of this grant award to the Office of Justice Assistance.*

BY:

  
**TOMMY G. THOMPSON**  
Governor  
State of Wisconsin

10/20/99  
Date

---

The (Grantee) **Wisconsin Department of Administration** hereby signifies its acceptance of the above-described grant on the terms and conditions set forth above or incorporated by reference therein.

GRANTEE: **Wisconsin Department of Administration**

BY:

  
NAME: **George F. Lightbourn**  
TITLE: **Acting Secretary**

11-10-99  
Date

**OFFICE OF JUSTICE ASSISTANCE  
ATTACHMENT A**

Grantee: Wisconsin Department of Administration  
 Project Title: JAIBG/Wisconsin Fresh Start Program CFDA #16.523  
 Grant Period: From November 1, 1999 To September 30, 2000  
 Grant Number: JB-98-ST-0034 Purpose Area: 11

**APPROVED JUVENILE ACCOUNTABILITY INCENTIVE BLOCK GRANT (JAIBG) BUDGET**

	Federal	State Cash Match
Personnel	\$ _____	\$ _____
Travel	\$ _____	\$ _____
Equipment	\$ _____	\$ _____
Supplies/Operating Expenses	\$ _____	\$ _____
Contractual	\$ _____	\$ _____
Unallotted	\$ <u>100,000</u>	\$ <u>11,111</u>
Administrative Funds	\$ _____	\$ _____
<b>FEDERAL TOTAL</b>	<b>\$ <u>100,000</u></b>	
<b>STATE CASH MATCH</b>		<b>\$ <u>11,111</u></b>
<b>TOTAL APPROVED JAIBG BUDGET</b>	<b>\$ <u>111,111</u></b>	

FUNDING SOURCE		PROGRAM PERCENTAGE DISTRIBUTION			
Federal Share	\$ <u>100,000</u>	Purpose	1 _____ %	7 _____ %	
State Share	\$ <u>11,111</u>	Area:	2 _____ %	8 _____ %	
			3 _____ %	9 _____ %	
			4 _____ %	10 _____ %	
			5 _____ %	11 <u>100</u> %	
			6 _____ %	12 _____ %	
<b>Total Approved Funding Source</b>	<b>\$ <u>111,111</u></b>		<b>Total <u>100</u> %</b>		

Special Notes

1. The 1997 JAIBG Act provides that Federal funds may not exceed 90 percent of total program costs, including any funds set-aside for program administration. If funds are provided for construction under Purpose Area 1, the unit of state government must provide at least 50 percent of the total cost of the construction.
2. Funds required to pay the non-Federal portion of the cost of each program or project must be in addition to funds that would otherwise be made available for the program or project.
3. JAIBG funds cannot be used to supplant state funds. They must increase the amount of funds that would otherwise be available from state resources.
4. Amounts charged to this grant for personnel/consultants/contractors (from federal or state funds) will be supported by time and attendance reports. Reports must be prepared at least monthly and must coincide with pay periods. The reports must be signed by the individual employee/contractor/consultant and by a responsible supervisory official having first hand knowledge of the activities performed, that the distribution of activity represents the actual work performed during the period of the report. (Sample report provided by OJA).
5. To be allowable under a grant program, costs must be obligated (purchase order issued) or paid for services provided during the grant period. If obligated by the end of the grant period, payment must be made within 60 days of the grant period ending date.
6. Budget changes in excess of 10% of the approved line item amount and any increases for personnel compensation not included in the approved budget require prior approval from OJA. All changes to the contractual category require prior OJA approval.
7. Failure to submit an acceptable Equal Employment Opportunity Plan (if required under 28.CFR42.302) that is approved by the Federal Office of Civil Rights, is a violation of OJA's Certified Assurances and may result grant termination.
8. Grant funds will be disbursed on a reimbursement basis either monthly or quarterly.

# STATE OF WISCONSIN OFFICE OF JUSTICE ASSISTANCE

TOMMY G. THOMPSON, GOVERNOR  
JERRY BAUMBACH, EXECUTIVE DIRECTOR



October 27, 1999

Steven Yule, Project Director  
Wisconsin Department of Administration  
101 East Wilson Street  
Madison, WI 53708

RE: Challenge Activity Project – Wisconsin Fresh Start, OJA Grant #CG-99-ST-0001

Dear Mr. Yule:

I am pleased to inform you that Governor Thompson has approved the Wisconsin Department of Administration's application from funds available to state agencies under the Juvenile Justice and Delinquency Prevention Act.

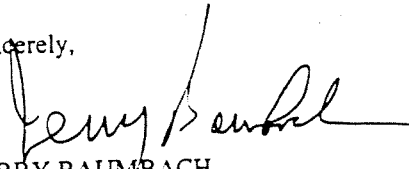
In accepting this award, you assume responsibility for implementing this project in the manner described in the application, as amended by any budgetary and programmatic changes reflected in this award packet. Any budgetary changes from your original application are described in detail on Attachment A of the grant award. If your award is subject to any special conditions, they are enumerated on Attachment B. Together, these attachments reflect the scope of the project as intended and supported by this award. In accepting the award, you are also responsible for all general subgrant assurances and requirements, and for proper administrative and financial processes, as described in other application and award related documents you have received.

The individual identified in the signature block on the front page of the grant award must sign the enclosed award documents to indicate acceptance of this grant. (One of the two signed copies should be maintained for your records.) One of the signed award documents must be returned to OJA within 20 days of the date of this letter or the award may lapse. No funds can be released until these documents are received. If the award has time specific general or special conditions, they must be satisfied within the specified time period. Also enclosed is an Acknowledgement Notice, the final page of the grant document, which refers to the special instructions and materials required for your project. This must be signed by the Project Director.

We encourage you to issue a press release advising area residents of Governor Thompson's recent award. Office of Justice Assistance (OJA) staff have prepared a sample press release for your consideration.

Please review all the materials carefully and distribute them to the appropriate members of your organization. We look forward to a collaborative working relationship with you. If we may be of further assistance, please feel free to call Allison Temple at 608/266-7639.

Sincerely,

  
JERRY BAUMBACH  
Executive Director

Enclosures

STATE OF WISCONSIN  
OFFICE OF JUSTICE ASSISTANCE

131 W. Wilson Street

Suite 202

Madison, WI 53702-0001

JUVENILE JUSTICE GRANT AWARD

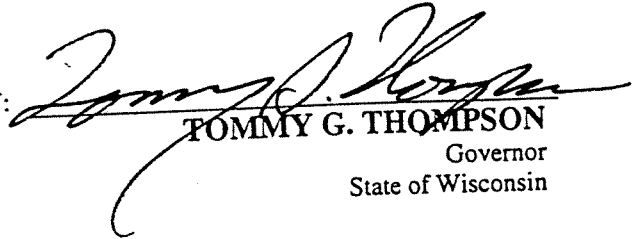
The Office of Justice Assistance (OJA), on behalf of Governor Tommy G. Thompson, hereby awards to the Wisconsin Department of Administration (hereinafter referred to as the Grantee) the amount of \$100,000 for programs or projects pursuant to the federal Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

This grant may be used until **October 31, 2000** for the programs enumerated in Attachment A to this grant award, subject to any limitations or conditions set forth in Attachment B to this grant award.

The Grantee shall administer the programs or projects for which this grant is awarded in accordance with the applicable rules, regulations, and conditions of the Office of Justice Assistance.

*This grant shall become effective, and funds may be obligated (unless otherwise specified in Attachments A and B) when the Grantee signs and returns one copy of this grant award to the Office of Justice Assistance.*

BY:

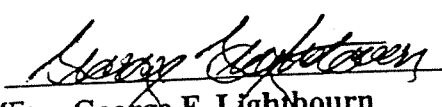
  
TOMMY G. THOMPSON  
Governor  
State of Wisconsin

10/20/99  
Date

The (Grantee) Wisconsin Department of Administration hereby signifies its acceptance of the above-described grant on the terms and conditions set forth above or incorporated by reference therein.

