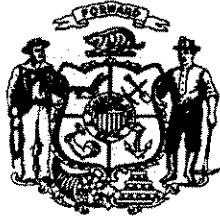


THE STATE OF WISCONSIN

A

SENATE CHAIR
BRIAN BURKE

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JOINT COMMITTEE ON FINANCE

Date: June 30, 2000

To: The Members, Joint Committee on Finance

From: Dan Caucutt, Secretary for s. 13.10 Actions

Subject: Fourth Quarter Meeting of the Joint Committee on Finance Under s. 13.10

The next regular meeting of the Joint Committee on Finance under s. 13.10 is scheduled for Wednesday, July 12, at 9:30a.m. in Room 411 South, State Capitol.

The status of the Committee's biennial GPR supplementation and loan appropriation [s. 20.865(4)(a)] is summarized on the attachment.

The Co-chairs have determined that twenty items are scheduled for committee action, including a request previously submitted to the Committee under s. 16.54. In addition, there will be one or more reports submitted.

The Governor's recommendations on the requests and State Budget Office analyses of them will be distributed to the members on July 10, 2000, along with the formal agenda. The Legislative Fiscal Bureau will distribute its own analyses of the requests. Materials in the July 10 distribution will be organized by tabbed section dividers marked with the Roman numerals in the upper-right corner of the attached requests.

The following is a summary of the items in the order that they will be heard on July 12, 2000.

I. Department of Administration – John Marx, Administrator, Division of Energy and Public Benefits

The department requests \$12,822,180 SEG expenditure authority for fiscal year 2000-01 for the appropriation under s. 20.505(10)(q), Utility Public Benefits, General Program Operations. The department also requests the conversion of 2.0 FTE SEG positions from project to permanent as well as the creation of an additional 3.0 FTE SEG permanent positions.

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The department requests the release of \$100,000 GPR in fiscal year 2000-01 from the reserved portion of the Committee's appropriation under s. 20.865(4)(a) to the appropriation under s. 20.505(1)(fo), federal resource acquisition support grants for operation of the federal property program.

III. Department of Administration – Richard G. Chandler, State Budget Director

The department requests approval pursuant to s. 20.004(2) of the Statutes of updated summaries and schedules under s. 20.005(1), (2)(a) and (b), and (3) prepared by the Department of Administration and the Legislative Fiscal Bureau, which include the fiscal effect of all legislation enacted by the 1999 Legislature.

IV. Public Service Commission – Gary Evenson, Assistant Administrator, Telecommunications and Anita Sprenger, Universal Services Program Manager

The agency requests the release of \$6,900,500 SEG for fiscal year 2000-01 from the reserved portion of the Committee's appropriation under s. 20.865(4)(u) to the agency's Universal Service Fund (USF) appropriation under s. 20.155(1)(q) to fund projected needs in the USF program in fiscal year 2000-01.

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The department requests the authority to transfer \$110,000 in GPR funding on a one-time basis from unallotted reserve in the appropriation under s. 20.465(3)(a) in fiscal year 1999-2000 to unallotted reserve in the same appropriation in fiscal year 2000-01 to help offset the potential costs associated with the injury of a emergency management volunteer during storm cleanup operations in Manitowoc County on May 13, 2000.

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The board requests a one-time supplement of \$769,000 GPR in fiscal year 1999-2000 from the Committee's appropriation under s. 20.865(4)(a) to the board's general program operations appropriation under s. 20.510(1)(a) for costs associated with the continued development of electronic filing software, known as WEBfiler, and the conversion of its program information database, the State of Wisconsin Election Board Information System, or SWEBIS.

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UW System requests a one-time supplement of \$843,000 GPR from the Committee's appropriation under s. 20.865(4)(a) to the agency's appropriation under s. 20.285(1)(c), to cover a fuel and utilities budget shortfall in fiscal year 1999-2000.

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The department, pursuant to s. 85.061(3)(b), requests approval to use up to \$2.0 million of general obligation bond authority authorized under s. 20.866(2)(up) to match approximately \$2.0 million from the Federal Transit Administration for the renovation of the Milwaukee Amtrak Depot owned by CMC Heartland Partners, LP.

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The department requests the release of \$5,701,000 GPR and \$1,219,500 PR in fiscal year 2000-01 from the reserved portions of the Committee's appropriations under s. 20.865(4)(a) and (g) for the Integrated Tax System project. The department requests the release of this funding in fiscal year 2000-01 as follows: \$5,701,000 GPR to the appropriation under s. 20.566(3)(b), \$30,000 PR to the appropriation under s. 20.566(1)(gd), \$269,500 PR to the appropriation under s. 20.566(1)(gb), \$75,000 PR to the appropriation under s. 20.566(1)(gg), \$800,000 PR to the appropriation under s. 20.566(1)(g) and \$45,000 PR to the appropriation under s. 20.566(1)(ha).

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Under the s.16.54 federal block grant process, the department requests additional federal expenditure authority of \$9,701,800 in fiscal year 2000 and \$38,254,100 in fiscal year 2001 in appropriations s.20.445(3)(mc) and 20.445(3)(md) to access additional federal child care development block grant funds.

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The department requests position authority for 2.0 FTE SEG two-year project attorney positions beginning September 1, 2000, and a supplement of \$128,200 SEG in fiscal year 2000-01 from the Committee's appropriation under s. 20.865(4)(c) to the department's petroleum storage environmental remedial action administration appropriation under s. 20.143(3)(w) to fund an increase in attorney workload related to claimant appeals under the Petroleum Environmental Cleanup Fund (PECFA).

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The department requests a supplement of \$244,600 SEG in fiscal year 2000-01 from the Committee's appropriation under s. 20.865(4)(u) to the department's control of wild animals appropriation under s. 20.370(1)(Ls) to compensate license vendors who issue free Zone T deer harvest permits and to assist deer registration stations in covering costs of registering the estimated number of additional deer harvested during the Zone T season.

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

The department requested approval of a grant to The Nature Conservancy for the purchase of 1,043 acres in Ashland County under the 14-day passive review of s. 23.0915(4).

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

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

The department requested approval of the purchase of 197.69 acres on Anthony Branch Creek in Dane County from Porter Sibs Enterprises, LLC, for the Streambank Protection Fee Program under the 14-day passive review of s. 23.0915(4).

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

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

The department requested approval of a grant to Door County Land Trust for the purchase of 183.5 acres in the towns of Egg Harbor and Sevastopol in Door County under the 14-day passive review of s. 23.0915(4).

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

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

The department requested approval of the purchase of 197 acres in Fond du Lac County from Lawrence Hull for the Glacial Habitat Restoration Area under the 14-day passive review of s. 23.0915(4).

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

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

The department requested approval of the purchase of 126.86 acres in Sheboygan County from Windway Capital Corporation for the Onion River Streambank Protection Area under the 14-day passive review of s. 23.0915(4).

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

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

The department requested approval of the purchase of 1,728 acres in Walworth County from VanderVeen Farms, Inc., for the Turtle Valley Wildlife Area under the 14-day passive review of s. 23.0915(4).

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

XVI. Department of Justice – Jack Benjamin, Director, Budget and Finance Bureau

The department requests a supplement of \$226,700 SEG in fiscal year 2000-01 in the appropriation under s. 20.455(2)(r), gaming law enforcement; lottery revenues. In addition, the department requests the conversion of 2.75 FTE GPR positions under s. 20.455(2)(fm), gaming law enforcement, to SEG under s. 20.455(2)(r).

XVII. Department of Corrections – Jon Litscher, Secretary

The department requests the release of \$2,845,000 GPR from the reserved portion of the Committee's supplemental appropriation under s. 20.865(4)(a) in fiscal year 1999-2000 to be transferred to s. 20.410(1)(a), general program operations appropriation for the Division of Adult Institutions. The department requests the release of an additional \$100,000 GPR from the reserved portion of the Committee's supplemental appropriation under s. 20.865(4)(a) to be transferred to s. 20.410(1)(b), services for community corrections to fund projected fiscal year 1999-2000 salary deficits.

XVIII. Department of Corrections – Jon Litscher, Secretary

The department requests the transfer of \$1,219,000 in cash balances from the appropriation under s. 20.410(1)(kk), institutional operations and charges, specifically the Central Generating Plant (CGP) and Waupun Central Warehouse (WCW) numeric appropriations in fiscal year 1999-2000, to the appropriation under s. 20.410(1)(a), general program operations, to partially alleviate a projected health care funding deficit.

XIX. Department of Corrections – Jon Litscher, Secretary

The department requests the release of \$331,100 GPR from the appropriation under s. 20.410(1)(bm), pharmacological treatment of certain child sex offenders for fiscal year 1999-2000, to the appropriation under s. 20.410(1)(a), general program operations, for fiscal year 2000-01, to fund the creation and implementation of a public access Internet site for the Wisconsin Sex Offender Registry, pursuant to 1999 Wisconsin Act 89.

