

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

Appointments

99hr_JC–Fi_Appt_pt00

Committee Hearings

99hr_JC–Fi_CH_pt00

Committee Reports

99hr_JC–Fi_CR_pt00

Clearinghouse Rules

99hr_JC–Fi_CRule_99–

Executive Sessions

99hr_JC–Fi_ES_pt00

Hearing Records

99hr_ab0000

99hr_sb0000

Misc.

99hr_JC–Fi__Misc__s.13.10_pt12c2

Record of Committee Proceedings

99hr_JC–Fi_RCP_pt00

V. District Attorneys – Stuart Morse, Director of State Prosecutors Office

The Department of Administration, on behalf of the district attorney (DA) offices of Rusk and Adams Counties, requests the transfer of 0.20 FTE assistant district attorney position from the Rusk County DA office to the Adams County DA office effective January 1, 2001. No additional funds are requested.

Governor's Recommendation

Approve the request.

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
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: April 28, 2000

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration

A handwritten signature in black ink, appearing to read "George Lightbourn".

Subject: Section 13.10 Request from the District Attorneys for Transfer of 0.20 FTE from Rusk County to Adams County.

Request

The Department of Administration, on behalf of the district attorney (DA) offices of Rusk and Adams Counties, requests the transfer of 0.20 FTE assistant district attorney position from the Rusk County DA office to the Adams County DA office effective January 1, 2001. No additional funds are requested.

Background

The Rusk County DA office currently has 0.80 FTE elected DA position and 0.70 FTE ADA position. The 1999-2001 biennial budget (1999 Wisconsin Act 9) increases the Rusk County elected DA from part-time to full-time effective January 1, 2001. To achieve this, the budget amends s. 978.01 (2)(b) to change the status of the Rusk County elected DA from part-time to full-time and provides 0.20 FTE to increase the elected DA from 0.80 FTE to 1.0 FTE.

However, Rusk County's goal was to increase its elected DA to full-time without an FTE increase. This was to be done by increasing its elected DA from 0.80 FTE to 1.0 FTE while reducing the ADA from 0.70 FTE to 0.50 FTE. The reduction in the ADA's state service would enable him to devote additional time to Rusk County as its corporate counsel.

Analysis

This request corrects the 1999-2001 budget provision by bringing the elected DA of Rusk County to full-time without a net increase in the total FTE count of the office. A Rusk County resolution from January 1999 prompted the action of the Committee to increase the elected DA to full-time by amending state statute. However, contrary to the county's original intent to utilize the employee as half ADA and half corporation

Members, Joint Committee on Finance
Page 2
April 28, 2000

counsel, the Committee also provided Rusk County with an additional 0.20 FTE.

The Wisconsin District Attorneys Association (WDAA) formed the Ad Hoc Allocation Committee to recommend a recipient for the 0.20 FTE transfer. Information was sent to all DA offices in the state. Various DA offices expressed interest in receiving the 0.20 FTE. After review, the impartial Allocation Committee recommended that Adams County receive the 0.20 FTE transfer.

The State Prosecutor's Office concurs with the WDAA Allocation Committee's recommendation. The elected DAs of Rusk and Adams counties and the Rusk County ADA effected by the reduction have agreed to the transfer. Both county boards support the transfer.

This transfer request must be made under s. 13.10 because it is a GPR-funded position and the placement of prosecutorial staff in DA offices is done legislatively on a county by county basis. To implement the transfer, the 0.20 FTE position must be deleted in Rusk County DA office and created in the Adams County DA office.

No additional funding is requested. Due to the difference in a starting ADA salary and the salary of the current ADA in Rusk County, this transfer from Rusk to Adams County will result in a cost savings of approximately \$6,400 per year.

The transfer will increase the Adams County DA office from 1.0 FTE to 1.20 FTE.

Recommendation

Approve the request.

Prepared by: Andrew J. Statz
267-0370

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



V
Division of Administrative Services
State Prosecutors Office
Post Office Box 7869
Madison, WI 53707-7869
Voice (608) 267-2700
Fax (608) 264-9500
TTY (608) 267-9629
stuart.morse@doa.state.wi.us

March 6, 2000

The Honorable Brian Burke
The Honorable John Gard
Co-Chairs, Joint Committee on Finance
411 South State capitol
Madison, WI 53703

Re: Correction to the DOA 13.10 proposal of February 28, 2000 regarding the transfer of 0.2 FTE from the Rusk DA Office to the Adams DA Office

Dear Senator Burke and Representative Gard:

This letter transmits a corrected letter from Milwaukee County District Attorney and President of the Wisconsin District Attorneys Association (WDAA) E. Michael McCann to the Department of Administration identifying the district attorney's office to which the WDAA recommends transferring the 0.2 FTE proposed for removal from the Rusk County DA's Office in DOA's 13.10 request to you of February 28, 2000. The correct recipient of the 0.2 FTE is the Adams County District Attorney's Office, not the Marquette County District Attorney's Office. Mr. McCann's letter replaces the last page of the February 28, 2000 13.10 request.

While not discussed in the 13.10 request, the WDAA also prepared recommendations for the Department of Administration should AB 721 pass. Under that bill, 5.0 FTE GPR ADA positions would be created. DOA would determine the DA office allocation of those positions in consultation with the WDAA. The WDAA also prepared recommendations should AB 721 pass. In those recommendations, 0.2 FTE of the 5.0 FTE is proposed for the Marquette District Attorney's office.

I apologize for any inconvenience this has caused you.

Sincerely,

A handwritten signature in cursive script that reads "Stuart Morse".

Stuart Morse
Director
State Prosecutors Office

Attachment

W D A A

E. MICHAEL McCANN, PRESIDENT
SAFETY BUILDING, ROOM 405
821 WEST STATE STREET
MILWAUKEE, WI 53233-1485

WISCONSIN DISTRICT ATTORNEYS ASSOCIATION

Vincent Biskupic, President-Elect
Diane Nicks, Secretary-Treasurer
Sandy A. Williams, 1st Vice President
David Wambach, 2nd Vice President
Scott Horne, 3rd Vice President
Paul E. Bucher, Past President
Elma E. Anderson

Patrick J. Kenney
Ruth Bachman
Steven E. Tinker
Mary E. Burke
Gloria Ben-Ami
Stuart Morse

March 3, 2000

Stuart Morse, Director
State Prosecutors Office
Wisconsin Dept. of Administration
P.O. Box 7869
Madison, WI 53707-7869

Dear Mr. Morse:

In my February 23, 2000, letter to you, as President of the Wisconsin District Attorneys Association, I incorrectly advised it was the recommendation of the WDAA that the 2/10 position be transferred from Rusk County to the Marquette County District Attorney's Office. The WDAA recommends transferring the 2/10 position to Adams County, not Marquette. The Marquette position is to be handled in the context of Assembly Bill 721.

Should you require further clarification or have additional questions, please let me know.

Sincerely yours,



E. Michael McCann
District Attorney of Milwaukee County
President of the Executive Board of the
Wisconsin District Attorneys Association

EMM:ss

P.O. BOX 1702

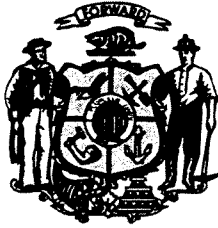
MICHAEL J. LUELL, EXECUTIVE DIRECTOR
MADISON, WI 53701

(608) 255-7983

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



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State Prosecutors Office
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Madison, WI 53707-7869
Voice (608) 267-2700
Fax (608) 264-9500
TTY (608) 267-9629
stuart.morse@doa.state.wi.us

February 28, 2000

The Honorable Brian Burke
The Honorable John Gard
Co-Chairs, Joint Committee on Finance
411 South State Capitol
Madison, WI 53703

Dear Senator Burke and Representative Gard:

Pursuant to ss. 978.04 and 13.10, the Department of Administration requests the transfer of 0.2 GPR FTE assistant district attorney position from the Rusk County District Attorney's Office to the Adams County District Attorney's Office. Both elected District Attorneys, both County Boards and the assistant DA who would lose 0.2 FTE have agreed to this transfer per the attached documents. In addition, the Wisconsin District Attorneys Association also supports this transfer.

If you have any questions on this matter, please contact me at 267-2700.

Sincerely,

A handwritten signature in cursive script that reads 'Stuart Morse'.

Stuart Morse
Director
State Prosecutors Office

Attachments

Request

On behalf of the Rusk County District Attorney's office and the Adams County District Attorney's office, the Department of Administration (DOA) is submitting a request under s.13.10 to transfer 0.2 GPR FTE assistant district attorney (ADA) position from the Rusk County District Attorney's office to the Adams County District Attorney's office. The request is made under s.13.101(3).

In accordance with s. 978.11, DOA is forwarding the request to you. The district attorneys request that the position transfer become effective on January 1, 2001. This is the beginning of the new term of office for district attorneys and corresponds to the effective date of the increase in the FTE of the Rusk County elected district attorney from 0.8 FTE to 1.0 as a result of Section 3207r of 1999 Wisconsin Act 9 (the 1999-2001 state budget act).

Background

The Legislature in the 2000 - 2001 budget authorized the elected district attorney for Rusk County to become a full-time position at the start of the district attorneys 2002 - 2003 term of office. Currently, the elected Rusk County district attorney is a 0.8 GPR FTE position. The Rusk County DA office also has a 0.7 GPR FTE ADA position. This position was unchanged by the 1999-2001 budget.

The person who holds the ADA position is also employed by Rusk County as its 0.3 FTE corporation counsel. The Rusk County Board of Supervisors, the Rusk County elected DA and the Rusk County ADA have reached an agreement under which the Rusk County DA has petitioned the Department of Administration to reduce the ADA position to 0.5 GPR FTE effective on January 1, 2001 so as to permit Rusk County to increase the employment of its corporation counsel from 0.3 FTE to 0.5 FTE. The DA and ADA have agreed in writing to this change in status. The Rusk County Board has passed a resolution in support of this action. All documents in support are attached.

DOA requested that the Wisconsin District Attorneys Association (WDAA) advise it as to which district attorney office should receive the additional 0.2 GPR FTE. DOA and the WDAA jointly sent information to all DA offices indicating that any who wished to be considered to receive the additional FTE should submit an application stating their reasons. The WDAA Ad Hoc Allocation Committee then examined the available data, reviewed the written requests and held a hearing at which all district attorneys who wished to present reasons why they should receive the position were permitted to do so. The WDAA then made its recommendation to DOA, which is to transfer the position to Adams County's DA office. (See the letter from WDAA President, Milwaukee

DA Michael McCann.) The Adams County DA, Mark Thibodeau, agrees with the WDAA recommendation and the Adams County Board also supports this. (See attached correspondence.) DOA also agrees with the WDAA recommendation and is submitting this s. 13.10 request based upon it.