GRANTEE: Wisconsin Department of Administration

BY:

  
NAME: George F. Lighthour  
TITLE: Acting Secretary

11-10-99  
Date

Completion of this signed grant award within 30 days of the date of the award is required to release federal funds.



**OFFICE OF JUSTICE ASSISTANCE  
ATTACHMENT A**

Grantee: Wisconsin Department of Administration  
Project Title: Challenge Grant Activity/Wisconsin Fresh Start CFDA #16.549  
Grant Period: From November 1, 1999 To October 31, 2000  
Grant Number: CG-99-ST-0001 Program Area: 01G

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**APPROVED JUVENILE JUSTICE BUDGET**

	Federal
Personnel	\$ _____
Travel	\$ _____
Equipment	\$ _____
Supplies/Operating Expenses	\$ _____
Consultants/Contractual	\$ _____
Unallotted	\$ <u>100,000</u>
Federal Budget	\$ <u>100,000</u>
<b>TOTAL APPROVED BUDGET</b>	<b>\$ <u>100,000</u></b>

---

**FUNDING SOURCE**

Federal Share	\$ <u>100,000</u>
<b>Total Approved Funding Source</b>	<b>\$ <u>100,000</u></b>

---

Special Notes

1. Budget changes in excess of 10% of the approved line item amount and any increases for personnel compensation not included in the approved budget require approval from OJA. All changes to the contractual category require prior OJA approval.
2. To be allowable under a grant program, costs must be paid or obligated for services provided during the grant period.
3. If obligated by the end of the grant period, payment must be made within 60 days of the grant period ending date.
4. Subgrantees acknowledge that failure to submit an acceptable Equal Employment Opportunity Plan (if required to submit one pursuant to 28 CFR 42.302) that is approved by the Federal Office of Civil Rights, is a violation of its Certified Assurances and may result in the suspension of the grant.

CORPORATION  
FOR NATIONAL  
SERVICE

June 21, 1999

The Honorable Tommy Thompson  
Governor  
State of Wisconsin  
State Capitol  
P.O. Box 7863  
Madison, Wisconsin 53707

Dear Governor Thompson,

Congratulations. Because of the Wisconsin National & Community Service Board's strong proposal and your commitment to community service, the Corporation for National Service/AmeriCorps has awarded \$500,000 to fund your "Governor's Initiative." We developed the Governor's Initiative so that AmeriCorps and AmeriCorps members can help programs of particular importance to each state's governor. I am pleased we have been able to fund your priority.

I enclose a description of the proposal that we have approved, along with a local contact. The grant amounts are subject to final negotiation between the proposed program and the Corporation for National Service.

Once grant negotiations and agreements are completed these sponsors will begin recruiting AmeriCorps members. These projects should begin operating this fall. Please note these projects represent the results of only one of several AmeriCorps grant competitions this year and will not provide the only opportunities for your constituents to serve as AmeriCorps members in Wisconsin.

Please do not hesitate to contact me if you have any questions about these grants or national service programs.

Sincerely,



Harris Wofford



# 1999 Governor's Initiative Programs

**MI**

**AmeriCorps**

**Wisconsin Commission - Governor's Initiative**

**Madison**

**Wisconsin Commission - Governor's Initiative**

<b>Program Contact</b>	Steven Yule State of Wisconsin, Dept. of Administration, Div. of Housing 101 E. Wilson Street, 4th Floor Madison, WI 53702-0001 Phone: 608-266-0288 Fax: 608-267-6917	Full-time members: 100 Part-time members: Award: \$500,000 Status: New
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<b>Program Description</b>	100 members will be placed on 10 crews of 10 members in 10 communities throughout Wisconsin. Members will serve 30-40 hours per week with 80% of their time spent on one of the 10 affordable housing units. The remaining 20% of their time will be spent in member development activities. The anticipated outcome is rehabilitation /construction of affordable housing for sale to families with incomes below 80% of the median.
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**WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY**

**MINUTES**

Senator John R. Plewa Board Room  
201 W. Washington Avenue  
Madison, Wisconsin

**January 22, 1999**  
**9:30 a.m.- 10:55 a.m.**

(The file copy of these minutes has appended to it a copy of each document prepared for, or submitted to the Authority during the meeting. A tape recording of the meeting will be retained by the Authority in its office at 201 W. Washington Avenue, Suite 700, Madison, Wisconsin for a period of six months.)

**AUTHORITY MEMBERS PRESENT:** Mr. Ladwig; Ms. Blanchard; Representative Ward; Mr. Schimming

**AUTHORITY MEMBERS EXCUSED:** Mr. John Petersen; Mr. Jeff Petersen; Senator Moore; Senator Farrow

**AUTHORITY MEMBERS PRESENT VIA PHONE:** Mr. Zagzebski; Ms. Kieff; Mr. Weed; and Representative Morris-Tatum

**AUTHORITY STAFF PRESENT:** Fritz Ruf, Executive Director; Steve Agostini, Deputy Executive Director; Mick Conrad, General Counsel; Steve Schemmel, Chief Financial Officer; Mary Zins, Credit Director; Terri Preston-Koenig; Karen Knaak; Sue Linton; and Maureen Bruner, Executive Secretary

**OTHERS PRESENT:** Delora Newton, Senator Farrow's office; and others

**CALL TO ORDER/ROLL CALL**  
**(Agenda Item A-B)**

The meeting was called to order at 9:30 a.m. by Mr. Zagzebski. The roll was called and a quorum was present.

**APPROVAL OF THE MINUTES OF THE DECEMBER 18, 1998 MEETING**  
**(Agenda Item C, Attachment #1)**

A motion was made by Mr. Zagzebski, seconded by Representative Ward, that the minutes of the December 18, 1998, meeting be approved as presented. The motion carried on a unanimous voice vote. Resolution No. 5622

**AUTHORITY ACTIVITY REPORT**  
**(Agenda Item D, Attachment #2)**

Mr. Ruf presented the Authority Activity Report, dated January 22, 1999.

The Members were updated on the CROP-Hog Loan Program that was developed to help distressed Wisconsin pork producers. The emergency program features a \$50,000 loan limit and three year repayment

The Wisconsin Fresh Start Program is an expansion of the Operation Fresh Start concept to ten Wisconsin communities and will be administered by The Division of Housing .

A motion was made by Mr. Weed, seconded by Ms. Blanchard, that the Members of the Authority hereby 1) encumber \$260,000 from "Dividends for Wisconsin, 1998-99," Category IV to fund the Wisconsin Fresh Start Program; and 2) authorize the Executive Director to enter into agreements with the State of Wisconsin and/or qualified organizations to implement the Wisconsin Fresh Start Program. The motion carried on a unanimous voice vote. Resolution No. 5624

**TRANSFER OF EXCESS REVENUE TO AUTHORITY SURPLUS FUND  
IF REFERRED BY THE FINANCE COMMITTEE  
(Agenda Item G3)**

There were no transfers to come before the Board.

**DISCUSSION ITEMS**

**AFFORDABLE HOUSING TAX CREDIT PRESENTATION  
(Agenda Item H1)**

A presentation on the Affordable Housing Tax Credit was given by Mary Zins.

**YEAR 2000 UPDATE  
(Agenda Item H2)**

Steve Agostini, Joe Carter and Sue Linton updated the Members on the progress of WHEDA's Year 2000 efforts.