XX. Department of Corrections – Jon Litscher, Secretary

The department requests the release of \$1,100,000 GPR in fiscal year 2000-01 from the reserved portion of the Committee's supplemental appropriation under s. 20.865(4)(a) to be transferred to the department's purchased services for offenders

appropriation under s. 20.410(1)(d).

In addition, the department requests the one-time transfer of \$1,100,000 GPR in fiscal year 2000-01 from the appropriation under s. 20.410(1)(b), services for community corrections, to appropriation s. 20.410(1)(d), purchased services for offenders, to fulfill the match requirement for the community corrections purchase of services funding.

The department also requests the one-time transfer of \$162,000 GPR from the appropriation under s. 20.410(1)(b), services for community corrections, to appropriation s. 20.410(1)(d), purchased services for offenders, in fiscal year 2000-01 to fund 12 additional halfway house beds and contract increases.

Report

R-1 Department of Administration Position Reports Required Under s. 16.50.

Attachment

SUMMARY
JOINT COMMITTEE ON FINANCE
GPR APPROPRIATION STATUS
(Incorporating Committee Actions thru May 3, 2000)

	<u>1999-00</u>	<u>2000-01</u>	<u>1999-01</u> <u>Biennium</u>	<u>Releases</u> <u>to Date</u>	<u>Remaining</u> <u>Reserve</u>
Current Biennial Appropriation Amount [s. 20.865(4)(a)]	\$20,655,450	\$83,810,900	\$104,466,350	N.A.	N.A.
Reserved For:					
DOA -- Operation Fresh Start Project Funding	\$232,000	\$232,000	\$464,000	\$225,500	\$238,500
DOA -- Federal Surplus Property Grant	0	100,000	100,000	0	100,000
DOC -- Contract Beds Funding	13,799,000	44,834,400	58,633,400	37,529,900	21,103,500
DOC -- Community Corrections Funding	1,100,000	1,100,000	2,200,000	1,100,000	1,100,000
DOC -- Funds for Inmate Work Centers	1,299,600	3,067,000	4,366,600	0	4,366,600
Elections Bd. -- WECF Grant Funding	0	870,000	870,000	0	870,000
DHFS -- MA Targeted Case Management	0	21,495,300	21,495,300	21,495,300	0
DHFS -- Funding for Rainbow Successor	1,000,000	0	1,000,000	500,000	500,000
DHFS -- Mendota MHI Body Alarms	233,000	0	233,000	233,000	0
DHFS -- Registry of Lead-Free or Lead-Safe Properties	0	520,000	520,000	0	520,000
Miscellaneous Appropriations -- Historically Significant Furnishings	400,000	0	400,000	400,000	0
Public Land Sales Reserve (see attached summary sheet)	650	0	650	0	650
DOR -- Funding for IT Systems Development	0	5,701,000	5,701,000	0	5,701,000
UW -- Funding for Increased Enrollment	0	3,800,000	3,800,000	3,800,000	0
DWD -- Additional KIDS Budget Funding	2,000,000	2,000,000	4,000,000	2,000,000	2,000,000
Reserved Balance	\$20,064,250	\$83,719,700	\$103,783,950	\$67,283,700	\$36,500,250
Releases from Reserved Balance					
DOA -- Operation Fresh Start Project Funding (12/21/99)	\$225,500	\$0	\$225,500		
DOC -- Additional Contract Beds Funding (12/21/99)	9,613,500	26,581,500	36,195,000		
DOC -- Contract Beds Monitoring Staff (12/21/99)	291,000	493,300	784,300		
DOC -- Planning and Institutional Staff (12/21/99)	103,500	447,100	550,600		
DOC -- Community Corrections Funding (12/21/99)	1,100,000	0	1,100,000		
DHFS -- Mendota MHI Body Alarms (12/21/99)	233,000	0	233,000		
DHFS -- MA Targeted Case Management (12/21/99)	0	21,495,300	21,495,300		
DHFS -- Rainbow Successor (Westside Healthcare Assoc) (3/2/00)	500,000	0	500,000		
Misc. Appropriations -- Historically Significant Furnishings (9/16/99)	400,000	0	400,000		
UW -- Funding for Increased Enrollment (12/21/99)	0	3,800,000	3,800,000		
DWD -- Additional KIDS Budget Funding (5/3/00)	2,000,000	0	2,000,000		
Total Releases	\$14,466,500	\$52,817,200	\$67,283,700		
Remaining Reserved Balance	\$5,597,750	\$30,902,500	\$36,500,250		
Net Unreserved Balance Available	\$591,200	\$91,200	\$682,400		
Releases from Unreserved Balance					
DOA -- Funding for Additional ADAs (5/3/00)	\$0	\$235,300	\$235,300		
DOC -- Parole Commission Funding (5/3/00)	30,000	0	30,000		
HEAB -- Position Salaries (9/16/99)	16,000	0	16,000		
HEAB -- Funding of Act 9 Positions (5/3/00)	15,500	28,400	43,900		
Legislative Technology Services Bureau (12/21/99)	67,900	173,600	241,500		
Director of State Courts -- Research Staff (5/3/00)	16,000	24,000	40,000		
Total Releases	\$145,400	\$461,300	\$606,700		
Net Unreserved Balance Remaining	\$445,800	(\$370,100)	\$75,700		
TOTAL AVAILABLE (Net Reserved & Unreserved Balances Remaining)	\$6,043,550	\$30,532,400	\$36,575,950		

SUMMARY
JOINT COMMITTEE ON FINANCE
PR APPROPRIATION STATUS
(Incorporating Committee Actions thru May 3, 2000)

	<u>1999-00</u>	<u>2000-01</u>	<u>1999-01</u> <u>Biennium</u>
Current Biennial Appropriation Amount [s. 20.865(4)(g)]	\$956,000	\$2,191,500	\$3,147,500
<u>Reserved For:</u>			
DOA -- Gaming Revenues for State Aid Program	\$500,000	\$500,000	\$1,000,000
DHFS -- BadgerCare Premiums for Native Americans	300,000	400,000	700,000
PSC -- Remodeling of Attorney Office Space	84,000	0	84,000
R&L -- Funding for IT Consultants	72,000	72,000	144,000
DOR -- Funding for IT Systems Development	0	1,219,500	1,219,500
	<hr/>	<hr/>	<hr/>
Reserved Balance	\$956,000	\$2,191,500	\$3,147,500
<u>Releases from Reserved Balance</u>			
DOA -- Gaming Revenues for State Aid Program (5/3/00)	\$500,000	\$0	\$500,000
PSC -- Remodeling of Attorney Office Space (12/16/99 -- s. 16.515)	84,000	0	84,000
	<hr/>	<hr/>	<hr/>
Total Releases	\$584,000	\$0	\$584,000
Remaining Reserved Balance	\$372,000	\$2,191,500	\$2,563,500

SUMMARY
JOINT COMMITTEE ON FINANCE
FED APPROPRIATION STATUS
(Incorporating Committee Actions thru May 3, 2000)

	<u>1999-00</u>	<u>2000-01</u>	<u>1999-01</u> <u>Biennium</u>
Current Biennial Appropriation Amount [s. 20.865(4)(m)]	\$115,219,000	\$10,000,000	\$125,219,000
<u>Reserved For:</u>			
DWD -- Start-Up Funding For the Next W-2 Agency Contracts	\$3,519,000	\$0	\$3,519,000
DWD -- Contingency Fund	102,000,000	0	102,000,000
DWD -- Workforce Advancement and Attachment Funding	9,700,000	10,000,000	19,700,000
	<hr/>	<hr/>	<hr/>
Reserved Balance	\$115,219,000	\$10,000,000	\$125,219,000
 <u>Releases from Reserved Balance</u>			
DWD-Workforce Advancement and Attachment Funding (12/21/99)	\$9,700,000	\$10,000,000	\$19,700,000
	<hr/>	<hr/>	<hr/>
Total Releases	\$9,700,000	\$10,000,000	\$19,700,000
 Remaining Reserved Balance	 \$105,519,000	 \$0	 \$105,519,000

SUMMARY
JOINT COMMITTEE ON FINANCE
SEG APPROPRIATION STATUS
(Incorporating Committee Actions thru May 3, 2000)

	<u>1999-00</u>	<u>2000-01</u>	<u>1999-01</u> <u>Biennium</u>
Current Biennial Appropriation Amount [s. 20.865(4)(u)]	\$2,397,300	\$11,267,100	\$13,664,400
<u>Reserved For:</u>			
DATCP -- Pesticide Database Development	\$400,000	\$0	\$400,000
PSC -- USF for 2000-01	0	8,000,000	8,000,000
TEACH Board -- Funds for Access Grants	1,997,300	3,267,100	5,264,400
	<hr/>	<hr/>	<hr/>
Reserved Balance	\$2,397,300	\$11,267,100	\$13,664,400
 <u>Releases from Reserved Balance</u>			
	<hr/>	<hr/>	<hr/>
Total Releases	\$0	\$0	\$0
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SUMMARY