Analysis

The workload analysis for the Rusk County District Attorney's office shows a staffing surplus of 0.60 FTE (with the DA increase to full-time). The removal of 0.2 FTE thus would not harm its ability to carry out its required functions. The elected DA, the ADA and the Rusk County Board agree with this analysis. The Adams District Attorney's office shows a staffing deficit of 0.46 FTE. The addition of 0.2 FTE would significantly increase its ability to serve the citizens of Adams County.

Fiscal Analysis

The transfer of the 0.2 FTE would result in savings of \$6,200 or more during the last six months of FY 01. This estimate is based on the difference in the current wage rates between the Rusk assistant district attorney and one hired at the current ADA wage range minimum. However, the labor agreement covering ADAs for the current biennium has not been settled, so the Rusk ADA will be likely be receiving two wage increases before January 2001 and thus the savings would be even greater.

Special Information

The co-chairs of the Joint Committee on Finance, in a letter to the Department of Administration Secretary dated June 12, 1996, set forth four additional items of information that should be included in a s.16.505 request for additional positions in the DA program.

1) *An explanation of the effect of the positions on weighted caseload for the requesting counties (the LAB methodology is suggested).*

Table 1 indicates the LAB methodology's results and highlights the impact of the transfer of the 0.2 FTE on both Adams and Rusk DA offices. The table uses the most current court data available (1996-98) and the positions authorized as of February 23, 2000, including the increase of the Rusk, Richland and Forest county elected district attorneys to full-time positions effective January 1, 2001.

2) *An assessment of similar caseload problems in counties not addressed by the request.*

Table 1 also shows the general need in all other DA offices using the same methodology. The Adams DA office has a very large unmet need for additional prosecutors on a percentage basis: it needs 46% of its current FTE allocation.

3) An explanation of why the request has greater priority than similar needs existing in other counties.

All DA offices were given the opportunity to request the 0.2 FTE. The WDAA's recommendation to give 0.2 FTE to Adams County's DA office was accepted by DOA.

4) If the request is intended to address a specific type of caseload, an explanation of why this type of caseload has a greater priority than other types.

The Adams district attorney will use the 0.2 FTE in a general prosecution capacity.

Attachments

cc: Stuart Morse, Director, State Prosecutors Office, DOAS
 Richard Wagner, Budget Analyst, DOAS
 Christopher Buslee, Rusk County District Attorney
 Mark Thibadeau, Adams County District Attorney

DA Office	2/23/00 FTE	FTE needed (including 3 DA 1/1/01 increases) before transfer	FTE needed (including 3 DA 1/1/01 increases) after transfer	DA Office	2/23/00 FTE	FTE needed (including 3 DA 1/1/01 increases) before transfer	FTE needed (including 3 DA 1/1/01 increases) after transfer
Adams	1.00	0.46	0.26	Marathon	7.00	3.38	3.38
Ashland	1.50	0.71	0.71	Marinette	2.50	0.38	0.38
Barron	3.00	-0.21	-0.21	Marquette	1.00	0.32	0.32
Bayfield	1.00	0.15	0.15	Milwaukee	116.00	7.85	7.85
Brown	12.00	2.07	2.07	Monroe	3.00	1.45	1.45
Buffalo	1.00	-0.21	-0.21	Oconto	1.50	0.24	0.24
Burnett	1.00	0.68	0.68	Oneida	2.00	1.29	1.29
Calumet	2.00	-0.19	-0.19	Outagamie	9.00	1.93	1.93
Chippewa	4.00	0.40	0.40	Ozaukee	3.00	0.86	0.86
Clark	2.00	0.11	0.11	Pepin	0.60	-0.08	-0.08
Columbia	3.00	1.99	1.99	Pierce	3.00	-1.51	-1.51
Crawford	1.00	-0.18	-0.18	Polk	2.00	0.52	0.52
Dane	34.00	0.87	0.87	Portage	4.00	-0.15	-0.15
Dodge	4.00	0.24	0.24	Price	1.00	0.02	0.02
Door	2.00	0.18	0.18	Racine	19.00	1.60	1.60
Douglas	3.50	0.36	0.36	Richland	1.75	-0.63	-0.63
Dunn	3.50	-0.14	-0.14	Rock	13.50	4.40	4.40
Eau Claire	8.00	2.60	2.60	Rusk	1.70	-0.60	-0.40
Florence	0.50	-0.08	-0.08	Saint Croix	6.00	-2.34	-2.34
Fond du Lac	5.00	1.26	1.26	Sauk	4.50	1.35	1.35
Forest	0.60	0.21	0.21	Sawyer	2.00	0.68	0.68
Grant	2.00	0.35	0.35	Shaw/Men	3.00	0.85	0.85
Green	2.00	0.20	0.20	Sheboygan	7.00	3.22	3.22
Green Lake	1.50	-0.25	-0.25	Taylor	1.00	0.20	0.20
Iowa	1.75	-0.43	-0.43	Trempealeau	1.60	0.04	0.04
Iron	1.00	-0.34	-0.34	Vernon	2.40	-1.23	-1.23
Jackson	2.00	-0.44	-0.44	Vilas	2.00	-0.71	-0.71
Jefferson	5.30	1.47	1.47	Walworth	5.00	-0.12	-0.12
Juneau	2.00	0.12	0.12	Washburn	1.00	0.57	0.57
Kenosha	12.00	2.48	2.48	Washington	5.00	0.92	0.92
Kewaunee	1.50	-0.33	-0.33	Waukesha	18.50	-1.56	-1.56
La Crosse	7.50	2.79	2.79	Waupaca	4.00	-0.30	-0.30
Lafayette	1.00	-0.38	-0.38	Waushara	1.50	-0.12	-0.12
Langlade	1.50	0.38	0.38	Winnebago	8.00	4.40	4.40
Lincoln	2.00	0.34	0.34	Wood	4.00	0.36	0.36
Manitowoc	4.00	2.47	2.47				

RUSK COUNTY DISTRICT ATTORNEY

311 EAST MINER AVENUE, SUITE L327
LADYSMITH, WI 54848 (715) 532-2159 * FAX (715) 532-2267

December 10, 1999

RECEIVED DOAS
99 DEC 13 PM 12:58

Mr. Stuart Morse
Director State Prosecutor's Office
Post Office Box 7869
Madison, Wisconsin 53707-7869

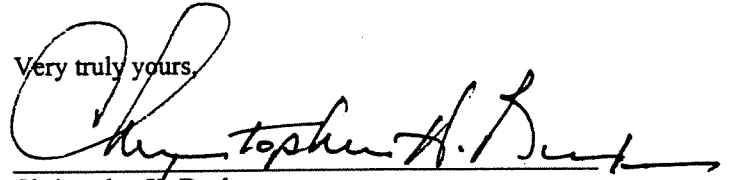
Dear Mr. Morse;

At the request of the Rusk County Board of Supervisors, through Resolution 99-03 adopted at its regular meeting on January 29, 1999, (a copy of which is attached), the Legislature changed Wisconsin Statute section 978.01(2)(b) to provide Rusk County with a full time District Attorney effective January 1, 2001. Governor Thompson signed the change. This legislation also added .2 FTE to Rusk County's District Attorney/Assistant District Attorney allotment thereby increasing it from 1.5 FTE to 1.7 FTE effective January 1, 2001 (Rusk County presently has a .8 FTE District Attorney and a .7 FTE Assistant District Attorney).

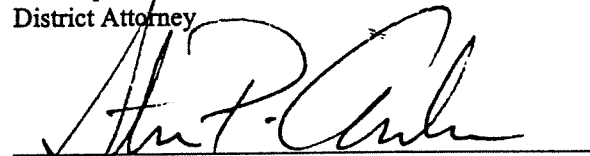
We respectfully request that the Legislature and the Joint Finance Committee, through its Wisconsin Statute section 13.10 procedure, reallocate the .2 FTE District Attorney/Assistant District Attorney position that was added so that the Rusk County total will remain at 1.5 FTE after January 1, 2001, with the District Attorney to be 1.0 and the Assistant District Attorney to be .5 FTE.

It is in everyone's best interest to have these changes made early in 2000 so that the facts will be known before prospective District Attorney candidates take out election papers for the fall 2000 election (June 2000).

Very truly yours,

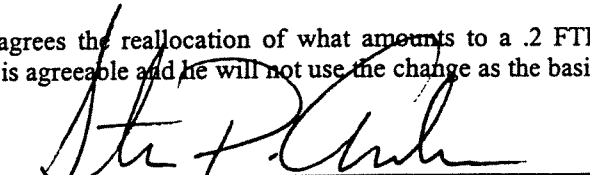


Christopher H. Buslee
District Attorney



Steven P. Anderson
Assistant District Attorney

Furthermore, Steven P. Anderson hereby agrees the reallocation of what amounts to a .2 FTE reduction in his Assistant District Attorney position is agreeable and he will not use the change as the basis for a union grievance against the State of Wisconsin.



Steven P. Anderson
Assistant District Attorney

RESOLUTION #99-03

REQUEST CHANGE IN WISCONSIN STATUTE 978.01(2)(b)

WHEREAS: Wis. Stats. 978.01(2)(b) requires that Rusk County's District Attorney serve on a part-time basis, and

WHEREAS: It is the opinion of the Rusk County Board of Supervisors that the taxpayers of Rusk County would benefit greatly from a full time District Attorney,

THEREFORE BE IT RESOLVED: That the Rusk County Board of Supervisors hereby respectfully requests that, at the earliest possible date, the Wisconsin Legislature enact and that Governor Thompson sign into law, legislation to remove "Rusk" County from section 978.01(2)(b) and that such change become effective when the winner of the fall election in the year 2000 for the office of Rusk County District Attorney takes office, that being the first Monday of January, 2001.

BE IT FURTHER RESOLVED: That the full time District Attorney position shall result in only a reallocation of DA/ADA time and that this is not a request for an increase in Rusk County's total DA/ADA FTE.

BE IT FURTHER RESOLVED: That the Rusk County Clerk is hereby directed to, as soon as practicable, send a copy of this resolution to State Representative Marty Reynolds, State Senator Russell Decker, and to Wisconsin Governor Tommy Thompson.

Legislative Committee:

Handwritten signatures of legislative committee members: Joseph A. Decker, Robert Tycewinski, Jerry Perusek, and Michael D. Hraban.

TO WHOM IT MAY CONCERN:

I, Melanie Meyer, County Clerk for Rusk County, Wisconsin, hereby certify that the foregoing is a true and correct copy of Resolution #99-03 adopted by the Rusk County Board of Supervisors on January 26, 1999.

Handwritten signature of Melanie Meyer, County Clerk for Rusk County, Wisconsin.