**ADJOURNMENT  
(Agenda Item I)**

Mr. Zagzebski declared the January 22, 1999, meeting of the Wisconsin Housing and Economic Development Authority adjourned.

The January 22, 1999, meeting of the Wisconsin Housing and Economic Development Authority adjourned at 10:55 a.m.

The next meeting of the Authority will be held on Friday, February 19, 1999, at 9:30 a.m. in WHEDA's Senator John R. Plewa Board Room, located at 201 W. Washington Avenue, Suite 700, Madison, Wisconsin.

XVII. Department of Employee Trust Funds – David Stella, Division Administrator, Division of Retirement Services, and Joanne Cullen, Budget Director

The department requests a one-time supplement of \$1,266,800 SEG in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865 (4)(u) to the general administration appropriation under s. 20.515 (1)(w) for costs associated with the implementation of the remedy ordered by the Wisconsin Supreme Court in the Special Investment Performance Dividend lawsuit.

Governor's Recommendation

Approve the request.

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

TOMMY G. THOMPSON  
GOVERNOR

GEORGE LIGHTBOURN  
ACTING 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

**Date:** December 15, 1999

**To:** Members, Joint Committee on Finance

**From:** George Lightbourn, Acting Secretary  
Department of Administration

**Subject:** Section 13.10 Request from the Department of Employee Trust Funds to Implement Remedy Ordered in the Special Investment Performance Dividend (SIPD) Lawsuit.

### Request

The department requests a one-time supplement of \$1,266,800 SEG in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865(4)(u) to the general administration appropriation under s. 20.515(1)(w) for costs associated with the implementation of the remedy ordered by the Wisconsin Supreme Court in the Special Investment Performance Dividend lawsuit.

### Background

To date, the Committee has approved two requests for the department to implement the SIPD settlement project with total expenditure authority of \$865,100 SEG. On June 4, 1998, the Committee approved one-time expenditure authority of \$359,800 SEG, which the department applied to expenses incurred while implementing phases one and two of a then anticipated three-phase distribution project. Phase I began on October 1, 1997, and concluded on December 31, 1997. During this period the department notified all WRS annuitants of the settlement outcome, terminated payment of the previous SIPD distributions, adjusted the annuities of eligible annuitants, made lump sum distributions to current and former WRS annuitants, and instituted a new GPR-funded annuity supplement authorized by 1999 Wisconsin Act 27. Due to these efforts, approximately \$99.8 million of lump sum payments to current eligible annuitants have been issued.

Following completion of Phase 1, the department shifted its efforts to locating and issuing payments to all eligible heirs, beneficiaries, and estates of deceased annuitants. Phase II began on January 1, 1998, and was to conclude on March 31, 1999. It was during implementation of Phase II when the department found that much more extensive location procedures had to be employed to locate all potential eligible heirs for each estate for which a claims payment inquiry had been received. Furthermore, high turnover among its contract project staff contributed to delays in the processing of claims payments. Consequently, the ETF Board acted to extend the deadline for filing a claim from March 31, 1999, to November 30, 1999.

At the April 21, 1999, meeting under s. 13.10 of the statutes, the Committee approved one-time expenditure authority of \$505,300 SEG, enabling the department to fund its expanded location and claims processing efforts. During this meeting, the question was raised as to what extent the department should make additional, potentially substantial expenditures to locate additional claimants. As it also became apparent that the department would seek future supplementation for the project under s. 13.10 of the statutes, the Committee directed the department to submit a plan for completing the SIPD settlement distribution, including estimated expenditure levels, by the next scheduled meeting.

At its July 15, 1999, special meeting under s. 13.10 of the statutes, the Committee approved the department's plan for the orderly termination of the SIPD settlement distribution project. As required by the Committee, the plan identified additional activities needed to locate eligible estates, beneficiaries, and heirs. The department indicated that it would contract with a locator service in an attempt to locate a total of 9,025 claims with values of \$250 or higher (the \$250 threshold represents the approximate average total cost of processing a successful claim). It provided an absolute project deadline by which all such SIPD claims were to be filed: June 30, 2001. It outlined a procedure for reserving settlement funds for claims after the current SIPD project ends. And, it included a proposed budget for the 1999-2001 fiscal biennium to accomplish the tasks outlined in the department's plan. Expenditures were estimated to be \$1,020,300 SEG in fiscal year 1999-2000 and \$610,300 SEG in fiscal year 2000-01. All future expenditure authority for the project was contingent upon the Committee's approval of the department's plan.

At this time the department requests supplementation from the Committee totaling \$1,266,800 SEG in fiscal year 1999-2000 in order to implement the plan approved by the committee for completing the SIPD equitable distribution.

### **Analysis**

The department's request for \$1,266,800 SEG reflects SIPD-related costs incurred through November 1999, and anticipated obligations projected through the end of the current fiscal year. The department's fiscal year 1999-2000 supplement request is comprised of the following expenditures:

#### **Itemization of the SIPD-related Costs, Fiscal Year 1999-2000**

<u>Expenditure</u>	<u>Requested Amount</u>
Personal Services	
Additional LTE Assistance (salary)	\$18,300
Extra Help from Existing Staff (salary)	15,100
Fringe Benefits	9,800
<i>Subtotal Personal Services</i>	\$43,200



**Itemization of the SIPD-related Costs, Fiscal Year 1999-2000**

<u>Expenditure</u>	<u>Requested Amount</u>
Supplies and Services	
Locator Services	\$607,800
Contract Staff	513,100
Space Rental	30,700
Postage	18,000
Telephone	17,500
Records Center Charges	15,600
Office and Computer Supplies	12,600
Copier and Fax Rental	6,200
Messenger Services/Fleet Cars	2,100
<i>Subtotal Supplies and Services</i>	\$1,223,600
<b><u>Grand Total</u></b>	<b><u>\$1,266,800</u></b>

Most SIPD-related costs in fiscal year 1999-2000 will be incurred on the department's supplies and services budget line for locator services and contract staff. Current expenditure estimates for locator services total \$607,800 SEG, which is an increase of \$148,000 SEG over the estimate outlined in the department's July plan. The request for increased expenditure authority will enable the department to fund a successful location rate of 85 percent at a per successful claim cost of \$77.85. The department's original expenditure estimate of \$459,800 SEG assumed a successful location rate of 50 percent to be achieved over a nine-month period ending on March 31, 2000. To date, the locator service has successfully located 53 percent of all potential claimants at a cost of \$413,846 SEG.

The department estimates a probable successful location rate of 85 percent compared to a probable successful location rate of 80 percent estimated by the locator service. The department based its projection, in part, upon the following factors: one, the locator service has already achieved a success rate that exceeds original estimates by three percent. Two, in the coming weeks the service will expand its search to include additional information gathered from the paper files of potential claimants. The department also built a five-percent cushion into its request for expenditure authority to prevent a temporary cessation of the project should the vendor estimates be exceeded.

Regarding contract staff, the department's request for expenditure authority increased from \$456,700 SEG as estimated in the July plan to \$513,100 SEG under the current request. This is a difference of \$56,400 SEG. The increase is primarily due to higher than anticipated staffing levels and salary increases. The maximum staffing level for the project's contract staff is 17.5 positions; the project is currently functioning at this staffing level. In the July plan, expenditure estimates were calculated based on an average staffing level of 15.5 positions. All contract staff also have received an hourly increase of one dollar. The department believes

Members, Joint Committee on Finance

Page 4

December 15, 1999

the salary increase will aid it in maintaining its current staffing levels and consequently achieving greater efficiency in its processing of claims payments.