DETAIL OF JOINT FINANCE COMMITTEE APPROPRIATED LEVELS

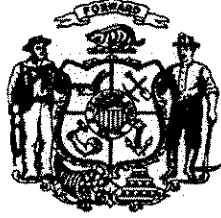
Status as of May 3, 2000

	<u>1999-00</u>	<u>2000-01</u>	<u>1999-01</u> <u>Biennium</u>
20.865(4)(a) Appropriation Total Summary - GPR			
Act 4	\$400,000	\$0	\$400,000
Act 9 (Biennial Budget)	20,254,800	83,790,900	104,045,700
Act 52	0	(500,000)	(500,000)
Act 113	0	520,000	520,000
Proceeds from Sale of Public Land--Winnebago Cty. Easement (Dec. 1999)	650	0	650
Current Total	\$20,655,450	\$83,810,900	\$104,466,350
20.865(4)(g) Appropriation Total Summary - PR			
Act 9 (Biennial Budget)	\$956,000	\$2,191,500	\$3,147,500
20.865(4)(m) Appropriation Total Summary - FED			
Act 9 (Biennial Budget)	\$115,219,000	\$10,000,000	\$125,219,000
20.865(4)(u) Appropriation Total Summary - SEG			
Act 9 (Biennial Budget)	\$2,397,300	\$11,267,100	\$13,664,400

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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JOINT COMMITTEE ON FINANCE

NOTICE

The Joint Committee on Finance
will hold its regular quarterly meeting
under s. 13.10 at **9:30 a.m., Wednesday, July 12, 2000**
in Room 411 South, State Capitol

AGENDA

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The department requests a supplement of \$244,600 SEG in fiscal year 2000-01 from the Committee's appropriation under s. 20.865(4)(u) to the department's control of wild animals appropriation under s. 20.370(1)(Ls) to compensate license vendors who issue free Zone T deer harvest permits and to assist deer registration stations in covering costs of registering the estimated number of additional deer harvested during the Zone T season.

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

The department requested approval of a grant to The Nature Conservancy for the purchase of 1,043 acres in Ashland County under the 14-day passive review of s. 23.0915(4).

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

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

The department requested approval of the purchase of 197.69 acres on Anthony Branch Creek in Dane County from Porter Sibs Enterprises, LLC, for the Streambank Protection Fee Program under the 14-day passive review of s. 23.0915(4).

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

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

The department requested approval of a grant to Door County Land Trust for the purchase of 183.5 acres in the towns of Egg Harbor and Sevastopol in Door County under the 14-day passive review of s. 23.0915(4).

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

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

The department requested approval of the purchase of 197 acres in Fond du Lac County from Lawrence Hull for the Glacial Habitat Restoration Area under the 14-day passive review of s. 23.0915(4).

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

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

The department requested approval of the purchase of 126.86 acres in Sheboygan County from Windway Capital Corporation for the Onion River Streambank Protection Area under the 14-day passive review of s. 23.0915(4).

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

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

The department requested approval of the purchase of 1,728 acres in Walworth County from VanderVeen Farms, Inc., for the Turtle Valley Wildlife Area under the 14-day passive review of s. 23.0915(4).

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

XVI. Department of Justice – Jack Benjamin, Director, Budget and Finance Bureau

The department requests a supplement of \$226,700 SEG in fiscal year 2000-01 in the appropriation under s. 20.455(2)(r), gaming law enforcement; lottery revenues. In addition, the department requests the conversion of 2.75 FTE GPR positions under s. 20.455(2)(fm), gaming law enforcement, to SEG under s. 20.455(2)(r).

XVII. Department of Corrections – Jon Litscher, Secretary

The department requests the release of \$2,845,000 GPR from the reserved portion of the Committee's supplemental appropriation under s. 20.865(4)(a) in fiscal year 1999-2000 to be transferred to s. 20.410(1)(a), general program operations appropriation for the Division of Adult Institutions. The department requests the release of an additional \$100,000 GPR from the reserved portion of the Committee's supplemental appropriation under s. 20.865(4)(a) to be transferred to s. 20.410(1)(b), services for community corrections to fund projected fiscal year 1999-2000 salary deficits.

XVIII. Department of Corrections – Jon Litscher, Secretary

The department requests the transfer of \$1,219,000 in cash balances from the appropriation under s. 20.410(1)(kk), institutional operations and charges, specifically the Central Generating Plant (CGP) and Waupun Central Warehouse (WCW) numeric appropriations in fiscal year 1999-2000, to the appropriation under s. 20.410(1)(a), general program operations, to partially alleviate a projected health care funding deficit.

XIX. Department of Corrections – Jon Litscher, Secretary

The department requests the release of \$331,100 GPR from the appropriation under s. 20.410(1)(bm), pharmacological treatment of certain child sex offenders for fiscal year 1999-2000, to the appropriation under s. 20.410(1)(a), general program operations, for fiscal year 2000-01, to fund the creation and implementation of a public access Internet site for the Wisconsin Sex Offender Registry, pursuant to 1999 Wisconsin Act 89.

XX. Department of Corrections – Jon Litscher, Secretary

The department requests the release of \$1,100,000 GPR in fiscal year 2000-01 from the reserved portion of the Committee's supplemental appropriation under s. 20.865(4)(a) to be transferred to the department's purchased services for offenders appropriation under s. 20.410(1)(d).

In addition, the department requests the one-time transfer of \$1,100,000 GPR in fiscal year 2000-01 from the appropriation under s. 20.410(1)(b), services for community corrections, to appropriation s. 20.410(1)(d), purchased services for offenders, to fulfill the match requirement for the community corrections purchase of services funding.

The department also requests the one-time transfer of \$162,000 GPR from the appropriation under s. 20.410(1)(b), services for community corrections, to appropriation s. 20.410(1)(d), purchased services for offenders, in fiscal year 2000-01 to fund 12 additional halfway house beds and contract increases.

Reports

R-1 Department of Administration Position Reports Required Under s. 16.50
(January 1-March 31, 2000).

SUMMARY
JOINT COMMITTEE ON FINANCE
GPR APPROPRIATION STATUS
(Incorporating Committee Actions thru May 3, 2000)

	<u>1999-00</u>	<u>2000-01</u>	<u>1999-01</u> <u>Biennium</u>	<u>Releases</u> <u>to Date</u>	<u>Remaining</u> <u>Reserve</u>
Current Biennial Appropriation Amount [s. 20.865(4)(a)]	\$20,655,450	\$83,810,900	\$104,466,350	N.A.	N.A.
<u>Reserved For:</u>					
DOA -- Operation Fresh Start Project Funding	\$232,000	\$232,000	\$464,000	\$225,500	\$238,500
DOA -- Federal Surplus Property Grant	0	100,000	100,000	0	100,000
DOC -- Contract Beds Funding	13,799,000	44,834,400	58,633,400	37,529,900	21,103,500
DOC -- Community Corrections Funding	1,100,000	1,100,000	2,200,000	1,100,000	1,100,000
DOC -- Funds for Inmate Work Centers	1,299,600	3,067,000	4,366,600	0	4,366,600
Elections Bd. -- WECF Grant Funding	0	870,000	870,000	0	870,000
DHFS -- MA Targeted Case Management	0	21,495,300	21,495,300	21,495,300	0
DHFS -- Funding for Rainbow Successor	1,000,000	0	1,000,000	500,000	500,000
DHFS -- Mendota MHI Body Alarms	233,000	0	233,000	233,000	0
DHFS -- Registry of Lead-Free or Lead-Safe Properties	0	520,000	520,000	0	520,000
Miscellaneous Appropriations -- Historically Significant Furnishings	400,000	0	400,000	400,000	0
Public Land Sales Reserve (see attached summary sheet)	650	0	650	0	650
DOR -- Funding for IT Systems Development	0	5,701,000	5,701,000	0	5,701,000
UW -- Funding for increased Enrollment	0	3,800,000	3,800,000	3,800,000	0
DWD -- Additional KIDS Budget Funding	2,000,000	2,000,000	4,000,000	2,000,000	2,000,000
Reserved Balance	\$20,064,250	\$83,719,700	\$103,783,950	\$67,283,700	\$36,500,250
<u>Releases from Reserved Balance</u>					
DOA -- Operation Fresh Start Project Funding (12/21/99)	\$225,500	\$0	\$225,500		
DOC -- Additional Contract Beds Funding (12/21/99)	9,613,500	26,581,500	36,195,000		
DOC -- Contract Beds Monitoring Staff (12/21/99)	291,000	493,300	784,300		
DOC -- Planning and Institutional Staff (12/21/99)	103,500	447,100	550,600		
DOC -- Community Corrections Funding (12/21/99)	1,100,000	0	1,100,000		
DHFS -- Mendota MHI Body Alarms (12/21/99)	233,000	0	233,000		
DHFS -- MA Targeted Case Management (12/21/99)	0	21,495,300	21,495,300		
DHFS -- Rainbow Successor (Westside Healthcare Assoc) (3/2/00)	500,000	0	500,000		
Misc. Appropriations -- Historically Significant Furnishings (9/16/99)	400,000	0	400,000		
UW -- Funding for increased Enrollment (12/21/99)	0	3,800,000	3,800,000		
DWD -- Additional KIDS Budget Funding (5/3/00)	2,000,000	0	2,000,000		
Total Releases	\$14,466,500	\$52,817,200	\$67,283,700		
Remaining Reserved Balance	\$5,597,750	\$30,902,500	\$36,500,250		
Net Unreserved Balance Available	\$591,200	\$91,200	\$682,400		
<u>Releases from Unreserved Balance</u>					
DOA -- Funding for Additional ADAs (5/3/00)	\$0	\$235,300	\$235,300		
DOC -- Parole Commission Funding (5/3/00)	30,000	0	30,000		
HEAB -- Position Salaries (9/16/99)	16,000	0	16,000		
HEAB -- Funding of Act 9 Positions (5/3/00)	15,500	28,400	43,900		
Legislative Technology Services Bureau (12/21/99)	67,900	173,500	241,500		
Director of State Courts -- Research Staff (5/3/00)	16,000	24,000	40,000		
Total Releases	\$145,400	\$461,300	\$606,700		
Net Unreserved Balance Remaining	\$445,800	(\$370,100)	\$75,700		
TOTAL AVAILABLE (Net Reserved & Unreserved Balances Remaining)	\$6,043,550	\$30,532,400	\$36,575,950		