**SUPPORT OF .2 REDUCTION OF RUSK COUNTY'S
DISTRICT ATTORNEY/ ASSISTANT DISTRICT ATTORNEY
FTE ALLOCATION**

RECEIVED
JAN 19 1999

WHEREAS: At the request of the Rusk County Board of Supervisors, through resolution 99-03 (a copy of which is attached) adopted at its regular meeting on January 29, 1999, the Wisconsin Legislature did change Statute 978.01 (2)(b) to provide Rusk County with a full time District Attorney effective January 1, 2001 and Governor Thompson signed the change, and

WHEREAS: The legislation effecting the change also added .2 FTE to Rusk County's DA/ADA allotment thereby increasing it from 1.5 FTE (Rusk County presently has an .8 FTE DA and a .7 FTE ADA), to 1.7 FTE (1.0 FTE DA and a .7 FTE ADA) effective January 1, 2001, and

WHEREAS: It was and still is the opinion of the Rusk County Board of Supervisors that Rusk County would be better served by a full time District Attorney, and

WHEREAS: It was Rusk County's hope and our desire that the creation of the full time District Attorney position would result in a reallocation of .2 FTE ADA time to the DA position (the result being a 1.0 FTE DA and a .5 FTE ADA) thereby freeing up .2 FTE for Rusk County's Corporation Counsel (the ADA and the Corporation Counsel being the same person), and

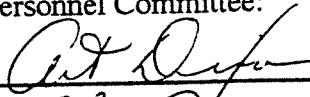
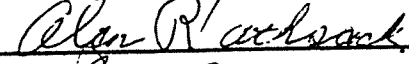


WHEREAS: Rusk County's District Attorney and Assistant District Attorney have agreed to the requested FTE reduction and signed letters to that effect (copies of which are attached).

THEREFORE BE IT RESOLVED: That the Rusk County Board of supervisors hereby respectfully requests that the Wisconsin Legislature through the Joint Finance Committee and its Wis. Stats. 13.10 process remove the .2 DA/ADA FTE allocation from Rusk County's 1.7 FTE total which was to have been effective January 2001 and bring it back to the present level of 1.5 FTE (1.0 DA and .5 ADA) and that this change be made at the earliest possible date.

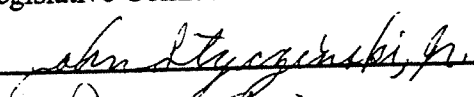
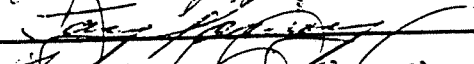

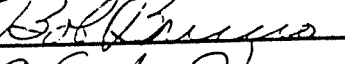
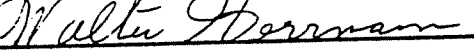
BE IT FURTHER RESOLVED: That if the Legislature makes the reduction in Rusk County's DA/ADA FTE to 1.5 as herein requested, the Rusk County Board of supervisors hereby agrees to the creation of a .5 FTE Corporation Counsel position effective 1 January 2001.

BE IT FURTHER RESOLVED: That the Rusk County Clerk is hereby directed to, as soon as possible, send a copy of this resolution along with copies of the two attachments indicated herein, to State Representative Marty Reynolds, State Senator Russell Decker, to the Director of the State Prosecutors Office Stuart Morse, and to Wisconsin Governor Tommy Thompson.

Personnel Committee:

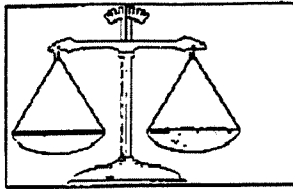
Legislative Committee:

TO WHOM IT MAY CONCERN:

I, Melanie Meyer, County Clerk for Rusk County, Wisconsin, hereby certify that the foregoing is a true and correct copy of Resolution #99-82 adopted by the Rusk County Board of Supervisors on December 28, 1999.


 Melanie Meyer, Rusk County Clerk



MARK D. THIBODEAU
ADAMS COUNTY DISTRICT ATTORNEY

P.O. Box 258 - Courthouse, Friendship, WI 53934
(608) 339-4217 FAX: (608) 339-6414

Janis K. Cada - Paralegal
Ursula E. Alarie - Legal Secretary/Receptionist
Pela Steiner - Victim/Witness Coordinator

February 24, 2000

Stuart Morse, Director
State Prosecutor's Office
Department of Administration
P.O. Box 7869
Madison, WI 53707-7869

Re: 0.2 FTE Position


Stuart:

I understand the WDAA Allocation Committee has recommended that the Adams County District Attorney's office receive a 0.2 FTE position. It is understood this position is the result of a reduction in Rusk County. It is further understood this recommendation will be submitted for consideration by the Joint Finance Committee at an upcoming s. 13.10 meeting.

Please be advised the Adams County District Attorney will accept this 0.2 position FTE position with great appreciation. The Adams County Board of Supervisors have been aware of the district attorney's requests for assistance over the past several state budget cycles and through recent courthouse renovations have recognized this need and provided additional space in the district attorney's office area. I look forward to the creation of the 0.2 FTE position effective January, 2001.

Respectfully yours,

ADAMS COUNTY DISTRICT ATTORNEY


Mark D. Thibodeau

MDT:uea

ADAMS COUNTY GOVERNMENT
P.O. Box 278
Friendship, WI 53934

August 27, 1998

RE: 1999-2001 State Budget
Requesting Part-time Assistant District Attorney

To Whom It May Concern:

We are aware of the caseload handled by our District Attorney's Office. We hereby advise that we believe there is a need for a part-time assistant district attorney position in Adams County, and therefore support the request for such position.

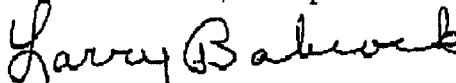
Thank you.

Respectfully yours,

ADAMS COUNTY FINANCE COMMITTEE



Marcella Hardin, Chairperson



Larry Babcock

Al Sebastiani



W D A A

E. MICHAEL McCANN, PRESIDENT
SAFETY BUILDING, ROOM 405
821 WEST STATE STREET
MILWAUKEE, WI 53233-1485

WISCONSIN DISTRICT ATTORNEYS ASSOCIATION

Vincent Biskupic, President-Elect
Diane Nicks, Secretary-Treasurer
Sandy A. Williams, 1st Vice President
David Wambach, 2nd Vice President
Scott Horne, 3rd Vice President
Paul E. Bucher, Past President
Elma E. Anderson

Patrick J. Kenney
Ruth Bachman
Steven E. Tinker
Mary E. Burke
Gloria Ben-Ami
Stuart Morse

February 23, 2000

Stuart Morse, Director
State Prosecutors Office
Wisconsin Dept. of Administration
P.O. Box 7869
Madison, WI 53707-7869

Dear Mr. Morse:

As President of the Wisconsin District Attorneys Association, I write to advise you that it is the recommendation of the WDAA that the 2/10 position be transferred from Rusk County to the Marquette County District Attorney's Office.

If you have any questions, please feel free to contact me.

Sincerely yours,



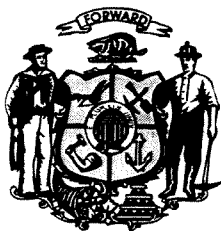
E. Michael McCann
District Attorney of Milwaukee County
President of the Executive Board of the
Wisconsin District Attorneys Association

EMM:ss

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



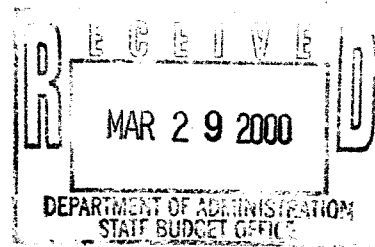
Division of Administrative Services
State Prosecutors Office
Post Office Box 7869
Madison, WI 53707-7869
Voice (608) 267-2700
Fax (608) 264-9500
TTY (608) 267-9629
stuart.morse@doa.state.wi.us

DATE: March 28, 2000

TO: Andrew Statz
State Budget Office

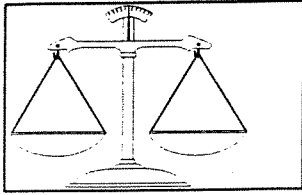
FROM: Stuart Morse, Director *S.M.*
State Prosecutors Office

SUBJECT: **13.10 REQUEST TO TRANSFER 0.2 ADA FTE**



Please add to your file on the above the attached information just received from the Adams County District Attorney.

Attachment



MARK D. THIBODEAU
ADAMS COUNTY DISTRICT ATTORNEY

P.O. Box 258 - Courthouse, Friendship, WI 53934
(608) 339-4217 FAX: (608) 339-6414

Janis K. Cada - Paralegal
Ursula E. Alarie - Legal Secretary/Receptionist
Pela Steiner - Victim/Witness Coordinator

March 24, 2000

Mr. Stuart Morse, Director
State Prosecutors Office
Department of Administration
P.O. Box 7869
Madison, WI 53707-7869

Re: Adams County 0.2 FTE Assistant District Attorney Position

Dear Stu:

Enclosed please find a copy of Resolution #10-2000 adopted by the Adams County Board of Supervisors at their March 21, 2000 meeting.

If you have any questions concerning this matter, please feel free to contact my office.

Respectfully yours,

ADAMS COUNTY DISTRICT ATTORNEY

A handwritten signature in black ink that reads "Mark".

Mark D. Thibodeau
District Attorney

MDT:jkc

RECEIVED DOAS
00 MAR 28 PM 2:05

Resolution No. 10-2000

INTRODUCED BY: George Kaldenberg.

INTENT & SYNOPSIS: To express support for State of Wisconsin position Assistant District Attorney in Adams County

FISCAL NOTE: None.

WHEREAS: It is understood that a recommendation has been made by the Wisconsin District Attorneys Association Allocation Committee to create a 0.2 FTE position in the Adams County District Attorney's office; and

WHEREAS: It is further understood this recommendation will be submitted to the Joint Finance Committee for consideration at an upcoming meeting; and

WHEREAS: The Adams County Board of Supervisors is aware of the need for assistance in the District Attorney's office and recognizes state court statistics indicate a 45.61% need as a percent of a full-time equivalent position as of December 20, 1999; and

WHEREAS: Recent courthouse renovations recognized this need and have provided additional space in the District Attorney's office area.

NOW, THEREFORE, BE IT RESOLVED BY THE ADAMS COUNTY BOARD OF SUPERVISORS: that said board recognizes an immediate need for assistance in the District Attorney's office and fully supports the creation of a state position, Assistant District Attorney, in Adams County.

Dated this 21st day of ~~April~~ ^{March}, 2000.

George Kaldenberg
Betty Akers
Shirley Johnson

Adopted X
Defeated by the Adams County Board of Supervisors this 21st

day of ~~April~~ ^{March}, 2000.

/s/ Beverly J. Ward
County Clerk

/s/ George Kaldenberg
County Board Chair

VI. Director of State Courts – Denis Moran, Director of State Courts

The Director of State Courts requests a supplement of \$16,000 GPR in fiscal year 1999-2000 and \$24,000 GPR in fiscal year 2000-2001 from the Committee's appropriation under s. 20.865(4)(a) to the Director of State Courts' general operations appropriation under s. 20.680(2)(a) to support the hiring of a consultant that will assist the Committee to Study and Report on Methods of Judicial Selection in preparing a report on methods of judicial selection.