The department's request for supplementation in fiscal year 1999-2000 appears to meet statutory requirements under s. 13.10 of the statutes. Due to higher than anticipated fiscal year 1999-2000 expenditures, particularly in the area of locator services and contract staff, the department will not have sufficient expenditure authority to delay its request until the March 2000 meeting of the Committee. Lastly, the department's request for supplement is supported by documentation and appears to be reasonable. Expenditure estimates are based upon current fiscal year experience and have been adjusted to account for maximum contract staffing levels (17.5 positions) and a successful location rate of 85 percent.

**Recommendation**

Approve the request.

Prepared by: Dawn Currier  
266-8777



Department of Employee Trust Funds

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

November 24, 1999

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

Subject: S. 13.101 Request for Costs of Implementing the Remedy in the Special Investment Performance Dividend (SIPD) Lawsuit

Dear Senator Burke and Representative Gard:

The Department of Employee Trust Funds (Department) requests a supplement in the amount of \$ 1,266,800 (SEG), in the appropriation under s.20.515 (1)(w) to address Fiscal Year 2000 expenses for operation of the Special Investment Performance Dividend (SIPD) distribution project. As has been documented in previous funding requests to the Joint Committee on Finance, the project involves the complex and difficult task of locating and paying up to 30,000 estates of deceased WRS annuitants. These payments are being made pursuant to the court order directing the Employee Trust Funds Board to make an "equitable distribution" following the settlement of the case.

**Background**

The Department submitted a plan to the Joint Committee on Finance on June 8, 1999 (*Attachment 3*) that established the timetable and procedures to complete the claims payment process. The plan included the use of a contractor to search for and locate the remaining 9,025 potential claimants with claim amounts in excess of \$250. On July 15, 1999 the Joint Committee on Finance approved the Department's plan for completion of the SIPD distribution project.

In the plan submitted on June 8, 1999 the Department estimated expenditures in Fiscal Year 2000 of \$1,020,300. Of this cost, \$456,700 was estimated for the locator service contract based on a location success rate of 50%. As of November 5, 1999, the contractor has actually located approximately 4,650 potential claimants representing almost \$6,150,000 in future claims at a cost of \$413,846. Please refer to *Attachment 1* for the current location rate analysis.

**Current Request**

The Department requests expenditure authority sufficient to fund a location rate of 85%. Using average claim amounts this would result in the identification of potential claims of \$10.1 million in FY 2000 at a cost of \$607,800. No precise method exists for projecting the ultimate success. Although the current vendor now expects a probable success rate of 80%, the Department has built a small cushion into its request for expenditure authority to prevent a temporary cessation of the project should the vendor estimates be exceeded.

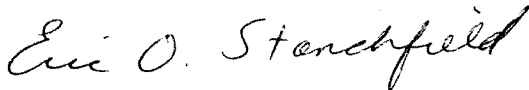
Honorable Brian Burke  
Honorable John Gard  
November 24, 1999  
Page 2

Temporary help services are now projected to cost \$513,100. This increase is primarily due to a higher than anticipated average staffing level (17.5 versus 15.5) and pay increases to encourage retention of staff.

Increased expenditures in locator and temporary help services are the primary factors in the higher than planned projection in total expenditures in Fiscal Year 2000 of \$1,266,800. Given these expenditures, the Department will not have sufficient expenditure authority to wait until the March 2000 meeting of the Joint Committee on Finance. Therefore, I am making the request for budget supplementation at this time.

*Attachment 2* itemizes the costs associated with the SIPD project. Thank you very much for your consideration of this request. David Stella, Administrator of the Division of Retirement Services, and Joanne Cullen, Budget Director, will be available at your meeting to answer any questions that you may have.