SUMMARY
JOINT COMMITTEE ON FINANCE
PR APPROPRIATION STATUS
(Incorporating Committee Actions thru May 3, 2000)

	<u>1999-00</u>	<u>2000-01</u>	<u>1999-01</u> <u>Biennium</u>
Current Biennial Appropriation Amount [s. 20.865(4)(g)]	\$956,000	\$2,191,500	\$3,147,500
<u>Reserved For:</u>			
DOA -- Gaming Revenues for State Aid Program	\$500,000	\$500,000	\$1,000,000
DHFS -- BadgerCare Premiums for Native Americans	300,000	400,000	700,000
PSC -- Remodeling of Attorney Office Space	84,000	0	84,000
R&L -- Funding for IT Consultants	72,000	72,000	144,000
DOR -- Funding for IT Systems Development	0	1,219,500	1,219,500
	<hr/>	<hr/>	<hr/>
Reserved Balance	\$956,000	\$2,191,500	\$3,147,500
<u>Releases from Reserved Balance</u>			
DOA -- Gaming Revenues for State Aid Program (5/3/00)	\$500,000	\$0	\$500,000
PSC -- Remodeling of Attorney Office Space (12/16/99 -- s. 16.515)	84,000	0	84,000
	<hr/>	<hr/>	<hr/>
Total Releases	\$584,000	\$0	\$584,000
Remaining Reserved Balance	\$372,000	\$2,191,500	\$2,563,500

SUMMARY
JOINT COMMITTEE ON FINANCE
FED APPROPRIATION STATUS
(Incorporating Committee Actions thru May 3, 2000)

	<u>1999-00</u>	<u>2000-01</u>	<u>1999-01</u> <u>Biennium</u>
Current Biennial Appropriation Amount [s. 20.865(4)(m)]	\$115,219,000	\$10,000,000	\$125,219,000
<u>Reserved For:</u>			
DWD -- Start-Up Funding For the Next W-2 Agency Contracts	\$3,519,000	\$0	\$3,519,000
DWD -- Contingency Fund	102,000,000	0	102,000,000
DWD -- Workforce Advancement and Attachment Funding	9,700,000	10,000,000	19,700,000
	<hr/>	<hr/>	<hr/>
Reserved Balance	\$115,219,000	\$10,000,000	\$125,219,000
<u>Releases from Reserved Balance</u>			
DWD-Workforce Advancement and Attachment Funding (12/21/99)	\$9,700,000	\$10,000,000	\$19,700,000
	<hr/>	<hr/>	<hr/>
Total Releases	\$9,700,000	\$10,000,000	\$19,700,000
Remaining Reserved Balance	\$105,519,000	\$0	\$105,519,000

SUMMARY
JOINT COMMITTEE ON FINANCE
SEG APPROPRIATION STATUS
(Incorporating Committee Actions thru May 3, 2000)

	<u>1999-00</u>	<u>2000-01</u>	<u>1999-01</u> <u>Biennium</u>
Current Biennial Appropriation Amount [s. 20.865(4)(u)]	\$2,397,300	\$11,267,100	\$13,664,400
<u>Reserved For:</u>			
DATCP -- Pesticide Database Development	\$400,000	\$0	\$400,000
PSC -- USF for 2000-01	0	8,000,000	8,000,000
TEACH Board -- Funds for Access Grants	1,997,300	3,267,100	5,264,400
	<hr/>	<hr/>	<hr/>
Reserved Balance	\$2,397,300	\$11,267,100	\$13,664,400
 <u>Releases from Reserved Balance</u>			
	\$0	\$0	\$0
	<hr/>	<hr/>	<hr/>
Total Releases	\$0	\$0	\$0
 Remaining Reserved Balance	 \$2,397,300	 \$11,267,100	 \$13,664,400

SUMMARY

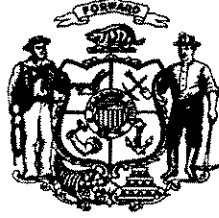
DETAIL OF JOINT FINANCE COMMITTEE APPROPRIATED LEVELS
Status as of May 3, 2000

	<u>1999-00</u>	<u>2000-01</u>	<u>1999-01</u> <u>Biennium</u>
20.865(4)(a) Appropriation Total Summary - GPR			
Act 4	\$400,000	\$0	\$400,000
Act 9 (Biennial Budget)	20,254,800	83,790,900	104,045,700
Act 52	0	(500,000)	(500,000)
Act 113	0	520,000	520,000
Proceeds from Sale of Public Land--Winnebago Cty. Easement (Dec. 1999)	650	0	650
Current Total	\$20,655,450	\$83,810,900	\$104,466,350
20.865(4)(g) Appropriation Total Summary - PR			
Act 9 (Biennial Budget)	\$956,000	\$2,191,500	\$3,147,500
20.865(4)(m) Appropriation Total Summary - FED			
Act 9 (Biennial Budget)	\$115,219,000	\$10,000,000	\$125,219,000
20.865(4)(u) Appropriation Total Summary - SEG			
Act 9 (Biennial Budget)	\$2,397,300	\$11,267,100	\$13,664,400

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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




ASSEMBLY CHAIR
JOHN GARD

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

JOINT COMMITTEE ON FINANCE

Date: June 15, 2000

To: State Agency Heads

From: Dan Caucutt, s.13.10 Secretary 

Subject: Requests for Regular Fourth Quarter s. 13.10 Meeting

The Co-Chairs of the Joint Committee on Finance have requested that agencies with matters they wish to have considered at the fourth quarter fiscal year meeting of the committee under s. 13.10 to submit these requests by close of business, Wednesday, June 21. These should be for items that meet the criteria of s. 13.10 and need disposition at the next regular meeting. No date for a meeting has been set at this time.

All agency requests and reports for consideration at the regular fourth quarter meeting should be addressed to the Joint Committee on Finance Co-Chairs. Send two copies of all requests and reports directly to the Joint Committee on Finance Co-Chairs (one each to Senator Brian Burke and Representative John Gard), two copies of all requests and reports directly to the Legislative Fiscal Bureau, and the **original plus 40 copies** to my attention at the Department of Administration, Division of Executive Budget and Finance, 10th Floor, Administration Building, 101 East Wilson Street.

As indicated, requests must be received by 4:00 p.m., Wednesday, June 21. Late requests will not be accepted.

Please indicate who will represent the agency at the meeting. The following is the suggested format for requests:

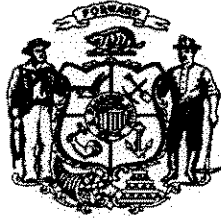
Brief Summary of Request
Background of Request and Justification
How the Request Meets Statutory Criteria [See s.13.101(3) and (4), Wis. Stats.]

cc: Agency Budget Contacts
Bob Lang

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316-S Capitol
P.O. Box 7882
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ASSEMBLY CHAIR
JOHN GARD

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JOINT COMMITTEE ON FINANCE

Date: June 22, 2000

To: The Members, Joint Committee on Finance

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

Subject: Regular Fourth Quarter Meeting of the Joint Committee on Finance under s. 13.10

The Co-Chairs have set the date of the regular fourth quarter meeting under s. 13.10 for Wednesday, July 12, at 9:30 a.m. in Room 411 South, State Capitol.