Governor's Recommendation

Approve the request.

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
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: April 28, 2000

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration

Subject: Section 13.10 request from the Director of State Courts to Fund the Committee to Study and Report on Methods of Judicial Selection Created by 1999 Wisconsin Act 9, section 9146 (2f).

Request

The Director of State Courts requests a supplement of \$16,000 GPR in fiscal year 1999-2000 and \$24,000 GPR in fiscal year 2000-2001 from Committee's appropriation under s. 20.865(4)(a) to the Director of State Courts' general operations appropriation under s.20.680(2)(a) to support the hiring of a consultant that will assist the Committee to Study and Report on Methods of Judicial Selection in preparing a report on methods of judicial selection.

Background

The Committee on judicial selection was created by the Legislature (1999 Wisconsin Act 9, section 9146[2f]) to study judicial sub-districts and other methods of judicial selection. The purpose of the committee is to explore other selection methods that could increase the racial and ethnic diversity of the judges in the Wisconsin court system. The committee is required to submit a report of its findings to the Governor, the Supreme Court and the Legislature no later than December 31, 2000. Committee members are appointed by the Governor and the Chief Justice, these appointments have been made and the committee held its first meeting in Milwaukee on February 11, 2000.

Analysis

1999 Wisconsin Act 9 directs the Director of State Courts to provide staff services to the committee. However, no additional funds are provided for this purpose and current staff within the Director of State Courts does not have the expertise needed to assist the committee. The Director of State Courts does not have the funding to hire someone with the appropriate skills to assist the committee. As of March, the year

Members, Joint Committee on Finance
Page 2
April 28, 2000

end projection or expenditures appears to equal the Director of State Courts budget authority in s. 20.680(2)(a) of \$4,809,300.

The requested GPR funding would be used to hire a "research reporter". The reporter will conduct research and provide reports and other data to committee members concerning methods of judicial selection employed within the United States. In addition, the reporter will draft the report that will be submitted to the Governor, the Supreme Court and the Legislature. The reporter will need the ability to interact with the committee members and chairpersons. Therefore, a geographically accessible individual with practice experience in the Wisconsin courts, academic experience in the field of law and experience serving as a research reporter is needed. The person selected by the committee to serve as the reporter is Professor Charles D. Clausen of the Marquette University Law School faculty. Professor Clausen recently completed two years as a member and reporter for the Wisconsin's Commission on Judicial Elections and Ethics. He has also practiced law in Wisconsin for 25 years and has been a member of the Marquette law faculty for 22 years. It is estimated that the work will require approximately 500 hours of effort on the reporter's part. Payment will be made monthly, on a stipend, rather than hourly basis.

Therefore, the Director of State Courts requests a total of \$40,000 GPR funding over the biennium in order to hire Professor Clausen. The Director of State Courts notes that whenever possible current staff and resources would be used to help support the committee and Professor Clausen's efforts.

Recommendation

Approve the request.

Prepared by: Brett Coomber
266-8270

Memorandum



STATE OF WISCONSIN
DIRECTOR OF STATE COURTS

DATE: March 3, 2000

TO: The Honorable Brian Burke, Co-Chair
Joint Committee on Finance

The Honorable John Gard, Co-Chair
Joint Committee on Finance

FROM: J. Denis Moran, Director of State Courts *JDM*

SUBJECT: Request under s. 13.10 for \$16,000 GPR in 1999-2000 and \$24,000 GPR in 2000-2001 for appropriation 20.680 (2)(a), the Director of State Courts

REQUEST

Under the provisions of s. 13.10, Wis. Stats., the Director of State Courts requests \$16,000 GPR in 1999-2000 and \$24,000 GPR in 2000-2001 for appropriation 20.680 (2)(a), the Director of State Courts, to support the hiring of a consultant to help staff the Committee to Study and Report on Methods of Judicial Selection, as created by 1999 Wisconsin Act 9, section 9146 (2f).

STATUTORY CRITERIA FOR S. 13.10, WIS. STATS., REQUEST

This request is submitted under s. 13.101 (3)(a), under which the Joint Finance Committee may supplement the appropriation of any department, board, commission, or agency, which is insufficient because of unforeseen emergencies or insufficient to accomplish the purpose for which made. In this case, as covered under s. 13.101 (3)(a)(3), the purpose for which the supplement is being requested has been authorized under 1999 Wisconsin Act 9, section 9146 (2f), but no funds were provided to carry this provision into effect.

BACKGROUND

The Committee to Study and Report on Methods of Judicial Selection was created by the Legislature to study judicial sub-districts and other methods of judicial selection that would result in increased racial and ethnic diversity of the judges in the courts. The committee is required to submit a report of its findings to the Supreme Court, Governor and Legislature no later than December 31, 2000. According to 1999 Wisconsin Act 9, the members of the committee are to be appointed by the Governor and the Chief Justice (who is also to be a member of the committee). The committee chair is to be appointed by the Governor, and the Chief Judge of the first judicial administrative district (Judge Michael Skwierawski) is to be co-chair.

On December 8, 1999, the Governor announced his four appointees to the committee: Judge Maxine White (Milwaukee) as chair, Judge M. Joe Donald (Wauwatosa), Marquette Law Professor Frank De Guire and Atty. Jerry Boyle of Mequon. Chief Justice Shirley Abrahamson appointed Judge Angela Bartell (Madison), Judge Dennis Flynn (Racine) and Judge Stanley Miller (Milwaukee). Chief Justice Abrahamson determined that she would not serve because of the risk she would have to disqualify herself if issues relating to the committee's work came before the Supreme Court, and consequently, appointed Appeals Court Judge Neal Nettesheim to take her place on the committee. The committee held its first meeting in Milwaukee on February 11, 2000.

According to 1999 Wisconsin Act 9, members of the committee shall be reimbursed for actual and necessary expenses incurred in performing their duties as members of the committee from the appropriation under section 20.680 (1)(a) of the statutes. Since this is a sum sufficient appropriation, no request is being made for supplemental funding for these expenses. On the other hand, Act 9 also directs that the Director of State Courts provide staff services to the committee. However, no additional funds are provided for this purpose. Current staff within the Director of State Courts office do not have the appropriate background needed to staff this committee. In addition, the appropriation for the Director of State Courts office, 20.680 (2)(a), has not been increased (except for routine supplements) for the past decade. Consequently, there is no money available for reallocation to support the specialized staff services needed by this committee.

ANALYSIS

The committee, appointed by the Governor and Chief Justice, consists of prominent judges and attorneys from around the state. As with most legislatively mandated committees, committee members, due to other commitments, are unable to provide the research and drafting that will be necessary to fulfill the legislative mandate. The work requires a "research reporter" who is an experienced legal researcher and scholar able to devote several hundred hours to the effort, with most of the drafting effort to occur during the summer months. (The committee plans to have a preliminary draft report completed by September in order to meet the December 31 statutory deadline.)

The reporter will conduct research and provide reports and other data to the members of the committee concerning methods of judicial selection employed within the United States, the advantages and disadvantages associated with those methods, and demographic and historical data concerning Wisconsin population and judicial elections. In addition, the reporter will draft the report that is to be provided to the Legislature, Governor and the Supreme Court.

The reporter needs to be accessible by both the committee chair and co-chair, both of whom are Milwaukee County Circuit Court judges. Therefore, a geographically accessible individual with substantial practice experience in Wisconsin courts, with academic experience, and with experience in serving as a research reporter in study/reform committees is needed. The person selected by the committee to be the

reporter is Professor Charles D. Clausen of the Marquette University Law School faculty. Professor Clausen has practiced law in Wisconsin for 25 years and has been a member of the Marquette faculty for 22 years. He recently completed two years of service as member and reporter for the Supreme Court's Commission on Judicial Elections and Ethics. In the mid-1970's, he served as reporter to the Judicial Council/State Bar of Wisconsin Civil Rules Revision Committee. He recently authored The Long and Winding Road: Campaign Ethics Rules for Wisconsin Judges.

The Director of State Courts requests a total of \$40,000: \$16,000 in FY 1999-2000 and \$24,000 in FY 2000-2001, or \$4,000 per month for ten months. It is estimated that the work will require approximately 500 hours of effort on the reporter's part. The normal billing rate for a person in Professor Clausen's position is \$150-\$200 per hour, but Professor Clausen has agreed to perform the services for the committee at a rate that would be less than half his normal rate. Payment would be made monthly, on a stipend, rather than hourly basis.

As stated previously, funds are not available to pay Professor Clausen for his services from the Director of State Courts' budget, nor are any staff members qualified to perform the functions outlined above. It should also be noted that wherever possible, current staff, resources and in-kind services would be used to help support the committee's efforts.

SUMMARY

The Director of State Courts requests \$16,000 GPR in 1999-2000 and \$24,000 GPR in 2000-2001 for appropriation 20.680 (2)(a), the Director of State Courts, to support the hiring of a consultant to help staff the Committee to Study and Report on Methods of Judicial Selection, as created by 1999 Wisconsin Act 9, section 9146 (2f). While Act 9 created the committee, it did not provide any funds to help staff it.

The Director's office will be represented by J. Denis Moran, the Director of State Courts, Judge Maxine White, chair of the committee and Chief Judge Michael Skwierawski, co-chair of the committee will be available to answer questions.

VII. Department of Corrections – Jerry E. Smith, Chairperson, Parole Commission

The department requests a supplement of \$30,000 GPR from the Committee's appropriation under s. 20.865(4)(a) to the Parole Commission's general program operations appropriation under s. 20.410(2)(a) for fiscal year 1999-2000 to fund increased Commission workload costs associated with the growth in prison populations and the increased number of facilities housing these inmates.

Governor's Recommendation

Approve the request.

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
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: April 28, 2000

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration

George Lightbourn

Subject: Section 13.10 Request from the Department of Corrections for Supplies and Services Funding.

Request

The department requests a supplement of \$30,000 GPR from the Committee's appropriation under s. 20.865(4)(a) to the Parole Commission's general program operations appropriation under s. 20.410(2)(a) for fiscal year 1999-2000 to fund increased Commission workload costs associated with the growth in prison populations and the increased number of facilities housing these inmates.

Background

In October 1999, Parole Commissioner Fred Melendez announced his retirement from the Parole Commission effective January 31, 2000 and opted for a sabbatical buy-out in the amount of \$30,918.00. Given the timing of Mr. Melendez's retirement, it was not possible for the Parole Commission (Commission) to anticipate this expense and budget accordingly.

In order to fund this sabbatical buy-out the department moved \$30,918 from the Commission's supplies and services appropriation line to the Commission's permanent salaries appropriation line. The department also transferred \$30,918 of Commission supplies and services expenditures to its own appropriation, in effect paying for that amount of Commission expenditures. The department considers these transactions an offset that paid for Mr. Melendez's sabbatical buy-out. Based on projections of Commission salary and supplies expenditures, the department predicts a \$30,000 deficit for fiscal year 1999-2000 in the Commission's budget.