Sincerely,



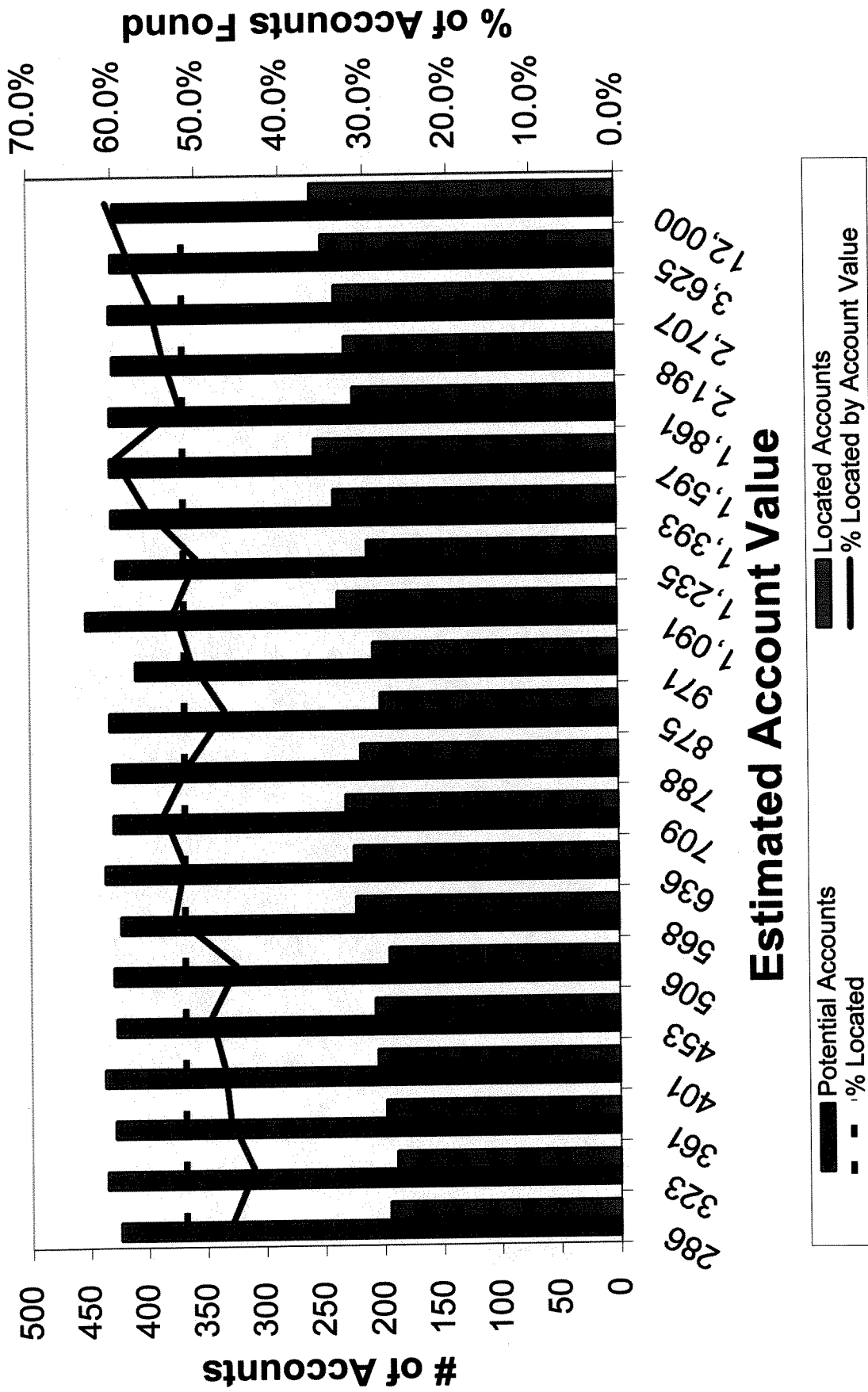
Eric O. Stanchfield  
Secretary

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

Enclosures

EOS:jk

# SIPD Estate Locator Services



<b>Assumes 85% Successful Location Rate</b>	<b>Budget – FY 00</b>
<i>Limited Term Salaries</i>	
Limited Term employees needed to maintain Department participant, employer and correspondence filing systems for the SIPD project.	\$18,300
<i>Salary Line</i>	
	\$15,100
<i>Fringe Benefits</i>	
	\$9,800
<b>Total Personal Services</b>	
	<b>\$43,200</b>
<i>Messenger Service/Fleet Cars</i>	
Mileage to transport folders and supplies to SIPD Downtown Office	\$2,100
<i>Telephone</i>	
Local, Long Distance and Voice Mail for SIPD Downtown Office	\$17,500
<i>Space Rental</i>	
Office space for SIPD contractual staff	\$30,700
<i>Office Supplies</i>	
Office and Computer Supplies for SIPD staff	\$12,600
<i>Temporary Help Services</i>	
Contract with DI & Associates to provide staffing to implement the SIPD equitable distribution. Duties include answering questions concerning eligibility for SIPD distribution and processing the claim forms to calculate the lump sum payments.	\$513,100
<i>Postage</i>	
SIPD letters, claim packets and correspondence.	\$18,000
<i>Copier and Fax Rental for SIPD Downtown office</i>	
	\$6,200
<i>State of Wisconsin Records Center Charges</i>	
Charges to retrieve participant folders	\$15,600
<i>Locator Services</i>	
Contract for services to locate beneficiaries and/or heirs of deceased annuitants. Assumes 85% success rate.	
Cost for each name provided to locator service -	\$ 7.85
Additional charge for each successful location effort -	+ 70.00
Total maximum cost for one successful location -	\$ 77.85
	\$607,800
<b>Total Supplies &amp; Services</b>	
	<b>\$ 1,223,600</b>
<b>FY 00 – Grand Total Personal Services and Supplies &amp; Services</b>	
	<b>\$1,266,800</b>

<b>Assumes 85% Successful Location Rate</b>	<b>Estimated Budget – FY 01</b>
<i>Limited Term Salaries</i> Limited Term employees needed to maintain Department participant, employer and correspondence filing systems for the SIPD project.	\$18,300
<i>Salary Line</i>	\$15,100
<i>Fringe Benefits</i>	\$9,800
<b>Total Personal Services</b>	<b>\$43,200</b>
<i>Messenger Service/Fleet Cars</i> Mileage to transport folders and supplies to SIPD Downtown Office	\$2,100
<i>Telephone</i> Local, Long Distance and Voice Mail for SIPD Downtown Office	\$24,000
<i>Space Rental</i> Office space for SIPD contractual staff	\$31,900
<i>Office Supplies</i> Office and Computer Supplies for SIPD staff	\$12,600
<i>Temporary Help Services</i> Contract with DI & Associates to provide staffing to implement the SIPD equitable distribution. Duties include answering questions concerning eligibility for SIPD distribution and processing the claim forms to calculate the lump sum payments.	\$552,700
<i>Postage</i> SIPD letters, claim packets and correspondence.	\$27,600
<i>Copier and Fax Rental for SIPD Downtown office</i>	\$6,800
<i>State of Wisconsin Records Center Charges</i> Charges to retrieve participant folders	\$10,200
<i>Actuarial Services</i>	\$5,000
<b>Total Supplies &amp; Services</b>	<b>\$672,900</b>
<b>FY – 00 Grand Total Personal Services and Supplies &amp; Services</b>	<b>\$716,100</b>



**Department of Employee Trust Funds**

**Eric O. Stanchfi**  
*Secretary*  
801 West Badger Rd  
P.O. Box 75  
Madison, WI 53707-75

June 8, 1999

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

**COPY**

**Subject:** The Department of Employee Trust Fund's plan for continuing the distribution of the settlement funds from the Special Investment Performance Dividend (SIPD) lawsuit as directed by the Joint Committee on Finance on April 21, 1999

Dear Senator Burke and Representative Gard:

In March 1999 the Department of Employee Trust Funds requested that the Joint Committee on Finance (JFC) supplement the Department's fiscal year 1999-00 budget for costs associated with the SIPD distribution project (a copy of this request is attached). On April 21, 1999 the JFC adopted a motion that required the Department submit a distribution plan to the JFC and the Committee for approval before additional expenditures for this project in FY2000 and FY2001 would be authorized.

The following is the Department's plan for the distribution project. This plan was approved by the Employee Trust Funds (ETF) Board at a special meeting on May 25, 1999. If this plan is approved, the Department will continue the distribution project after June 30, 1999. In March 2000, the Department will request approval of the actual expenses incurred and will provide an estimated budget for further implementation during FY 2000-2001.

**A: Additional Activities to Locate the Eligible Estates, Beneficiaries and Heirs**

The Dane County Circuit Court ultimately maintains jurisdiction over the ETF Board's distribution of the settlement funds. In considering the proposed plan, the ETF Board and the Department consulted with legal staff to determine what measures would meet the standards of due diligence in locating the previously unlocated estates, heirs and beneficiaries who are eligible to claim a share of the settlement funds. The Board's trustee responsibility to exercise due diligence and to fulfill its duty of impartiality requires additional efforts to locate and pay the estates, heirs and beneficiaries of eligible former annuitants.

To date the Department has taken a number of steps to notify potential claimants of the eligibility criteria for a share of the settlement funds (see Attachment I). To meet the due diligence requirement, the plan requires funding for professional locator services, in addition to the funding for staff needed to process the currently pending claim inquiries and future claims projected to result from the locator service efforts.

A locator service has been selected from a state procurement bulletin. The Department will provide to this contractor with a list of eligible individuals and estates with potential claims of at least \$250 to the locator service. There is a total of approximately 10,659 potential claims



of \$250 or more that will be referred to the locator service; the remaining 5,764 potential claims of less than \$250 will not be referred.

The locator service and processing costs are paid from the trust fund and are essentially the same regardless of the amount payable. The \$250 threshold represents the approximate average total cost of processing a successful claim (locator service plus DETF processing costs). However, the Department will pay any claim for which an inquiry is received, regardless of the amount; the \$250 threshold applies only to the potential claims that will be referred to the professional locator service.

### **Location Project Phases**

The location efforts will be completed in three phases:

- Phase 1: The 1,942 potential claims over \$2,000 will be referred to the locator service. Scheduled for July 1, 1999 – September 30, 1999.
- Phase 2: The 2,664 potential claims between \$1,000 and \$2,000 will be referred to the locator service. Scheduled for October 1, 1999 – December 31, 1999.
- Phase 3: The 6,053 potential claims between \$250 and \$1,000 will be referred to the locator service. Scheduled for January 1, 2000 – March 31, 2000.

This approach will spread out the arrival of new claim inquiries and enable staff to better manage the follow-up and subsequent processing of claims. The three phases refer only to the periods during which the locator service will attempt to locate the eligible claimants, rather than when the claim inquiries generated by the location efforts will be processed. The SIPD distribution project contract staff will process the existing backlog of claims (see Attachment II for the current project status) and future claim inquiries through June 30, 2001.

The three phases for the location efforts are prioritized based on claim amounts, and premised on the following:

- Breaking the location efforts into three phases will spread out the incoming inquiries, which makes it easier for potential claimants to reach the SIPD office by telephone and enables staff to better manage the subsequent follow-up and claims processing.
- In many cases estates must be re-opened. The process can take several months and involve some expense to the potential claimant. It will be more cost-effective for estates to be re-opened when the claim is higher; searching for higher dollar claimants first provides more time for estate action.
- Under the Board's decision interest continues to accrue until the claim is paid. This approach reduces the interest that ultimately will be paid by the trust fund.