The agenda for that meeting has not yet been determined. After the Co-Chairs have done this you will be advised of the topics that will be taken up at the meeting.

cc: Bob Lang
Affected Agency Contacts



Legislative Fiscal Bureau

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

June 28, 2000

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

FROM: Bob Lang, Director

SUBJECT: Items for the July 12 s. 13.10 Meeting of the Joint Committee on Finance

At your request, I have reviewed the requests that have been submitted by state agencies for consideration at the Committee's July 12, s. 13.10 meeting. You asked that I present you with a list of those items that: (1) meet the criteria under s. 13.10 and should be addressed now, rather than at a subsequent meeting of the Committee; (2) require Committee action at this time; or (3) are 14-day passive review items that have been objected to and scheduled for executive action by the Committee. That list follows:

<u>Agency</u>	<u>Item</u>
UW	Utilities shortfall
H&FS	Mental health institutes staff
DOT	Amtrak station renovation
DOR	Integrated tax system (ITS) project
DWD	Child care & development fund block grant
PSC	Universal service fund budget
DMA	Emergency management volunteer worker's compensation
Elections	Additional software development project funding
DOA	Federal surplus property program grant
DOA	Utility public benefits administrative budget
DOA	Chapter 20 appropriations schedule and summaries
Commerce	2.0 PECFA project attorney positions
WHEDA	Small business guarantee authority
DNR	License vendor compensation
Stewardship Requests	Ashland County
	Dane County
	Door County

Agency

Item

DOJ
DOC
DOC
DOC
DOC

Fond du Lac County
Sheboygan County
Walworth County
Lottery law enforcement
Salary deficit
Health care deficit
Sex offender registry web site
Purchase of services

BL/lah

PSC -- Universal Service Fund ✓
UW System -- \$1.9 million shortfall ✓
DMA -- Emergency Management Volunteer ✓
DOT -- Amtrack renovation (GO bonding) ✓
H&FS -- MHI request \$\$ to meet new federal guidelines ✓
Elections Board -- \$819,175 for software ✓
WHEDA -- Small Business Guarantee Authority ✓
DOR -- \$\$ for the integrated tax system (ITS) project ✓

Helgeson -- Need to hold a public hearing also

Objections:

DNR -- grant (\$758,850) to Door County Land Trust for purchase in Door County -- Egg Harbor
DNR -- Land purchase from Lawrence Hull (\$360,000) Fond du Lac County
DNR -- Land purchase from Windway Capital Corporation (\$800,000) in Sheboygan County
DNR -- grant (\$294,000) to Nature Conservancy for purchase in Ashland County
DNR -- Vander Veer Farms land purchase
DNR -- Porter Sibs Enterprises LLC land purchase

GIS

July 11, 2000

13.10 Mtg. - Agenda Item I
Re: Public Benefits Program

Summary:

DOA is beginning to implement the Public Benefits Program created in Act 9. They have been developing rules and trying to get the program organized. Now they are asking for initial funding to pay for what they plan to do (\$12.8 million).

Analysis:

Although DOA's funding requests are mostly guesses based on what they've found they needed to manage the Public Service Corps' public benefits pilot project in NE Wisconsin, FB says they appear reasonable.

Alternative 2 essentially approves the DOA request, but holds some of the money back until more detailed work plans are completed and submitted to FB for review. This seems prudent.

Recommendations:

Alternative 2



Legislative Fiscal Bureau

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

July 12, 2000

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Administration: Section 13.10 Request for Funding and Position Authorization for the Public Benefits Program -- Agenda Item I

The Department of Administration (DOA) is requesting a supplement of \$12,822,200 SEG in 2000-01 to the agency's general program operations appropriation for the public benefits program [s. 20.505(10)(q)] for the implementation and administration of statewide utility public benefits programs authorized by 1999 Wisconsin Act 9. In addition, DOA is requesting the authorization of 5.0 SEG permanent positions to be funded from this appropriation to provide staff support for these new programs. Under the provisions of Act 9, neither funding nor position authority was provided to the public benefits general program operations appropriation pending the development by DOA of an initial administrative budget.

The requested supplementation would be provided through the Committee's s. 20.865(4)(u) appropriation. Supplements made from this appropriation are drawn from the available balances of the appropriate segregated fund, which in this case is the utility public benefits fund established by Act 9. Monies in that fund will derive from certain baseline public benefits amounts transferred from investor-owned energy utilities to the fund and from new public benefits fees to be collected by electric utilities from their customers and deposited to the fund. It is anticipated that both of these revenue streams for the fund will begin during the next several months. Until such time as revenues begin to accrue, temporary interfund transfers will be used.

BACKGROUND

This section of the paper summarizes the various developments in the past that led to the creation of a statewide public benefits program.

Wisconsin Focus on Energy Pilot Program. For a number of years beginning in the mid-1980's, the Public Service Commission (PSC) required or allowed individual utilities as part of the rate-setting process to provide energy efficiency services (also known as demand-side management programs) for their customers. The purpose of these programs was to reduce the overall rate of increase in energy demand, thereby forestalling the need for costly new power plant construction. Initially, these programs had to rely on the regulated utilities for their implementation in the absence of any private sector markets that could provide the appropriate energy efficiency services.

Subsequently, however, in a series of rate orders during 1996 and 1997, the PSC began to anticipate the eventual restructuring and deregulation of electric and gas utilities. The Commission required the energy utilities to submit transition plans for the migration of their demand-side management and related programs to public or private sector entities. As an outgrowth of these PSC actions, the Wisconsin Public Service Corporation, an electric and gas utility headquartered in Green Bay with a 23-county Wisconsin service area, proposed to fund a pilot program under which DOA would administer and deliver certain energy efficiency programs for the utility's customers during 1998 and 1999. This pilot project (now referred to as the "Wisconsin Focus on Energy") was initiated by DOA to help assess the viability of state delivery of such programs. It was anticipated that upon the conclusion of this original two-year agreement, the continuing provision of these energy efficiency and other related programs (referred to collectively as "public benefits programs") would permanently transition to DOA, following what was expected to be the adoption by the Legislature of a comprehensive utility restructuring initiative.

On August 6, 1998, the Joint Committee on Finance approved DOA's acceptance of a two-year grant of \$16,750,000 PR from the Wisconsin Public Service Corporation to enable the agency to conduct a variety of energy efficiency pilot programs in the utility's service area. As part of this approval action, the Committee also authorized 2.0 PR, two-year project positions (through August 31, 2000) in DOA to administer the grant program. Under the Committee's grant approval actions, it was further stipulated that DOA would submit a preliminary evaluation of activities under the pilot program by August 1, 1999, with a final evaluation due by March 1, 2000 (or 90 days following the contract ending date, if it was extended at DOA's sole discretion from December 31, 1999, to June 30, 2000.) While the end-date for the initial Wisconsin Focus on Energy contract was later extended by DOA to June 30, 2000, the Committee has yet to receive the 1999 interim evaluation.

1999 Wisconsin Act 9 "Reliability 2000" Initiative. Although the pilot program was still underway, the Legislature incorporated an initiative affecting the operation of electric utilities in the state into 1999 Wisconsin Act 9. Among its provisions, the new law (commonly referred to as "Reliability 2000") creates a statutory framework that continues and expands public benefits programs that have historically been provided by public utilities under PSC oversight.

Two basic statewide public benefits programs are created by the Act 9 provisions. One program will award grants for the following types of activities: (1) energy conservation and efficiency ["demand-side management"] efforts; (2) environmental research and development; and (3) renewable resources development. A second program will provide assistance to low-income

utility customers, including low-income weatherization services, payment of arrearages and the early identification and prevention of home energy crises.

Act 9 requires DOA to design and administer these public benefits programs on a statewide basis in consultation with a newly-established Council on Utility Public Benefits. The law directs DOA to contract with one or more nonprofit corporations to administer the energy conservation and related public benefits programs. The agency must also contract with community action agencies, nonprofit corporations or local units of government to provide the low-income public benefits services. Act 9 assigns all of these public benefits program responsibilities to DOA on a permanent basis. However, commencing in the 2004-05 fiscal year, DOA must determine whether to continue, discontinue or reduce any of the public benefits programs related to energy conservation and efficiency and renewable resources.

Act 9 also establishes a new utility public benefits fund, to be funded primarily from two sources of revenues. First, each of the major energy utilities must continue to collect revenues from their customers equal to the amounts that the PSC determines were collected from ratepayers in the 1998 calendar year for the utility-sponsored public benefits programs. Initially, the utilities must commit this baseline public benefits funding level to continue their existing programs. However, the PSC must also establish a three-year transition period (covering calendar years 2000 through 2002), during which time the utilities are gradually to phase over all of their public benefits provider functions and associated baseline funding to DOA. Once an element of a utility's public benefits program is transferred to DOA, the utility funding associated with these transferred components will begin to be credited to the new utility public benefits fund to support the statewide DOA-administered public benefits programs.