Analysis

1999 Wisconsin Act 9 provided the Commission with \$727,800 in budget authority. According to the State Controller's Office, including the authorization forwarded from

the last biennium, the Commission was provided with the following budget authority in fiscal year 1999-2000:

Permanent/Project Salaries	\$457,322.00
LTE/Misc. Salaries (Authorized Forward)	\$ 378.00
Fringe Benefits	\$172,700.00
Supplies & Services	\$ 97,400.00
Supplies & Services (Authorized Forward)	\$ 9,792.00
Total	\$737,592.00

The Commission's projected expenditures exceed its budget authorization by \$43,027.38:

	Ch. 20	Budget Authorization (4/17/00)	Expended YTD (4/17/00)	FY00 Projected Total Expenditures Based on First 9 Months	Budget Auth. Minus 12 Month Projection
Salary	\$457,700.00	\$463,640.00	\$372,506.00	\$490,308.00	(\$26,668.00)
LTE	-	\$12,378.00	\$6,852.76	\$20,762.00	(\$8,384.00)
Fringe	\$172,700.00	\$185,300.00	\$134,256.53	\$163,275.38	\$22,024.62
Supplies/Services	\$97,400.00	\$76,274.00	\$70,562.41	\$108,874.00	(\$30,000.00) ¹
Total	\$727,800.00	\$737,592.00²	\$584,177.70	\$783,219.38	(\$43,027.38)

The Commission's budget contains an additional \$45,000 in salary and fringes in the department's budget under s. 20.410(1)(a) rather than in the Commission's budget under s. 20.410(2)(a). The department plans to use funds from s. 20.410(1)(a) to cover the projected deficits for salary and LTE expenditures. The department is requesting that the \$30,000 supplies and services deficit be funded from the Committee's supplemental appropriation.

According to the Commission, it processes an average of 1,600 to 1,700 parole cases each month and has a backlog of about 700 parole interviews. An increasing number of these parole interviews are with out-of-state inmates, which requires travel or long-distance telephone contacts by the Commission. Further, as a result of its caseload pressures, the Commission found it necessary to upgrade its information technology capabilities. Because parole interviews usually take place at institutions where Commissioners do not have access to computer and Internet facilities, Commissioners must carry laptop computers and printers to the various institutions. The Commission has had to purchase laptop computers, printers and fax machines. State information

¹ The total for supplies and services is \$32,600 if \$2,600 in state-owned rent supplement is included. For purposes of this analysis \$2,600 is excluded, producing a \$30,000 deficit in the Commission's supplies and services line.

² This sum includes \$9,792.00 in funds authorized forward.

Members, Joint Committee on Finance
Page 3
April 28, 2000

technology charge-backs and expenses for forms from the Bureau of Technology Management through April 1, 2000, cost the Commission \$10,587.95. Other expenditures include \$4,488.08 to Badger State Industries for workstation furniture, purchase card expenditures for travel totaling \$3,575.45, and procurement card expenditures for office supplies totaling \$8,452.05.

The prison population has tripled over the last decade complicating the Commission's statutory obligation to conduct parole hearings on a timely basis. To improve its ability to conduct parole interviews, the Commission has purchased new equipment and increased its travel expenditures. The Commission now faces a \$30,000 deficit in supplies and services funding for fiscal year 1999-2000.

Recommendation

Approve the request.

Prepared by: Chris Wolle
266-2213

Tommy G. Thompson
Governor

Jon E. Litscher
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

March 6, 2000

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

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

Dear Senator Burke and Representative Gard:

The Department of Corrections requests approval of the Joint Committee on Finance under s. 13.10 to transfer \$30,000 from the appropriation under s. 20.865(4)(a) to the appropriation under s. 20.410(2)(a) in FY00 on behalf of the Parole Commission for supplies and services costs associated with the growth in prison populations and the increase in the number of facilities housing these inmates.

Background:

The Parole Commission is projected to expend all supplies and services funds for the current fiscal year during the first week of April. This s. 13.10 requests additional funding to provide the Parole Commission sufficient funding to continue to operate for the remainder of the fiscal year.

Analysis:

The Parole Commission will expend all supplies and service funds for FY00 within the next month. This s. 13.10 requests \$30,000 to allow the Commission to continue its normal operations such as travel expenses and operating supplies during FY00.

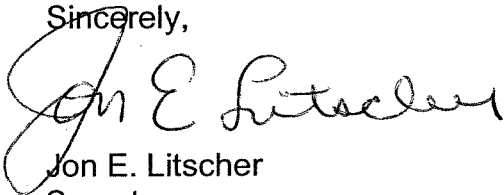
The increased resources required are directly related to the large increase in the prison population and the addition of several facilities housing inmates in recent years. These increases have resulted in an increase in the number of parole hearings needed, additional travel time and associated expenses (including out-of-state locations); and increased correspondence to and from victims, inmate family members, attorneys, public officials and the general public.

Summary:

In summary, the Department of Corrections, on behalf of the Parole Commission, is requesting \$30,000 for travel and general supplies in FY00.

Jerry Smith, the Chairperson of the Parole Commission, will appear before the Committee on this request.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jon E. Litscher". The signature is written in dark ink and is positioned above the typed name.

Jon E. Litscher
Secretary

VIII. Department of Revenue – Cate Zeuske, Secretary

The department requests a supplement of \$155,600 GPR in fiscal year 1999-2000 and \$338,100 GPR in fiscal year 2000-01 from the unreserved portion of the Committee's appropriation under s. 20.865(4)(a) and authorization of 2.5 FTE GPR permanent positions beginning in fiscal year 2000-01 for the department's general program operations appropriation under s. 20.566(1)(a) for development of a cigarette excise tax tracking system.

Governor's Recommendation

Deny the first year funding. Approve the second year funding and positions, but release the funds from the \$5,701,000 GPR of the Committee's appropriation reserved for the department's integrated tax system. Direct the Department of Revenue to coordinate development of both the integrated tax and cigarette excise tax systems within this reserved funding.

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
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: April 28, 2000

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Revenue for a cigarette excise tax tracking system.

Request

The department requests a supplement of \$155,600 GPR in fiscal year 1999-2000 and \$338,100 GPR in fiscal year 2000-01 from the unreserved portion of the Committee's appropriation under s. 20.865(4)(a) and authorization of 2.5 FTE GPR permanent positions beginning in fiscal year 2000-01 for the department's general program operations appropriation under s. 20.566(1)(a) for development of a cigarette excise tax tracking system.

Background

Under the Master Settlement Agreement (MSA) between the states and tobacco companies, states are to enact a "qualifying statute" intended to protect tobacco companies that are participants in the settlement from losing market share to manufacturers that are not part of the agreement. Specifically, the "qualifying statute" would require non-participating manufacturers to make deposits to escrow accounts based on the number of cigarettes sold in each state that is part of the agreement. Failure of a state to enact and administer the escrow payment provision would endanger the state's tobacco settlement payments under the agreement.

To safeguard Wisconsin's payments, the Legislature has passed, and the Governor is expected to sign, 1999 Wisconsin SB122. SB122 requires the department to promulgate administrative rules necessary to ascertain the amount of Wisconsin excise tax paid on the cigarettes made by each tobacco product manufacturer. This information will be used, as specified in the MSA, to determine any changes in the market share of participating manufactures and calculate the amount that each non-participating manufacture must place in escrow.

Analysis

To enforce the requirements of SB122, the department must collect detailed data on cigarette sales by manufacturer and brand. The department does not currently collect this information. To create a process for the capture and application of this data, the department is requesting funding and positions to develop a cigarette excise tax tracking system. The request will ensure that Wisconsin receives all of the funds it is entitled to under the tobacco agreement.

To develop this system, the department intends to contract with a vendor to develop the system over a two-year period. The estimated \$1,078,500 cost of this contract will be stretched over a seven-year period through master lease. The cost of this master lease will be an estimated \$154,200 in 1999-2000 and \$162,500 in 2000-01. The system will be constructed as a LAN-base DB/2 database. The requested cigarette excise tax system will handle the entire range of processes needed for administration of the SB122 requirements. The system will provide audit trails, taxpayer profiles, audit referrals, data queries and reports. To provide ongoing application, data, network and business support to this new system, the department is requesting 1.5 FTE permanent positions beginning in 2000-01.

To allow the data tracked by the new system to be effectively utilized, the department is requesting a 1.0 FTE permanent auditor position in 2000-01. This position will audit system reports, investigate transaction discrepancies and verify all adjustments.

The request is modest compared to the funding stream it supports. The department's request is approximately 0.27% of the \$124.8 million of tobacco settlement money Wisconsin is expected to receive in 2000-01.

Detail of the agency's request:

	<u>1999-2000</u>	<u>2000-01</u>
Salaries & Fringe	0	\$131,200
Contract Programming (master lease)	\$154,200	\$162,500
LAN Server & PCs (master lease)	\$1,400	\$31,100
Furniture (one-time financing)	0	\$10,000
Infotech, phone service & office supplies	0	\$3,300
	<u>\$155,600</u>	<u>\$338,100</u>

While this request is for funding from the unreserved portion of the Committee's appropriation, the reserved amounts under the Committee's appropriation include \$5,701,000 GPR for the development of an integrated tax system. The integrated tax system will provide the department with an extensive redevelopment of its tax processing systems. In lieu of allocating a portion of the Committee's unreserved funds, the department could be directed to utilize the \$5,701,000 GPR on reserve for the development of both the integrated tax and cigarette excise tax systems.

Members, Joint Committee on Finance
Page 3
April 28, 2000

Moreover, since no more master lease payments will be required for the remainder of the current fiscal year, the 1999-2000 request may be denied.

Recommendation

Deny the first year funding. Approve the second year funding and positions, but release the funds from the \$5,701,000 GPR of the Committee's appropriation reserved for the department's integrated tax system. Direct the Department of Revenue to coordinate development of both the integrated tax and cigarette excise tax systems within this reserved funding.

Prepared by: Paul Ziegler
266-5468


State of Wisconsin • DEPARTMENT OF REVENUE

125 SOUTH WEBSTER STREET • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933 • 608-266-6466 • FAX 608-266-5718

Tommy G. Thompson
Governor

Cate S. Zeuske
Secretary of Revenue

March 3, 2000

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Members, Joint Committee on Finance
115 South Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

Summary of Request

The Department of Revenue requests a supplement of \$155,600 in FY00 and \$338,100 and 2.5 FTE permanent positions for the appropriation under s. 20.566 (1)(a) in FY01 from the committee's appropriation under s. 20.865(4)(a) to provide funding for a cigarette excise tax tracking system as required under SB 122, which implements an agreement between the State of Wisconsin and tobacco product manufacturers. The department would not need these resources if SB 122 is not enacted.