Once the three phases are complete, the Department will consider other means of mass notice for the remaining unlocated potential claimants. This could include issuing additional press releases explaining the eligibility criteria and the claim deadline to newspapers throughout the state, and could also include publishing a list of the remaining potential claimants in state newspapers and in the abandoned property list through the Office of the State Treasurer. These are low-cost options that would target all potential claimants, regardless of the amount of the potential claim. While the Department plans to take

advantage of low-cost mass notification opportunities throughout the project, it is necessary to proceed with the professional location phases as early as possible to effectively bring it to conclusion. Potential claimants do not necessarily contact the Department immediately once they have been located; inquiries from the mass mailing that was sent to the last known addresses of roughly 30,000 former annuitants in June of 1998 continue to arrive at the Department.

#### **B. Deadline for Filing a Claim for the Settlement Funds**

The Department will process and pay benefits on all claim inquiries received before June 30, 2001. However, the claim process is complex and may involve a number of steps (see Attachment III for a detailed summary of the claims process). Under this plan the completed claim form or affidavit plus all necessary supporting documentation must be received by the later of June 30, 2001, or within 60 days after the Department either provides the form or requests the supporting documentation. Failure to supply requested information or completed forms will result in the claim being closed without payment.

In summary, the plan requires an initial claim inquiry (or a claim itself) to be made by June 30, 2001, and that the supporting documentation be received by the later of that date or the 60-day deadline after requested, to retain eligibility for payment.

#### **C. Procedure for Reserving Settlement Funds for Claims Submitted After Current Project Ends**

The plan provides a 15-month window after the location efforts are initiated for potential claimants to contact the Department and for the Department to issue payment. Because the Department anticipates processing the estimated number of claims within this period, most of the payments from the settlement funds will have been issued prior to June 30, 2001. However, there may be some claim inquiries received shortly before that date for which payment has not been issued.

The entire settlement fund balance will remain earmarked and separately accounted for within the annuity reserve until June 30, 2001. Prior to that date, based on the number of pending claims and the volume of incoming claim inquiries at that time, the Department will ask the ETF Board to continue to reserve sufficient funds within the annuity reserve for future payment of any claims for which a claim inquiry was received by the deadline. This action will be considered by the Board at its regularly scheduled meeting in June 2001.

#### **D. Budget**

Attachment II describes the current status of the distribution project. The Department is currently issuing approximately 165 payments per week. Assuming reasonable stability in staff hired by the contracted vendor, this average should be achieved in the future as well. Experience to date further suggests an average of 1.3 payments per inquiry (often a payment to the deceased annuitant's estate, plus another supplemental payment paid directly to the beneficiary who received the WRS death benefit). Therefore, the pending 7,010 inquiries and claims in process represent approximately 9,113 payments. This would require over 55 weeks of work, assuming consistent staffing at the currently budgeted level.

Determining the final target date for ending the SIPD supplement-funded distribution project is based in part on reasonable assumptions of the Department's ability to retain trained

contract staff, which has been a significant problem throughout the project, and the projected success rate of the locator service's efforts to identify additional beneficiaries, estates and heirs. We estimate that up to 5,330 new claimants could be located through the locator service in Phases 1, 2 and 3. Assuming an ongoing average of 1.3 payments per claim, This would result in approximately 6,930 additional payments. These claims, plus the current backlog of over 6,000 claims, represent nearly two years of work.

Assuming that 165 payments are issued per week, the Department recommended and the ETF Board approved setting an absolute project end date of June 30, 2001. If the Department locates fewer potential claimants than projected, or the claims processing is accomplished more quickly than anticipated, the Department could, with the ETF Board's approval, end these efforts before the June 30, 2001 date.

Under this plan, the separate SIPD office, staffed by contract employees, would be scheduled to close June 30, 2001. If estimates are accurate, after that date it should be possible for internal DETF staff to complete any final processing of the claim inquiries received before the deadline.

Attachment IV provides an SIPD distribution project budget projection for the 1999-00 fiscal year, and a tentative budget projection for the 2000-01 fiscal year. The projected funding needed for Fiscal Year 2000 is \$1,020,300, and \$610,300 for Fiscal Year 2001. The lower amount needed for the second year of the biennium reflects the fact that the costs for the professional locator service will all be incurred in the first fiscal year.

There are factors that could affect the anticipated schedule for completing the distribution project:

- A benefit improvement bill or other significant legislation would result in activities that will create competing priorities with the SIPD distribution project, which could result in delays.
- The schedule and budget projections are based on the assumption that the professional locator service will have a 50% successful location rate. A significantly higher success rates would result in a higher volume of claims, and it would be necessary to revise the Department's projections accordingly.

Should estimates prove inaccurate, the Department will request any resources needed for subsequent claims processing as part of its 2001-2003 biennial budget request. Dave Stella, Administrator of the Division of Retirement Services, will be available at your meeting to answer any questions you may have.

Sincerely,



Eric O. Stanchfield  
Secretary  
(608) 266-0301  
TTY (608) 267-0676  
FAX (608) 267-0633

## ATTACHMENT I

### Past Efforts to Date to Locate Potential SIPD Claimants

In October of 1997 the Department notified all (then) current WRS annuitants (approximately 95,000) by letter of the ETF Board's distribution decision, and of their rights to appeal the distribution decision to Dane County Circuit Court within 30 days. In December of 1997 and January and February of 1998 the Department issued payments (primarily through an automated payment process) to the approximately 43,000 living WRS annuitants who were entitled to SIPD payments based on annuities still in force.

There were also an estimated 30,000 former annuitants and their estates, heirs and/or beneficiaries who were potentially eligible for SIPD benefits through the claims process. To date the Department has taken the following additional steps to publicize the availability of these benefits and the eligibility criteria:

- 9/97 - press release on the ETF Board's SIPD distribution decision and the eligibility criteria for a share of the funds recovered through the SIPD lawsuit.
- Since 10/97 – DETF website articles explaining ETF Board's distribution decision, eligibility criteria and instructions for contacting the Department for further claim information.
- Since 10/97 - A recorded message explaining ETF Board's distribution decision, eligibility criteria and instructions for contacting the Department for further claim information has been available in the "General Topics of Interest" on the Department's Telephone Message Center.
- 12/98 and 3/98 - Articles drafted in conjunction with ETF Communications Office appeared in the Wisconsin Retired Educators Association newsletter that explained ETF Board's distribution decision, eligibility criteria, claims data and instructions for contacting the Department for further claim information. (Readership of 11,000-12,000)
- An article drafted in conjunction with ETF Communications Office appeared in the Wisconsin Educational Association Council's *News & Views* newsletter that explained ETF Board's distribution decision, eligibility criteria and instructions for contacting the Department for further claim information. (Readership of approximately 86,000)
- Trust Fund News (TFN) newsletter explaining ETF Board's distribution decision, eligibility criteria and instructions for contacting the Department for further claim information. The TFN is distributed each January, May and September to all active and annuitant WRS participants, and beginning in May of 1999, each May to inactive WRS participants.
- Spring 1998 – The Department's Communications Director and Legislative Liaison provided training to all interested legislators and their aides on the explaining ETF Board's distribution decision and eligibility criteria for an SIPD benefit.
- Since 1/98 - Average of two presentations per month by ETF Communications Office and Secretary's Office to retiree groups that explained ETF Board's distribution decision, eligibility criteria and providing instructions for contacting the Department for further claim information. (Average of 20-50 people per presentation)

- 6/98 - Letter explaining ETF Board's distribution decision and eligibility criteria was sent to the last-known address for approximately 30,000 former annuitants. The letter explained the ETF Board's distribution decision and eligibility criteria for an SIPD benefit, and provided instructions for contacting the Department for further claim information.
- Quarterly updates on SIPD project to Annuitant Round Table, which represents 24 retiree groups.
- 4/99 - Article in Capital Times newspaper on claims project.