Second, a new public benefits fee will be collected from the customers of all electric utilities (including municipal utilities) and the members of retail electric cooperatives. The fees will be established by DOA by rule and set at a level sufficient to generate \$20 million per year for energy conservation and efficiency and renewable resources programs and \$24 million (the revenue target for 1999-00 only) for low-income public benefits services. [After the 1999-00 fiscal year, the revenue target for low-income public benefits services is subject to adjustment, as described below.] These new fees will be remitted to DOA for crediting to the utility public benefits fund, subject to the following potential offsets: (1) the fee amounts collected and retained by municipal utilities and retail electric cooperatives that choose to implement either or both of the public benefits programs for their customers; and (2) any reductions during the first year of the program that reflect the delay in the initial start-up of the statewide public benefits programs. Where a municipal utility or a retail electric cooperative elects not to implement one or both of the two basic types of public benefits programs, it must remit the respective portion of the fee revenues collected to DOA for deposit to the fund.

In fiscal years after 1999-00, the funding requirement used to establish the low-income services portion of the public benefits fee must be based on a formula that ensures that the total level of funding from all sources for the low-income programs is the same proportion of a given year's low-income need as is provided by the first year's Act 9 funding commitment for the

program. Further, commencing in the 2004-05 fiscal year, the funding requirement for the energy conservation and efficiency and renewable resources portion of the public benefits fee may be reduced, if DOA determines that some or all of the elements of this program should be reduced or eliminated.

Act 9 also permits individual utility customers to make additional voluntary contributions to the utility public benefits fund. In addition, federal funds currently received by the state for low-income home energy assistance and for low-income weatherization services are included in the total amount of program funds deemed available for statewide public benefits services. However, these federal funds are not actually credited to the new fund account. It is anticipated that during the 2000-01 fiscal year the state will receive approximately \$53 million of such federal funding for use in the new statewide low-income public benefits program.

Recent Developments: Continuation of Wisconsin Focus on Energy Pilot Program. DOA will very soon enter into a new agreement with the Wisconsin Public Service Corporation to extend the current Wisconsin Focus on Energy pilot program through December 31, 2002. The extension of the funding for Wisconsin Focus on Energy pilot program was approved by the PSC at its June 15, 2000, meeting, and it is anticipated that the affected parties will formally sign the new contract within the next few weeks.

Under the new agreement between DOA and the Wisconsin Public Service Corporation (WPSC), the utility will pay to DOA on a monthly basis the amounts that the utility spent in 1998 for certain of its public benefits programs. The amounts remitted to DOA will not include the expenditures either for services to low-income utility customers, certain dues payments, or the farm wiring (stray voltage) program. The utility will retain the responsibility to fund and administer (or contract for the administration of) these specific programs, while DOA will have the responsibility to administer all the remaining public benefits programs in the WPSC service area on behalf of the utility. Initially, it is anticipated that DOA will administer and deliver approximately \$8.96 million annually of public benefits programs in the utility's service area during each contract year.

The funds received by DOA from the WPSC under the new contract will not initially be considered revenues that must be deposited to the utility public benefits fund. However, once the PSC establishes a transition plan for current public benefits expenditures by electric and gas utilities, DOA will then be required to transfer the requisite proportionate share of the amounts being received from the utility to the fund in accordance with the phase-over schedule approved by the PSC. When the revenues are deposited to the fund, they will then cease to be covered by the terms of the new pilot program agreement. Once the funds are credited to the fund, they must then be used for statewide public benefits programs and may no longer be earmarked solely for activities in the WPSC service area.

The 2.0 PR two-year project positions originally authorized for the administration of the 1988 pilot program will expire on August 31, 2000, and not be available beyond that date to provide staff support for the pilot program contract extension. To the extent that continuing administrative workload will arise from the pilot program contract extension, it is understood that

this need would be addressed by committing pilot program administrative funds to partially fund other permanent staff in DOA's Energy Bureau.

Recent Developments: Implementation of Funding for Public Benefits Programs. It is anticipated that the PSC will formally certify each major electric and gas utility's 1998 baseline public benefits expenditure levels in early July. It is expected that approximately \$68.8 million of such 1998 expenditures will be made subject to the Act 9 transfer provisions. This \$68.8 million figure is comprised of \$47.4 million expended for energy conservation and related activities and \$21.4 million expended for low-income programs. Thereafter, the PSC, in consultation with both DOA and the affected utilities, must develop an order establishing a three-year transition plan governing the phase-over to DOA of these baseline utility public benefits funding amounts. Currently, DOA anticipates that baseline utility public benefits funding will begin to be transferred to the agency by the end of the 2000 calendar year.

On April 25, 2000, DOA submitted draft administrative rules to the Legislative Council governing the assessment and collection of electric utility public benefits fees. DOA received the report of the Legislative Council's Administrative Rules Clearinghouse on May 19, and held public hearings on the proposed rules on June 16, 2000. The DOA is currently revising the draft rules before submitting them to the Legislature for review by the appropriate standing committees. Under the provisions contained in the administrative rules draft that was subject to the June 16th public hearing, DOA would annually calculate the total public benefits fees to be invoiced to each nonmunicipal electric utility. It is anticipated that the total amount of public benefits fees invoiced in the first full year would amount to approximately \$37.2 million. The affected utilities would be required to establish a collection plan governing how these public benefits fees would be collected from residential and nonresidential utility customers. This collection plan would be subject to DOA review and approval. Under each utility's collection plan, equal monthly installments of the total annual public benefits amounts invoiced would be remitted to DOA in the month following their collection from the utility's customers. As currently projected, approximately \$3.1 million in public benefits fees would be remitted by the utilities to DOA each month.

Provisions of Act 9 authorize DOA to promulgate emergency rules applicable to the period before the effective date of permanent rules governing the collection of public benefits fees. DOA anticipates that once the draft permanent rules have been revised such that they are likely to advance in a timely fashion through the legislative standing committee review process, the Department will then promulgate comparable emergency rules governing the collection of public benefits fees. DOA anticipates that these emergency rules could be in place by mid-summer, with the first monthly public benefits fee remittances being received from utilities possibly as early as August or September of this year.

The following table summarizes the potential annualized public benefits revenue stream from public benefits fees, electric and gas utility transfers and federal low-income program funding, as projected for the 2000-01 fiscal year. These figures represent the maximum revenue potentials for 2000-01. To the extent that the promulgation of administrative rules governing the collection of

public benefits fees is delayed, the indicated fee collection revenues would be decreased proportionately. Additionally, the identified 1998 utility baseline figures represent the total amounts likely to be certified by the PSC. The baseline amounts actually available during 2000-01 for statewide public benefits programs administered by DOA will be in accordance with the three-year phase-over schedule ultimately adopted by the PSC. Additionally, future amount of federal low-income program allocations are not guaranteed and will depend on congressional funding authorizations and appropriations.

TABLE 1

**Estimated Annualized Public Benefit Programs Revenue Stream
(\$ In Millions)**

<u>Type of Revenue</u>	<u>FY 2000-01 Public Benefits Programs</u>
Electric Utility Public Benefits Fees	\$37.2
Municipal Utility/Cooperative Public Benefits Fees	7.2
1998 Electric/Gas Utility Baseline Public Benefits Expenditures	68.8
Federal LIHEAP Funds	42.6
Federal Weatherization Funds	<u>10.4</u>
TOTAL	\$166.2

ANALYSIS

The DOA request is for a supplement from the utility public benefit fund of \$12,822,200 SEG in 2000-01 and authorization of 5.0 SEG positions under its s. 20.505(10)(q) appropriation in order to implement and administer its new statewide public benefits program responsibilities imposed under 1999 Wisconsin Act 9. The agency's request indicated that this amount of the supplementation would "establish base spending authority" for the program.

The Department's request would provide funding and staffing resources for those public benefits program activities relating to energy conservation and efficiency efforts, environmental research and renewable resources development (\$12,152,400 SEG and 5.0 SEG positions) and for those public benefits program activities related to providing assistance to low-income utility customers (\$669,800 SEG). The components of DOA's request are summarized in the following table.