Background of Request

To protect state revenues received as a result of the "Master Settlement Agreement" (MSA) between the states and the tobacco companies, Wisconsin needs to enact legislation requiring all tobacco product manufacturers who were not part of the original settlement (non-participating manufacturers, or NPMs) to place money into an escrow account based on the number of cigarettes sold each year. If enacted, SB 122 would require such escrow. If Wisconsin fails to enact and diligently enforce this legislation (believed to create a "level playing field" between NPMs and participating manufacturers), the state faces a potential reduction in its tobacco settlement payment.

SB 122, would require the Department of Revenue to "promulgate the regulations necessary to ascertain the amount of Wisconsin excise tax paid on the cigarettes of each tobacco product manufacturer for each year." This information could potentially be needed by the Department of Justice to bring a civil action on behalf of the state against any tobacco product manufacturer that it believes has failed to place the required funds into escrow. While the Department of Revenue currently tracks excise taxes collected, SB 122, in concert with the Master Settlement Agreement, will require obtaining more detailed information than the

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department currently collects. The department's regulations will require cigarette distributors to report the number of cigarettes that are stamped for sale in Wisconsin by manufacturer. Further, because some manufacturers sell many different brands of cigarettes, some of which are covered under the MSA and some that are not covered, the department will need to track both participating manufacturer and NPM sales by brand of cigarette. Detailed information by brand is not currently maintained by DOR.

Resources Required

Implementation of a new tracking system would impose an impossibly large burden on the current cigarette tax processes and staff. Instead, the department proposes to develop and maintain a more complex enforcement computer system specifically to store and report cigarette tax information by brand. Collecting this level of detailed information would allow Wisconsin to comply with requirements to track NPM-cigarette sales. This system would be coupled with an electronic filing process to simplify entry of the data by the department and allow distributors to tie department reporting requirements directly with their own systems which already capture brand data. This approach is consistent with the department direction to expand usage of automated systems to promote efficiencies and improve services to taxpayers.

The department proposes to contract with a vendor to develop the system over a 2-year period at an estimated cost of \$1,078,500. In an effort to minimize this cost in any one fiscal year, the department proposes to fund these system costs using a master lease over a seven-year period beginning in FY00.

As previously stated, to meet the requirements of the settlement agreement, the new computer system will have to track much more information than is collected now for cigarette tax. The system is expected to store data for an estimated 750,000 cigarette transactions collected over a four-year period. A LAN-base DB/2 database should handle the volume adequately, but a new LAN server must be acquired. The system will also require 1.5 FTE ongoing permanent positions to provide applications, data, network, and business support starting in FY01.

The system will need to be fully functional for handling all phases of cigarette tax processing. In addition to basic processes for computation, cross-checking, adjustment, and file maintenance, the system will incorporate:

- Audit trails of actions performed by system users.
- Taxpayer profiles.
- Audit referrals.
- Auditor data queries and ad-hoc report generation.
- Remote access through the Internet, with appropriate security controls.
- Statistical reports.

The department's excise tracking system program will require the use of the system-generated information by 1.0 FTE ongoing permanent auditor position starting in FY01. The position will audit reports to ensure that the department is collecting the required detailed cigarette brand sales information in the event that the Department of Justice brings legal action against any tobacco product manufacturer. This position will also investigate cigarette transaction discrepancies and verify adjustments generated by the cigarette tax system. Finally, the position will communicate with multiple parties, including state and federal agencies and manufacturers to resolve discrepancies and provide assistance regarding cigarette and tobacco product tax law.

The following table shows a breakdown of the estimated administrative costs during FY2000 and FY2001. An attached table provides greater fiscal detail, including estimated costs during future fiscal years.

Estimated costs of Development and Support of Cigarette Tracking System

Expenses	FY 2000	FY 2001
Salaries	0	\$95,000
Fringe Benefits	0	\$36,200
Contract Programming (master lease payments)	\$154,200	\$162,500
Server/4PCs (master lease)	\$ 1,400	\$ 31,100
Furniture	0	\$ 10,000
DOA Infotech Charges, Telephone Service, Office Supplies	0	\$ 3,300
TOTAL	\$155,600	\$338,100

How Request Meets Statutory Criteria

Section 13.101(3), Stats., provides that an agency may request the Joint Committee on Finance to supplement agency appropriations that are insufficient to accomplish the purpose for which they were established. 1999 Senate Bill 122 does not provide funding for the enforcement program assigned to the Department of Revenue. If SB 122 is enacted, the department will not have funding in its appropriation to implement the detailed excise tax tracking system necessary to meet the requirements of SB 122 and the Master Settlement Agreement. If Wisconsin fails to "diligently enforce" the Master Settlement Agreement and SB 122, the state could face a potential reduction in its tobacco settlement payments. Therefore, ongoing funding is needed for this critical program.

Sincerely,



Cate S. Zeuske
Secretary of Revenue

Estimated Costs of Development and Support of Cigarette Enforcement Program - Version 2.1

3/3/00

COST ITEM	NO. OF UNITS	UNIT COST	FY00 COST	FY01 COST	FY02 COST	FY03 COST	FY04 COST	FY05 COST	FY06 COST	FY07 COST	FY08 COST
Permanent Salaries											
Maintain Computer Systems											
IS Comp. Spec. (9 mo.)	1.00 FTE	\$22,848	\$0								
IS Comp. Spec.	1.00 FTE	\$23,419		\$48,712	\$48,712	\$48,712	\$48,712	\$48,712	\$48,712	\$48,712	\$48,712
Rev. Tax Spec. 2 (9 mo.)	0.50 FTE	\$17,718	0								
Rev. Tax Spec. 2	0.50 FTE	\$18,161		18,887	18,887	18,887	18,887	18,887	18,887	18,887	18,887
Audit Taxpayer Reports											
Rev. Auditor 1 (3 mo.)	1.00 FTE	\$12,920	0								
Rev. Auditor 1	1.00 FTE	\$13,178		27,410	27,410	27,410	27,410	27,410	27,410	27,410	27,410
Total Permanent Salaries			\$0	\$95,009	\$95,009	\$95,009	\$95,009	\$95,009	\$95,009	\$95,009	\$95,009
Fringe Benefits @ 38.11%			\$0	\$36,208	\$36,208	\$36,208	\$36,208	\$36,208	\$36,208	\$36,208	\$36,208
Supporting Expenses											
Contract Programming (20% reduction)		\$1,078,520									
Masterlease allocations - 7 years			\$154,186	\$162,529	\$147,162	\$155,826	\$155,826	\$155,826	\$155,826	\$131,518	\$61,112
Furniture / tel.	4.0	\$2,500		10,000							
PC/Network install.	4.0	\$3,000									
Server & 4 PC's Masterleased		\$72,000	1,400	31,100	31,100	15,500	1,400	31,100	31,100	15,500	1,400
InfoTech Charges				2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Telephone service	2.5	\$400	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Office supplies	2.5	\$100	0	250	250	250	250	250	250	250	250
Total Supporting Expenses			\$155,586	\$206,879	\$181,512	\$174,576	\$160,476	\$190,176	\$190,176	\$150,268	\$65,762
Total Costs			\$155,586	\$338,096	\$312,729	\$305,793	\$291,693	\$321,393	\$321,393	\$281,485	\$196,979

\$493,682

ASSUMPTIONS:

1. SB 122 passes in early 2000.
2. Vendor contract signed with 20% price reduction
3. Contractor starts April 2000.
4. Contractor develops initial CIG needs assessment by May 2000.
5. DOR approves needs assessment in May/June 2000.
6. System design/development starts in May/June 2000 and last for about 2 years.

ACTIONS:

1. 2.5 FTE permanent positions funded in FY01.
2. Server and PC's purchased with 3 year warranty eliminating server maintenance costs.
3. Vendor contract estimated at \$1,078,500 masterleased for 7 years (maximum) for a total cost of \$1,279,800.
4. Server and PC's masterleased for 3 years. Funding will remain in the base for 3 year replacement schedule.

IX. Department of Revenue – Cate Zeuske, Secretary

The department requests two supplements within the lottery fund in fiscal year 2000-01 from the Committee's appropriation under s. 20.865(4)(u) in order to provide funding for the Wisconsin Lottery's operation and credit administration, as follows:

1. \$21,095,800 SEG to the lottery general program operations appropriation under s. 20.566(8)(q); and
2. \$33,500 SEG to the lottery credit administration appropriation under s. 20.566(2)(r).

In addition, the department requests for fiscal year 2000-01:

3. Conversion of 110.5 FTE GPR positions from s. 20.566(8)(a) to SEG positions under appropriation s. 20.566(8)(q); and
4. Elimination of 3.0 FTE GPR positions from the appropriation under s. 20.566(2)(am) since 3.00 FTE SEG positions are already authorized in the appropriation under s. 20.566(2)(r).

Governor's Recommendation

Approve the request.

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



IX
Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
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TTY (608) 267-9629

Date: April 28, 2000

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration

A handwritten signature in black ink, appearing to read "George Lightbourn".

Subject: Section 13.10 Request from the Department of Revenue for Lottery Credit Administration and Operations Funding and Positions.

Request

The department requests two supplements within the lottery fund in fiscal year 2000-01 from the Committee's appropriation under s. 20.865(4)(u) in order to provide funding for the Wisconsin Lottery's operation and credit administration, as follows:

1. \$21,095,800 SEG to the lottery general program operations appropriation under s. 20.566(8)(q); and
2. \$33,500 SEG to the lottery credit administration appropriation under s. 20.566(2)(r).

In addition, the department requests for fiscal year 2000-01:

3. Conversion of 110.5 FTE GPR positions from s. 20.566(8)(a) to SEG positions under appropriation s. 20.566(8)(q); and
4. Elimination of 3.0 FTE GPR positions from the appropriation under s. 20.566(2)(am) since 3.00 FTE SEG positions are already authorized in the appropriation under s. 20.566(2)(r).

Background

1999 Wisconsin Act 9 shifted the 1999-2001 lottery operations and lottery and gaming credit administration costs from SEG to GPR appropriations. The Governor partially vetoed these provisions to reverse the fiscal year 2000-01 shift. Therefore these costs are shifted to the general fund only in fiscal year 1999-2000 and return to the lottery fund in fiscal year 2000-01.

The partial veto eliminated the fiscal year 2000-01 GPR funding for these programs, but could not restore funding to the current SEG appropriations. The Governor indicated in this veto that the required restoration of this SEG authority would be achieved through separate legislation or action under s. 13.10 of the statutes.

The department now requests the restoration of this fiscal year 2000-01 SEG funding. The department also requests that this restoration be made permanent and reflected in the adjusted base of these appropriations for the 2001-03 budget.