**ATTACHMENT II**

**Current SIPD Project Status**

The following is the current status of pending claims and of payments made to eligible beneficiaries, estates and heirs:

Total claim inquiries received	12,680
Payments issued	6,970*
Claims in process	1,300
Inquiries not processed to date	5,710
Total SIPD claims paid to date	\$110,196,263
Average payment	\$1,581

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\* Prior to mid-June 1998 the payments for the SIPD claims were issued through the Department's regular WRS lump sum payment process, rather than through the separate SIPD payment process developed for the SIPD distribution. While the cumulative dollar amount of SIPD claims paid includes those payments issued before the separate SIPD payment process was implemented, data on the number of those payments is not available. The 6,970 number includes only the payments issued through the separate SIPD process.

## ATTACHMENT III

### SIPD Claims Process

The ETF Board's distribution decision included the provision that the supplemental payments due to living annuitants whose annuities were still in force could be paid automatically, with no claim required. When SIPD monies are payable as a supplement to annuity or lump sum benefits paid to a former annuitant or beneficiary who is still living, but the annuity is no longer in force, the eligible former annuitant or beneficiary must file a claim. Payment is issued directly to the claimant, and the process is fairly simple and straightforward.

However, if the SIPD distribution monies are payable as a supplement to payment(s) originally issued to an annuitant or beneficiary who is now deceased, per advice of legal counsel that supplemental benefit is now payable to the decedent's estate. SIPD distribution benefits payable to decedents' estates comprise the vast majority of claims. There are two distinct processes through which benefits payable to estates can be paid:

1. *Estate claims.* If there is an open estate and the court's appointment of a personal representative is still in force, the personal representative of the estate can file a claim and the check is issued payable to the estate. To issue a payment to the estate we require a copy of the court order appointing the applicant as personal representative, and the claim must include a federal estate identification number for tax reporting purposes.
2. *Transfer by affidavit.* If the decedent left solely owned property in Wisconsin (including the benefit now payable from the SIPD lawsuit settlement funds) not exceeding \$10,000, Wis. Stat. § 867.03 allows the transfer of the decedent's property to an heir based on an affidavit. This process avoids the requirement to open or re-open estate proceedings in probate court. However, the procedures for this process can be very complex because of several requirements:
  - a. The heir is determined under Wisconsin's intestacy statute, not by any Will the decedent may have left. This means to determine the heir, the Department must find the persons in the group having the closest degree of kinship to the deceased, as described in Wis. Stat. §§ 851.09 and 852.01. For example, surviving spouses and children of the deceased by another person have the same degree of kinship, and are the highest priority group of potential heirs. Once the surviving group with the closest degree of kinship is identified, the Department simultaneously sends each person in the group an affidavit form. The first completed affidavit received by the DETF is honored. *(Since each person in the kinship group is equally an heir under law, and the Department makes only one payment, the first-come, first-served approach was adopted after discussions with counsel as a neutral, objective method for processing payment when there are multiple potential heirs. The other heirs may seek shares of the payment from the recipient, but those discussions need not involve the Department.)*

Note: The affidavit procedures were recently streamlined for cases where the SIPD benefit is less than \$1,000. If we receive an inquiry from an heir or are able to locate one heir, and that heir certifies that the decedent had no other heirs with a closer degree of kinship, we pay that heir through the affidavit process without requesting information about other heirs who could "compete" for the benefit. However, a surviving spouse will never be bypassed under this abbreviated procedure. We have also adopted this "one-heir-only" procedure when the heirs with the closest degree of kinship are nieces/nephews, or have an even more distant relationship.

- b. Under Wis. Stat. § 867.03 (1m) (b), the legal guardian of the decedent at the time of death has a right equal to that of the heir(s) to file an affidavit to transfer property. The SIPD affidavit process includes requiring the heir(s) to specify whether the decedent had a legal guardian at the time of death, and if yes, the name and address of the guardian. That guardian is given the same opportunity to submit an affidavit as the heir(s) with the closest degree of kinship.
  
- c. Wis. Stat. § 867.03 (1m) (a) and (b) requires that if the decedent or the decedent's spouse ever received benefits in Wisconsin under certain medical assistance and/or community options programs, the affiant(s) must notify the state's Estate Recovery Program (ERP) by certified mail and provide proof of such notification with the affidavit. The SIPD affidavit process requires the heir(s) to indicate whether the decedent or spouse ever received such benefits, and if yes, to submit the certified mail return receipt with the affidavit. If the ERP is entitled to recover funds from the decedent's property they can either collect the monies from the heir who receives the SIPD payment or submit their own affidavit to DETF, and we will pay the SIPD benefit directly to the ERP.



Attachment IV

<b>Assumes 50% Successful Location Rate</b>	<b>Budget – FY 00</b>
<i>Limited Term Salaries</i> Limited Term employees needed to maintain Department participant, employer and correspondence filing systems for the SIPD project.	\$ 18,300
<i>Fringe Benefits</i>	\$4,200
<b>Total Personal Services</b>	<b>\$22,500</b>
<i>Messenger Service/Fleet Cars</i> Mileage to transport folders and supplies to SIPD Downtown Office	\$2,000
<i>Telephone</i> Local, Long Distance and Voice Mail for SIPD Downtown Office	\$8,900
<i>Space Rental</i> Office space for SIPD contractual staff	\$30,700
<i>Office Supplies</i> Office and Computer Supplies for SIPD staff	\$10,500
<i>Temporary Help Services</i> Contract with DI & Associates to provide staffing to implement the SIPD equitable distribution. Duties include answering questions concerning eligibility for SIPD distribution and processing the claim forms to calculate the lump sum payments.	\$459,800
<i>Postage</i> SIPD letters, claim packets and correspondence.	\$11,800
<i>Copier and Fax Rental for SIPD Downtown office</i>	\$3,200
<i>State of Wisconsin Records Center Charges</i> Charges to retrieve participant folders	\$14,200
<i>Locator Services</i> Contract for services to locate beneficiaries and/or heirs of deceased annuitants. Assumes 50% success rate.  Cost for each name provided to locator service - \$ 7.85 Additional charge for each successful location effort - + 70.00 Total maximum cost for one successful location - \$ 77.85	\$456,700
<b>Total Supplies &amp; Services</b>	<b>\$ 997,800</b>
<b>FY 00 - Grand Total Personal Services and Supplies &amp; Services</b>	<b>\$1,020,300</b>

<b>Assumes 50% Successful Location Rate</b>	<b>Budget – FY 01</b>
<i>Limited Term Salaries</i>	
Limited Term employees needed to maintain Department participant, employer and correspondence filing systems for the SIPD project.	\$18,300
<i>Fringe Benefits</i>	\$4,200
<b>Total Personal Services</b>	<b>\$22,500</b>
<i>Messenger Service/Fleet Cars</i>	
Mileage to transport folders and supplies to SIPD Downtown Office	\$2,000
<i>Telephone</i>	
Local, Long Distance and Voice Mail for SIPD Downtown Office	\$8,900
<i>Space Rental</i>	
Office space for SIPD contractual staff	\$31,300
<i>Office Supplies</i>	
Office and Computer Supplies for SIPD staff	\$10,500
<i>Temporary Help Services</i>	
Contract with DI & Associates to provide staffing to implement the SIPD equitable distribution. Duties include answering questions concerning eligibility for SIPD distribution and processing the claim forms to calculate the lump sum payments.	\$508,000
<i>Postage</i>	
SIPD letters, claim packets and correspondence.	\$11,800
<i>Copier and Fax Rental for SIPD Downtown office</i>	\$3,200
<i>State of Wisconsin Records Center Charges</i>	
Charges to retrieve participant folders	\$7,100
<i>Actuarial Services</i>	\$5,000
<b>Total Supplies &amp; Services</b>	<b>\$587,800</b>
<b>FY – 00 Grand Total Personal Services and Supplies &amp; Services</b>	<b>\$610,300</b>

XVIII. Legislative Technology Services Bureau – Mark Wahl, Director

The bureau requests a supplement of \$87,400 GPR in fiscal year 1999-2000 and \$165,800 in fiscal year 2000-2001 from the Committee's appropriation under s. 20.865(4)(a) to the appropriation under s. 20.765(3)(em) to correct a budgetary error for funding of 3.0 FTE positions.