TABLE 2

Public Benefits Program Administrative Funding Request
(FY 2000-01)

Energy Conservation and Efficiency and Related Programs	<u>Amount (SEG)</u>
<u>Cost Component</u>	
Salaries and Fringe Benefits (5.0 Permanent Positions)	\$282,400
Staff-Related Supplies and Services	160,000
Staff-Related Permanent Property	10,000
Energy Efficiency and Related Programs -- Contractual Services	10,200,000
Printing Costs	<u>1,500,000</u>
Subtotal	\$12,152,400
Low-Income Programs	
<u>Cost Component</u>	
Supplies and Services	\$134,500
Permanent Property	25,300
Low-Income Programs -- Contractual Services	<u>510,000</u>
Subtotal	\$669,800
Total Request	\$12,822,200

Requested Staffing Resources for Energy Conservation and Efficiency and Related Public Benefits Programs. DOA is requesting that the Committee authorize 5.0 permanent program and planning analyst positions and provide associated salary and fringe benefits funding of \$282,400 SEG. The new positions would staff those key functions that DOA identifies as essential for the successful statewide implementation of energy conservation and efficiency and related public benefits programs. These functions and the associated position functional titles and costs (salary and fringe benefits) are as follows:

- Evaluation Coordinator. This position, funded at \$72,300 SEG annually, would supervise all aspects of the evaluation, measurement and verification of energy conservation public benefits. The position would also be responsible for monitoring energy efficiency and renewable energy developments in other states and assessing how energy-related market transformations could be advanced in Wisconsin. The functions of this new position are comparable to those performed by one of the expiring project positions (on August 31, 2000) associated with the current Wisconsin Focus on Energy pilot program. DOA intends that the authorization of this position would convert that project position to permanent status and shift its funding source (from current PR to SEG).

- Major Markets Analyst. This position, funded at \$55,300 SEG annually, would provide lead policy analysis and supervision of all aspects of the planning, coordination and program management of the commercial and industrial energy efficiency programs that are part of the public benefits program. These activities would also include providing assistance and technical advice regarding energy efficiency in Wisconsin schools and other public buildings. The functions of this new position are comparable to those performed by the other of the two expiring project positions (on August 31, 2000) associated with the current Wisconsin Focus on Energy pilot program. DOA intends that the authorization of this position would convert that project position to permanent status and change its current funding source (from current PR to SEG).

- Environmental Analyst. This position, funded at \$55,300 SEG annually, would provide lead policy analysis and supervise planning and coordination responsibilities for environmental and energy issues in the public benefits program. The position will be responsible for research and development activities related to the environmental impact of the electric industry and assisting in the coordination of public information and marketing activities for the public benefits program.

- Residential Analyst. This position, funded at \$55,300 SEG annually, would provide lead policy analysis for the planning, coordination and program management of the residential energy efficiency components of the public benefits program. The position would also provide coordination between energy efficiency public benefits programs in the residential sector and the low-income and weatherization public benefits programs.

- Policy Analyst. This position, funded at \$44,200 SEG annually, would provide policy, fiscal and administrative analysis and assist with the management of energy conservation and efficiency and related public benefits programs. The position would also provide assistance with the management of large commercial, manufacturing and industrial sector contracts and would develop and maintain costing information for such contracts. In addition, the position would monitor the public benefits undertakings of municipal electric and retail electric cooperatives, review utility renewable energy development activities and track voluntary contributions to the utility public benefits fund.

With respect to the requested staffing resources for the energy conservation and efficiency component of the statewide public benefits program, DOA does not have specific, quantifiable workload measures to justify this number of positions. Rather, the Department has undertaken a functional analysis of the primary administrative and statutory policy functions that must be undertaken in order to implement the statewide program. This analysis included a review of the types of staff functions that have been required for the Wisconsin Focus on Energy pilot program as well as a review of the Act 9 requirements set for the new public benefits program. For example, Act 9 newly requires that certain portions of the statewide public benefits program be specifically directed towards research and development proposals on the environmental impacts of the electric industry and on the development of renewable energy technologies.

Based on this type of functional analysis and the comparative staffing level provided for the smaller Wisconsin Focus on Energy pilot program, the requested staffing complement appears to be reasonable. However, the salary and fringe benefits amounts requested by DOA for the new positions are based on a 12-month basis. In providing funding for the 2.0 FTE positions that would be converted from project to permanent status on September 1, 2000, only 10 months of funding would actually be required in 2000-01. Further, the standard budgeting convention for funding the remaining 3.0 FTE new positions would be to provide nine months rather than 12 months of salary and fringe benefits funding (to reflect time required for recruitment and hiring). The Committee could make these adjustments and reduce the Department's total salary and fringe benefits request for 2000-01 by \$60,000 SEG.

In addition to salary and fringe benefits funding, DOA is requesting \$160,000 SEG in 2000-01 for staff-related supplies and services and \$10,000 SEG in 2000-01 for staff-related permanent property.

The amounts requested for supplies and services include \$105,000 budgeted for such items as additional space rental, financial services charges, dues and memberships, telecommunications and postage, in-house conference expenses and miscellaneous supplies. An additional \$55,000 has been budgeted for in-state travel costs. In general, these travel costs are based on four times the actual travel costs incurred by the Department in undertaking its public benefits responsibilities under the Wisconsin Focus on Energy pilot program.

The \$10,000 requested for permanent property costs would support computer and office furniture costs associated with 3.0 FTE of the 5.0 FTE new positions. (The requisite computer and office furniture resources have previously been provided for the other two positions.)

The \$160,000 SEG requested for staff-related supplies and services appears reasonable. Similarly, the \$10,000 SEG requested for staff-related permanent property in 2000-01 also appears to be reasonable, except that since the permanent property funding is a one-time item, the Committee could designate it as such.

Requested Contractual Services Funding for Energy Conservation and Efficiency and Related Public Benefits Programs. DOA is requesting \$10,200,000 SEG for projected contractual services costs related to retaining an evaluator, a fiscal agent, a public benefits marketing coordinator and specialized policy consultants to help implement and administer the energy conservation and efficiency and related public benefits program. DOA is also requesting funding of \$1,500,000 SEG for contract printing costs associated with the new programs.

DOA indicates that the \$10,200,000 SEG requested for contractual services would be used to contract for the following: a program evaluator (\$6,800,000); a fiscal agent (\$1,500,000); a marketing coordinator (\$1,800,000); and specialized policy consultants (\$100,000). At this stage in its planning, DOA expects that contractors would be retained for the following types of activities:

- Program Evaluator. DOA indicates that it plans to contract for a program evaluator to review the process by which DOA develops and implements the components of the statewide public benefits plan. This would be similar to DOA's retention of a contract evaluator for the Wisconsin Focus on Energy Pilot project. Thereafter, DOA would use the evaluator to conduct on-going analyses of the impact of the various public benefits programs in the various utility customer sectors and to determine if the programs are meeting their objectives. This latter activity would initially require the evaluator to determine baseline data on the current types and level of energy usage in the various customer sectors. No firm contract costs have been identified for this activity based either on the circulation of a request for information or a request for proposals. Rather, DOA bases its \$6,800,000 annual cost estimate for program evaluation services simply on the fact that approximately 10% of the Wisconsin Focus on Energy pilot program budget was committed to such activities. DOA has applied this same percentage figure to the total annual amounts projected to be expended on energy conservation type public benefits programs (\$67.4 million) to arrive at the \$6.8 million figure.

- Fiscal Agent. DOA indicates that an outside fiscal agent would be retained to audit and evaluate the external fiscal management of the various public benefits contracts. The fiscal agent would be used to ensure that the contracted work was being done in accordance with the appropriate energy saving goals. No firm contract costs have yet been identified for this activity based either on the circulation of a request for information or a request for proposals. DOA bases its \$1,500,000 annual cost estimate for fiscal agent services on the fact that approximately 3% of the Wisconsin Focus on Energy pilot program budget was budgeted for such services. DOA has applied a similar percentage figure (approximately 2%) to the total annual projected amounts available from all sources for energy conservation type public benefits programs (\$67.4 million) to arrive at the \$1.5 million figure.

- Marketing Coordinator. DOA indicates that a marketing coordinator would be retained to ensure that all marketing, advertising and public relations events associated with the energy conservation related public benefits program are undertaken in a consistent and coordinated fashion. DOA states that its experience with the Wisconsin Focus on Energy program demonstrated that one central point of coordination is essential for program success. The marketing coordinator would also promote public awareness of the new public benefits program. No firm contract costs have been identified for this activity based either on the circulation of a request for information or a request for proposals. DOA has estimated that its initial marketing effort would require \$1,800,000 annually. This is the same total dollar amount that was allocated for this purpose under the Wisconsin Focus on Energy pilot program.

- Policy Consultants. DOA indicates that it believes various specialized policy consultants would need to be engaged to undertake such projects as reviewing the program elements of the Wisconsin Focus on Energy pilot to determine if modifications are necessary before extending them statewide, conceptualizing new programs, and developing requests for proposals. DOA has budgeted \$100,000 for contracting with such consultants.