Analysis

This request is essential to permit lottery operations and administration of the lottery credit in fiscal year 2000-01. These activities were completely converted from SEG to GPR funding in 1999 Wisconsin Act 9. The Governor's veto of the fiscal year 2000-01 GPR expenditure authority requires this separate consideration of SEG funding for these activities. The Governor's 1999 Wisconsin Act 9 veto message anticipated this need to reconsider SEG funding for lottery operations and lottery credit administration:

"...expenditure authority from lottery receipts may be restored for fiscal year 2000-2001 for the purpose of lottery general program operations [and for lottery and gaming credit administration] through separate legislation or action under s. 13.10 of the statutes."

For each appropriation, the requested SEG funding equals exactly the GPR amount that was vetoed by the Governor in 1999 Wisconsin Act 9. Because the Governor's veto did not remove the associated 110.5 FTE GPR positions in that GPR lottery general program operations appropriation these positions should be deleted and recreated as SEG positions.

Similarly, although the fiscal year 2000-01 funding in s. 20.566(2)(am) was deleted by the Governor's veto, the 3.0 GPR FTE were not. This request brings consistency to that appropriation. Note that while the department is requesting the restoration of SEG funds for lottery credit administration, the associated 3.0 FTE SEG positions are not requested because the department received these positions in a September 1999 s. 13.10 action.

Recommendation

Approve the request.



State of Wisconsin • DEPARTMENT OF REVENUE

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IX

Tommy G. Thompson
Governor

Cate S. Zeuske
Secretary of Revenue

March 23, 2000

The Honorable Brian Burke, Co-Chair
The Honorable John Gard, Co-Chair
Members, Joint Committee on Finance
115 South Capitol
Madison, WI 53702

Dear Senator Burke and Representative Gard:

Amended Request

This amended request replaces the original request submitted on March 3, 2000.

Summary of Request

The Department of Revenue requests a supplement of \$21,095,800 to the appropriation under s. 20.566(8)(q) and a supplement of \$33,500 to the appropriation under s. 20.566(2)(r) in FY2000-01 from the committee's appropriation under s. 20.865(4)(u). The source of the requested funding is the lottery fund. In addition, the department requests conversion of 110.5 FTE GPR positions from s. 20.566(8)(a) to SEG positions under the appropriation under s. 20.566(8)(q) in FY2000-01. The department also requests the elimination of 3.0 FTE GPR positions from the appropriation under s. 20.566(2)(am) in FY2000-01 since 3.00 FTE SEG positions are already authorized in the appropriation under s. 20.566(2)(r). These changes provide funding to continue the Wisconsin Lottery's operation in fiscal year 2000-01 and in the future.

Background of Request

1999 Wisconsin Act 9 contained provisions that shifted to the general fund for the 1999-01 biennium the current lottery fund expenses for lottery general program operations and the lottery and gaming credit administration costs of the Department of Revenue, and gaming law enforcement costs of the Department of Justice.

In the Governor's veto message (point 41), he indicated that he was partially vetoing these provisions because of legal, fiscal, policy and practical concerns, the explanations of which are presented in the veto message. Under the partial veto, the costs are shifted to the general fund only for the first year of the biennium, fiscal year 1999-2000, and return to the lottery fund for fiscal year 2000-01.

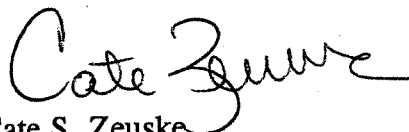
The partial veto removed funding in fiscal year 2000-01 from the newly created general fund appropriations, but could not provide funding in the corresponding lottery fund appropriations which remain active for the 1999-01 biennium. In the veto message, the Governor indicates that expenditure authority from lottery receipts may be restored for fiscal year 2000-01 through separate legislation or action under s. 13.10 of the statutes.

The Department of Revenue is seeking restoration of fiscal year 2000-01 funding in the exact amounts that were removed from the newly created general fund appropriations. The restoration is being requested of the Joint Committee on Finance under the authority provided in s. 13.10(3) of the statutes. The restoration is intended to be a permanent shift of funding back to the lottery fund as segregated revenue funding for the indicated appropriations.

How Request Meets Statutory Criteria

Section 13.101(3), Stats., provides that an agency may request the Joint Committee on Finance to supplement agency appropriations that are insufficient to accomplish the purpose for which they were established. The intent of the Governor's veto of GPR funding for Wisconsin Lottery operations in FY2000-01 was to shift funding to segregated revenue from the lottery fund in that year and into the future. This request provides sufficient segregated funding in FY2000-01 for the identified existing appropriations to accomplish the purpose of the Wisconsin Lottery.

Sincerely,



Cate S. Zeuske
Secretary of Revenue

X. Department of Workforce Development – Orlando Canto, Deputy Secretary

The department requests the release of \$2,000,000 GPR in fiscal year 1999-2000 from the reserved portion of the Committee's supplemental appropriation under s. 20.865(4)(a) to the general program operations appropriation under s. 20.445(3)(a) for the operation of the Kids Information Data Systems (KIDS) computer system.

Governor's Recommendation

Approve the request.

X

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

TOMMY G. THOMPSON
GOVERNOR

GEORGE LIGHTBOURN
SECRETARY



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Date: April 28, 2000

To: Members, Joint Committee on Finance

From: George Lightbourn, Secretary
Department of Administration

Subject: Section 13.10 Request from the Department of Workforce Development for the KIDS computer system.

Request

The department requests the release of \$2,000,000 GPR in fiscal year 1999-2000 from the reserved portion of the Committee's supplemental appropriation under s. 20.865(4)(a) to the general program operations appropriation under s. 20.445(3)(a) for the operation of the Kids Information Data Systems (KIDS) computer system.

Background

The Bureau of Child Support (BCS) is part of the Division of Economic Support at the department, and is responsible for administering the statewide child support enforcement system. An important tool for enforcement is the KIDS computer system which maintains records of all child support cases in Wisconsin. The system tracks amounts of child support owed in each case, calculates interest charges on arrearages or "back child support," generates notices and legal documents for cases, and interfaces with other state computer systems to locate delinquent payers.

BCS is also responsible for the state's Centralized Receipt and Disbursement (CR&D) system. In the past, county clerks of court were responsible for administering the receipt and disbursement of child support payments. The federal Personal Responsibility Work Opportunities and Reconciliation Act of 1996 (PRWORA), required states to implement a centralized system for this process, and Wisconsin's system was operational statewide January 1, 1999.

PRWORA has also required all states to implement additional child support enforcement tools such as financial account seizure, new hire reporting, paternity establishment and tax intercept programs. Federal legislation requires all of these programs be in place by October 1, 2000, and BCS is scheduled to implement 13 such projects within the next six months.

The 1999-2001 biennial budget included \$45,869,300 (\$8,035,400 GPR, \$21,133,900 FED and \$16,700,000 PR) for the KIDS budget. . The KIDS budget supports several activities including staff in the department's Bureau of Information Technology Systems, contracts with IBM for the KIDS system, CR&D and other projects required by the federal PRWORA legislation, mainframe costs with the Department of Administration's Division of Information Technology (Infotech) and other division-wide costs. There are two main sources of program revenue: interest earned on child support payments during their processing, and a \$25 centralized receipt and disbursement (R&D) fee charged annually to every child support payer in the KIDS system

Analysis

The department is currently projecting a deficit of over \$3 million GPR in its KIDS budget. This deficit is due to two problems: first, revenues are less than budget projections, and second, costs have been higher than in previous fiscal years.

Revenue

In the 1997-98 fiscal year, when counties were still responsible for administering the system, 165,500 R&D payments, or \$2.96 million, were collected on a caseload of roughly 320,000. In fiscal year 1998-1999, \$4.13 million in R&D fees were collected. Counties collected \$2.2 million in the first half of the fiscal year, and the department collected the remaining \$1.9 million by the end of the fiscal year.

The department's initial budget request projected the collection of \$4.8 million in R&D fees in fiscal year 1999-2000, an increase of 16%. At \$25 per R&D fee, this projection assumed the department would collect approximately 192,000 R&D payments out of a projected caseload of 355,000 cases.

The Committee increased the R&D revenue estimate by \$3 million to a total of \$7.8 million, an increase of 88% compared to the 1998-99 fiscal year. This figure assumed the department could collect 260,000 R&D payments, or \$6.5 million, plus collect an additional \$1.3 million in unpaid county fees. In increasing the revenue projections, the Committee subsequently decreased other department funding by \$3,000,000 (\$1,980,000 FED and \$1,020,000 GPR).

The department has taken several new steps to increase their collection of R&D fees. In January the department notifies any noncustodial parent owing support of the fee due, prompting higher payment rates. This April, the department also mailed notices to 46,000 employers instructing them to deduct the R&D fee from the paychecks of the approximately 120,000 payers still owing at least \$25 in R&D fees. According to the department, there are 347,954 cases currently in the KIDS system, and as of the end of March of the current fiscal year, the department collected 143,200 payments,

or \$3,580,000. The department projects that the April income withholding notice will result in collections of an additional \$1.1 million by the end of June.

Despite these efforts, the department projects that it will fall short of the \$7.8 million budget. There are several reasons why the department will not collect as much R&D revenue as assumed in the biennial budget. First, while the April income withholding notice could potentially bring in up to \$3 million, the department has argued that it will not be able to collect the full amount because not all employers will comply with the notices and the department lacks the resources to enforce these notices in local courts. Moreover, the Consumer Credit Protection Act limits in many instances the amount employers are able to withhold. Even if the department collects the full \$3 million through income withholding, it will only collect \$6.6 million by the end of the fiscal year.

Second, the biennial budget assumed the department would be able to collect some unpaid county fees, but the department has had difficulty collecting on these cases. Many of the payers in KIDS have either changed address, moved out of state, or are simply unable to pay their child support, let alone the R&D fee.

Third, the department's collection efforts have been affected by a technical error in the biennial budget. 1999 Wisconsin Act 9 included language which allowed the state to use income withholding at an amount assigned by a court until all current and past due R&D fees are paid. However, this language only applied to R&D fees assessed on or after January 1, 2000 and, therefore, did not apply to R&D fees assessed before January. The department has estimated that this limitation has prevented the collection of approximately \$300,000 in R&D fees in this fiscal year.

The biennial budget also assumed the department would earn \$852,500 in fiscal year 1999-2000 in interest on the monies received from child support and other maintenance payments that are deposited in the segregated state support collections trust fund. The department now projects that its interest earnings may be \$1.1 million. The budget failed, however, to account for the bank charges which offset most of the interest earnings. The department incurred \$529,300 in bank charges as of February, and total bank charges for this fiscal year could reach \$811,800. As a result, the department could only earn \$268,700 in net interest revenue.

Fiscal Year 1999-2000 Projected Revenue Shortfalls

<i>Revenue Source</i>	<i>Budget</i>	<i>Projected</i>	<i>Difference</i>
CR&D fees	\$7,800,000	\$4,800,000	(\$3,000,000)
Interest Earnings	852,500	268,700	(583,800)
Total	\$8,652,500	\$4,868,700	(\$3,583,800)

In total, revenue could fall short by as much as \$3.6 million. To fully pay for the CR&D system, \$1.2 million GPR and \$2.4 million FED more is needed to replace the program revenue that would not be available to meet other KIDS costs..