Governor's Recommendation

Provide \$82,900 in fiscal year 1999-2000 to reflect the correction of a fringe calculation factor, and \$165,800 GPR in fiscal year 2000-2001.

TOMMY G. THOMPSON  
GOVERNOR

GEORGE LIGHTBOURN  
ACTING SECRETARY



Office of the Secretary  
Post Office Box 7864  
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**Date:** December 15, 1999

**To:** Members, Joint Committee on Finance

**From:** George Lightbourn, Acting Secretary  
Department of Administration

A handwritten signature in black ink, appearing to read "George Lightbourn", written over the typed name in the "From:" field.

**Subject:** Section 13.10 Request from the Legislative Technology Service Bureau for a supplement to fully fund 3 FTE.

### **Request**

The bureau requests a supplement of \$87,400 GPR in fiscal year 1999-2000 and \$165,800 in fiscal year 2000-2001 from the Committee's appropriation under s. 20.865(4)(a) to the appropriation under s. 20.765(3)(em) to correct a budgetary error for funding of 3.0 FTE positions.

### **Background**

While completing the required budget submission forms for the 1999 - 2001 biennial budget, the LTSB removed funding for three terminating project positions from its base calculation. This same adjustment was inadvertently made again elsewhere in the budget process, resulting in a double reduction of these non-continuing costs.

A decision item in the LTSB request converted these project positions to permanent status to address the ongoing workload. Because of the double reduction that occurred in early phases of the budget process, currently no funding remains for these positions. The LTSB just recently became aware of this problem.

### **Analysis**

These positions will be used to maintain critical Legislative systems including: the bill drafting system (Text 2000), the voting system and Legislative Web-sites and associated networks. The positions will also be responsible for designing, coding, testing, debugging, documenting and maintaining new and existing programs as well as testing and troubleshooting more complex systems.

Historically, contract staff have maintained Text 2000 and were paid from the legislative documents sum-sufficient appropriation (s. 20.865 (1)(d)). The LTSB could continue to use contract staff to fulfill its information technology needs. However, high turnover has been associated with these contract staff. This high turnover negatively impacts the productivity of the positions as it can take up to 6 months for a person to be fully trained in the field. In addition, costs of contract staff are significantly higher than payroll staff.

Because no funding remains for these positions, the LTSB cannot fill them in this biennium. The bureau has projected salary costs to be \$1,006,000 for fiscal year 2000; current salary funding is \$1,034,000 leaving a surplus of \$28,200. This, combined with savings from a salary hold (\$23,000) and a salary reimbursement from the Revisor of the Statutes Bureau (\$14,700) could be used to off-set some of the costs from the funding error in fiscal year 1999-2000. However, due to the difficulty experienced by many agencies in recruiting and retaining talented IT staff, it may be argued that this surplus funding should be retained to allow flexibility in offering state employment to prospective professionals.

In their request, the LTSB incorrectly calculated the fringe benefits costs for the first year. When the fringe rate is applied to the first year salary cost, an amount of \$15,400 results (not the \$19,900 that the bureau reported). This correction, along with annual salary information, are shown in the following summary:

<b>Year</b>	<b>Salary</b>	<b>Fringe</b>	<b>Total</b>
1999-2000	\$67,500	\$15,400	\$82,900
2000-2001	\$135,000	\$30,800	\$165,800
Total	\$202,500	\$57,900	<b>\$248,700</b>

### **Recommendation**

Provide \$82,900 in fiscal year 1999-2000 to reflect the correction of a fringe calculation factor, and \$165,800 GPR in fiscal year 2000-2001.

Prepared by: Cynthia Dombrowski  
266-5878



**State of Wisconsin  
Legislative Technology Services Bureau**

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E-mail: [ltsb.helpdesk@legis.state.wi.us](mailto:ltsb.helpdesk@legis.state.wi.us)

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November 26, 1999

The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance  
Room 316 South, State Capitol  
Madison, WI 53703

The Honorable John Gard, Co-Chair  
Joint Committee on Finance  
Room 315 North, State Capitol  
Madison, WI 53703

Dear Senator Burke and Representative Gard:

**REQUEST**

The Legislative Technology Services Bureau (LTSB) FY00-01 biennial budget converted three project positions to permanent staff; however, due to a procedural error, the funding for these positions was removed from the budget. This request corrects that procedural error by supplementing appropriation s.20.765(3)(em) from the General Purpose Revenues fund of \$87,400 for 3 FTE position in FY00, and \$165,780 for 3 FTE positions in FY01.

**BACKGROUND**

In completing the budget submission forms, the LTSB removed the expired project positions from its base calculations, resulting in a double downward adjustment in subsequent phases of the budgeting process. Thus, while the permanent positions are approved there is no funding and the positions cannot be filled during this biennium unless funding is restored.

The original basis for the conversion of these positions was the fact that LTSB was unable to fill civil service "project positions" due to the highly competitive nature of the information technology job market. These types of positions were unattractive to professionals seeking permanent employment. LTSB requested these positions be converted to permanent positions to meet the increasing demands for technology support within the legislative branch. This request was approved in the last budget.

These positions are necessary in continuing to maintain a number of mission-critical systems for the Legislature, including the voting system, e-mail, fax, database, bill drafting, Legislative Web sites and associated networks.

Currently, contract staff perform some of these functions. However, contract staff have a higher turnover rate than permanent employees. This turnover rate negatively impacts legislative systems support as up to six months of training is required prior to a staff member becoming fully proficient in a given field. The higher rate of turnover in contract staff means that there is a potential loss of key skills during the training phase.

LTSB's current annual salary expenditures are projected to be \$1,006,272 for FY00, this number will vary based on turnover and hiring. The agency currently shows a projected biennial salary surplus of approximately \$38,000 resulting from two factors. \$23,000 results from a hold placed on salary increases due to position changes. \$14,725 due to staff being loaned on a salary reimbursement basis to the Revisor of Statutes Bureau. The agency recruits in a very competitive job market and needs some salary flexibility in offering state employment to attract and retain talented IT professionals.

**COST**

YEAR	SALARY	FRINGE	TOTAL
FY 00	67,500	19,900	87,400
FY 01	135,000	30,780	165,780
Total	202,500	50,680	253,180

Thank you for your consideration of this request. If you have any questions concerning this request please contact either myself at 266-0659 or Marcie Stebbeds at 266-1819.

Sincerely,



Mark Wahl  
Director

CC: Daniel Caucutt, Committee Secretary,  
Department of Administration  
Division of Executive Budget and Finance  
101 E. Wilson Street, 10<sup>th</sup> Floor  
Madison, WI 53703

XIX. Department of Corrections – Jon Litscher, Secretary

The department requests the release of \$1,100,000 GPR from the Committee's supplemental appropriation under s. 20.865(4)(a) to be transferred to the department's purchased services for offenders appropriation under s. 20.410(1)(d) in fiscal year 1999-2000. In addition, the department requests the transfer of \$750,000 GPR from the appropriation under s. 20.410(1)(b), services for community corrections, to the appropriation under s. 20.410(1)(d), purchased services for offenders, to be used in satisfaction of the matching fund requirement applicable to purchase of service funding in fiscal year 1999-2000.

Governor's Recommendation

Approve the request.