Expenditures

In the biennial budget, \$2 million GPR per fiscal year was placed in the Committee's supplemental appropriation because of underspending in the KIDS budget in previous fiscal years. The department currently projects that its KIDS expenditures will be higher in this fiscal year than last.

KIDS GPR Expenditures, 1999-2000

<i>Expenditure</i>	<i>Budget</i>	<i>Projected</i>	<i>Difference</i>
BITS	1,362,200	1,394,204	(32,004)
Contracts	3,197,400	3,145,790	51,610
PRWORA Projects	502,400	468,972	33,428
DOA / Infotech	3,794,900	3,850,005	(55,105)
Supplies & Services	515,500	470,079	45,421
DES-Wide Costs	663,000	757,568	(94,568)
Less JCF Reduction	(2,000,000)	-	(2,000,000)
Total	8,035,400	10,086,618	(2,051,218)

The department is not experiencing the same level of underspending as in previous fiscal years due to BCS's heightened efforts to complete the implementation of

PRWORA projects by the federally mandated deadline of October 1, 2000. In addition, expenditures for mainframe services purchased from Infotech are higher than anticipated. The department currently is attempting to reduce the amount of time devoted to running batch cycles in the KIDS system, and the testing of program redesign for this purpose is currently underway. Because of the existing production calendar for the system, these tests must be run during the day when Infotech charges are at their highest rate. Implementation of a new test environment should be complete by the end of April; therefore, these costs are unique to this fiscal year and should not continue in fiscal year 2000-01.

Even if the department generated all revenue assumed in the budget, it would still project a deficit in KIDS because of these higher expenditures. If the Committee had not reduced the KIDS budget in anticipation of underspending, the department would only have a minor deficit of \$51,200 GPR.

Summary

Fiscal Year 1999-2000 Projected GPR Deficit

	GPR
Revenue Shortfall	\$1,218,500
Expenditure Deficit	51,200
JCF Reduction	2,000,000
Total	\$3,269,700

In fiscal year 1999-2000, the department is projecting a deficit in the KIDS budget of \$3.3 million GPR. With Joint Committee on Finance approval of this request, the department may still have a shortfall of up to \$1.3 million GPR. This remaining deficit is contingent upon the level of R&D fee collections in the last three months of the fiscal year. If collections are higher than the department has projected, this deficit would decrease.

If the request is not approved, the department may have to cut back its programming contract with IBM, the primary contractor for the programming associated with PRWORA projects. Scaling back this contract will likely result in some PRWORA projects not being completed by the October 2000 deadline. States not in compliance with this deadline could be penalized through cuts to federal child support funds and the state's Temporary Assistance to Needy Families block grant.

Members, Joint Committee on Finance
Page 6
April 28, 2000

A state which is unable to meet the October 1 deadline may apply for a reduced alternative penalty by documenting to the federal government the state's inability to meet the deadline and by submitting a corrective compliance plan. If approved, the alternative penalty would result in a state losing a percentage of the federal share of child support administrative costs. This percentage would continue to increase with each additional year needed for corrective action up to a maximum penalty of 30% of child support administration funds. For example, a state requiring an extra year for corrective compliance would experience a cut of 4% of federal child support administration funds, or \$1.8 million for the state of Wisconsin.

Recommendation

Approve the request.

Prepared by: Robert Blaine
266-8219

X

Tommy G. Thompson
Governor

Linda Stewart, Ph.D.
Secretary



State of Wisconsin
Department of Workforce Development

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March 3, 2000

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

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

Dear Senator Burke and Representative Gard:

The Department of Workforce Development (DWD) requests approval of the Joint Committee on Finance under s. 13.10 to transfer \$2,000,000 GPR in 1999-00 from the Committee's appropriation under s. 20.865(4)(a) to the Department's appropriation under s. 20.445(3)(a) for the operation of the data systems in support of the child support program. This request is the result of shortfalls attributable to three areas.

1999 Wisconsin Act 9 (the biennial budget) provided total funding of \$31,169,300 (\$10,035,400 GPR) in 1999-00 for the development and operation of the Kids Information Data System (KIDS), the centralized receipt and disbursement (CR&D) system and new hire reporting. However, Act 9 placed \$2,000,000 GPR into the Committee's appropriation and directed the department to request the release of these funds if it was determined they were necessary for KIDS related expenditures. The rationale for placing these funds in the Joint Committee on Finance's appropriation was based on some underspending that occurred in prior years, and the potential for increased revenues from the CR&D fees.

Child support obligors are required to pay an annual fee of \$25 to the Department to offset the cost of processing child support, maintenance, health care and birth expenses and other child support related expenses. These fees are recorded as program revenue and serve to offset the cost of the CR&D system. Any CR&D costs not covered by the fee are funded with GPR and federal funds, and are included in the KIDS budget. The Governor's biennial budget request for DWD projected CR&D fee collections at \$5.1 million in 1999-00. The Legislature revised the fee projection, increasing it by \$3.0 million to \$8.1 million in 1999-00 based on a reestimate of the base funding and proposed statutory language changes. This resulted in a reduction to KIDS of \$3,000,000 (\$1,020,000 GPR) (\$1,980,000 FED).

For 1999-00 to date, the Department has collected \$1,748,155 in CR&D fees. We project that the total collected for the year will be approximately \$4,600,000, which is closer to the original estimate. This estimated \$3.5 million shortfall will result in the Department requiring \$1,190,000 GPR and \$2,310,000 FED to offset the reduction in CR&D collections.

The Bureau of Child Support has initiated a number of steps to collect receipt and disbursement (R&D) fees during this SFY. In September 1999 and January 2000, the billing statements that were sent to payers included stuffers that reminded them to make the R&D fee payments. In

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In addition to these reminders, a special letter was sent to all payers in November of 1999, advising them that they must immediately pay any outstanding R&D fee balances or the fees may be deducted from future wages. In April 2000, 46,000 employers will receive R&D withholding notices advising them to deduct the R&D fees from the paychecks of the approximately 120,000 payers who owe at least \$25.00 in R&D fees.

First year state CR&D collections in CY1999 have improved on collections previously achieved because of the Federally mandated CR&D, with the exception of 1998 when counties made extraordinary efforts to capture uncollected fees prior to transfer to the state. This higher level was achieved despite the fact that one of our most effective tools, income withholding of fees, has not yet been implemented.

The interest earned on the "float" -- the time period between when a collection is received for deposit into the child support trust fund and when the funds are deposited into the payee's account -- is also used to fund the CR&D system. Act 9 included \$852,500 in CR&D interest earnings that were expected to be used to offset CR&D contract costs. However, the department has received notification from DOA that the interest earned on the float will be offset by bank fees that were not included in the CR&D budget. This \$852,500 reduction in fees available to offset CR&D costs requires an additional \$289,800 GPR and \$562,650 FED matching funds to fund CR&D activities.

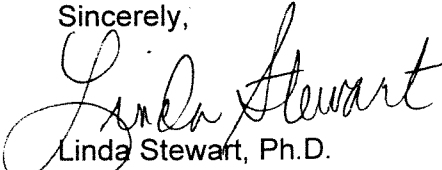
In addition to these projected deficits, the KIDS system is experiencing increased costs in the network support, contractors, and the DOA Infotech areas associated with the implementation of PRWORA. Based on revenue and expenditures data through December 31, 1999, we are projecting a total deficit of \$3,429,000.

Description	Amount
JFC Adjustments (projected underspending, increased revenue estimates)	\$1,020,000
Revenue Collections shortfall	\$1,190,000
Interest revenue loss due to unbudgeted bank fees	\$289,800
Increased Kids system costs	\$929,200
Total GPR deficit	\$3,429,000

The information contained in this transmittal is intended to address all criteria enumerated under s 13.101(3) and (4) in that: 1. an emergency exists; 2. no other funds are available for such purposes; and 3. the purposes for which a supplemental appropriation is requested have been authorized or directed by the legislature.

We ask the Committee's careful review and consideration of this request. Orlando Canto, Deputy Secretary, will represent the Department at the s. 13.10 meeting.

Sincerely,


Linda Stewart, Ph.D.
Secretary

XI. Department of Administration – Rick Chandler, State Budget Director

Pursuant to Section 9101(14yt) of 1999 Wisconsin Act 9, the department requests approval of a report on allocating the federal Leaking Underground Storage Tank (LUST) grant between the Department of Commerce and the Department of Natural Resources.

XII. Department of Justice – David Collins, Director of the White Collars Crime Bureau,
Division of Criminal Investigations

The department requested position authority for 2.0 FTE PR-S permanent special agent - senior positions in the interagency and intra-agency assistance; investigations appropriation under s. 20.455(2)(k) under the 14-day passive review of s. 16.505. The positions are to conduct criminal investigations of Petroleum Environmental Cleanup Fund Act (PECFA) cases.

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

XIII. Department of Commerce – Martha Kerner, Executive Assistant

The department requested position authority for 12.0 FTE PR-S permanent positions in the interagency agreements appropriation under s. 20.143(3)(ka) under the 14-day passive review of s. 16.505. The positions are to administer and oversee the cleanup of medium and low-risk contaminated petroleum sites in the Petroleum Environmental Cleanup Fund Act (PECFA) program.

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

XIV. Department of Commerce – Martha Kerner, Executive Assistant

The department requested position authority for 2.0 FTE PR one-year project positions in the safety and building operations appropriation under s. 20.143(3)(j) under the 14-day passive review of s. 16.505. These positions will be authorized from July 1, 2000 to June 30, 2001 and are requested to expedite the review of claims currently in backlog for petroleum contaminated sites. In addition, the department requested the elimination of 2.0 FTE PR project positions in the petroleum storage, remedial action fees appropriation under s. 20.143(3)(Lm) on July 1, 2000.

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

XV. Department of Natural Resources – George E. Meyer, Secretary

The department requested approval of 1.0 FTE PR-S project position in the general program operations – state funds appropriation under s. 20.370(9)(mk) under the 14-day passive review of s. 16.505. The position was requested to coordinate and develop an educational campaign on ways to improve air quality in Southeastern Wisconsin.

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

XVI. Department of Natural Resources – George E. Meyer, Secretary

The department requested approval of 3.0 FTE PR permanent positions in the air management – permit review and enforcement appropriation under 20.370(2)(ci) under the 14-day passive review of s. 16.505. The positions were requested to provide additional support for the construction permit review program.

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

XVII. Department of Natural Resources – George E. Meyer, Secretary

The department requested approval of 1.0 FTE PR permanent position in the air management – asbestos management appropriation under s. 20.370(2)(bi) under the 14-day passive review of s. 16.505. The position was requested to provide assistance for monitoring the asbestos abatement efforts by contractors.

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