In reviewing the Department's request for \$10,200,000 SEG in 2000-01 for contractual services, the Committee may wish considering the following:

First, as noted above, the projected costs for contractual services are simply extrapolated from DOA's experience under the Wisconsin Focus on Energy pilot with implementing and administering comparable types of programs in the more limited service area of the Wisconsin Public Service Corporation. While perhaps a reasonable basis for an estimate, there is no certainty that the Department's expenditure experience at the regional level will translate proportionately to the statewide level. On the one hand, there may be greatly increased complexity in implementing certain types of programs in specialized customer sectors. On the other hand, certain types of programs may benefit from economies of scale when implemented on a statewide basis. These features of implementing a statewide public benefits program make cost projections at this stage of program implementation tentative at best.

Second, it is unlikely that all of the proposed contractual services will need to be retained on a fulltime basis during the 2000-01 fiscal year. Further, some of the contractual services will presumably need to be engaged before others. For example, it is anticipated that some specialized policy consultants to assist in the development of requests for proposals and evaluators to establish baseline energy usage data will need to be in place before the fiscal agents and marketing coordinators will need to be retained. It is likely, therefore, that the need for consultant services will be sequenced and phased-in over a period of time during fiscal year 2000-01.

Third, additional guidance with respect to the need, scope and initial success (or failure) of some of the contractual services will be gained from the interim and final evaluations of comparable services that were engaged during the first two years of the Wisconsin Focus on Energy pilot program. An interim evaluation of the pilot was due to be submitted to this Committee in August 1, 1999, but has not yet been received. Further, based on the initial pilot contract end date, a final evaluation report on the initial pilot program is required to be delivered to the Committee by September 30, 2000.

Finally, a more complete assessment of the likely costs of the proposed contractual services would be available for Committee review once DOA, with the likely assistance of the requested policy consultants, has developed and circulated either or both requests for information (RFIs) or requests for proposals (RFPs) to potential contractors. These types of documents would likely permit the Department to both more accurately assess both the sequencing of its contractual services needs and to determine with greater accuracy the likely costs of procuring such services.

Given these considerations regarding the requested funding for consultant services, the Committee could modify the Department's request by placing most of the requested contractual services funding for energy conservation and efficiency and related public benefits contractual services in unallotted reserve. Under this approach, \$100,000 SEG in 2000-01 would be made available immediately to DOA for the purpose of engaging the necessary policy consultants to assist with the development of requests for information and/or requests for proposals. The remaining

\$10,100,000 SEG in 2000-01 requested by DOA would be placed in unallotted reserve for release by the Committee under a 14-day passive review process, upon the receipt of: (1) more definitive cost projections of DOA's contractual services needs; and (2) the preliminary evaluation of the initial Wisconsin Focus on Energy pilot program (and the final evaluation for any request for funding release received by the Committee after September 30, 2000). At the time of any such future release, the Committee could also determine whether the funding should be allotted on a one-time or permanent basis.

The Department has also requested a supplement of \$1,500,000 SEG in 2000-01 to cover expected contract printing costs associated with the implementation of the energy conservation and efficiency and related public benefits program. This expenditure estimate was derived from DOA's actual cost experience associated with preparing brochures, fact sheets, bill inserts, descriptive materials, case studies, and other materials associated with the Wisconsin Focus on Energy pilot. Those costs amounted to approximately \$300,000. DOA estimates that its annual printing requirements for the entire state will be approximately five times larger and thus the requested funding level of \$1,500,000. Further, a significant amount of these costs are expected to be incurred early in the implementation of the program. Since the Department anticipates that a significant level of promotional material will be requested, these cost projections do not appear unreasonable and the Committee may wish to provide the amount requested for this purpose.

Requested Supplies and Contractual Services Resources for the Low-Income Public Benefits Programs. DOA is also requesting that the Committee provide \$134,500 SEG for staff-related supplies and services costs, \$25,300 SEG for permanent property costs and \$510,000 SEG for contractual services for the low-income public benefits programs.

The amounts requested for supplies and services are budgeted for such items as additional space rental, financial services charges, telecommunications and postage and miscellaneous supplies. An additional \$55,000 SEG has been budgeted for in-travel costs associated with in-state and out-of-state conferences, fleet charges and site visits. These budgeted expenses appear reasonable given the program expansion.

Additionally, \$25,300 SEG has been requested for permanent property costs. These costs are budgeted for additional computer resources for current DOA staff involved with low-income public benefits programs and for specialized equipment such as furnace efficiency analyzers. These budgeted costs appear reasonable; however, since this represents a nonrecurring cost, these permanent property funds should be provided as one-time funding.

DOA is also requesting that the Committee provide \$510,000 SEG for a variety of specific contractual services undertakings associated with the low-income public benefits program. These contractual services amounts are budgeted for the following purposes:

- Toll-Free Telephone Line. A total of \$60,000 would be used to utilize an existing statewide toll-free number maintained by the Department of Agriculture, Trade and Consumer

Protection to answer public inquiries relating to the low-income public benefits program. The funds would be used by DATCP for additional staff hours to answer questions about the new public benefits program.

- LIHEAP and Weatherization Assistance Program Computer Modifications. A total of \$150,000 would be used to contract with programming staff to modify the existing LIHEAP computer system in order to incorporate public benefits program payments (\$100,000) and to upgrade an outmoded weatherization assistance program computerized reporting system (\$50,000). The Department indicates that the costs were estimated by its Office of Computer Services based on the number of contract programmer hours that would be needed to accomplish these modifications.

- LIHEAP Outreach Campaign. A total of \$300,000 would be used to contract with a vendor to mount a public relations and outreach campaign to inform potentially eligible low-income households of the new public benefits program.

The purposes of proposed contractual services expenditures for the low-income public benefits program generally appear reasonable. However, much of requested funding for computer programming and for an outreach campaign are one-time in nature. Therefore, the Committee could provide \$420,000 of the requested contractual services amounts as one-time items to reflect this fact. The \$60,000 annually for staffing of a toll-free number and \$30,000 annually (out of the total \$100,000) which is associated with on-going maintenance of the LIHEAP computer system could be provided as base-building funding.

Revenue Sufficiency to Fund the Request. The Department believes that 1998 baseline utility public benefits funding will begin to be transferred to DOA, pursuant to PSC order, before the end of the current calendar year. In particular, DOA believes that utility baseline funding associated with the utilities' administration of public benefits programs will be among the funds transferred. Assuming that these amounts would represent at least 5% of total utility baseline funding, at least \$3.4 million would be transferred to the utility public benefits fund during 2000-01. In addition, DOA anticipates that it will have emergency rules in place later this summer governing the collection of public benefits fees from utility customers. As currently projected, approximately \$3.1 million in public benefits fees would be remitted by the utilities to DOA each month. Assuming the first such remittances in September, total fee collections for the remainder of 2000-01 would amount to \$27.9 million. Thus, it appears that sufficient revenues to the utility public benefits fund will be available during the 2000-01 fiscal year to fund the current supplementation request.

ALTERNATIVES

1. Provide a supplement of \$12,822,200 SEG from the Committee's s. 20.865(4)(u) appropriation [from the utility public benefits fund] to the Department's s. 20.505(10)(q) appropriation to support the implementation and administration of statewide public benefits

programs. In addition, authorize 5.0 SEG positions to be funded under the s. 20.505(10)(q) appropriation.

2. Provide a supplement of \$12,762,200 SEG from the Committee's s. 20.865(4)(u) appropriation [from the utility public benefits fund] to the Department's s. 20.505(10)(q) appropriation to support the implementation and administration of statewide public benefits programs. Provide that \$10,100,000 SEG of the total amount provided be placed in unallotted reserve subject to release by the Committee under a 14-day passive review process, upon the receipt from DOA of: (a) more definitive cost projections for the level of funding needed for contractual services expenditures for the energy conservation and efficiency-related public benefits program; and (b) the preliminary evaluation of the initial Wisconsin Focus on Energy pilot program (and the final evaluation for any request for funding release received by the Committee after September 30, 2000). Provide that \$2,662,200 SEG of the total amount provided be available for immediate expenditure, but that \$2,208,700 SEG of that amount be designated as base-building funding and \$453,500 SEG of that amount be designated as one-time funding. In addition, authorize 5.0 SEG positions under the s. 20.505(10)(q) appropriation.

3. Deny the request.

Prepared by: Tony Mason

MO# AH 2

1	BURKE	<input checked="" type="radio"/>	N	A
	DECKER	<input checked="" type="radio"/>	N	A
	JAUCH	<input checked="" type="radio"/>	N	A
	MOORE	<input checked="" type="radio"/>	N	A
	SHIBILSKI	<input checked="" type="radio"/>	N	A
	PLACHE	<input checked="" type="radio"/>	N	A
	COWLES	<input checked="" type="radio"/>	N	A
	DARLING	<input checked="" type="radio"/>	N	A
2	GARD	<input checked="" type="radio"/>	N	A
	PORTER	<input checked="" type="radio"/>	N	A
	KAUFERT	<input checked="" type="radio"/>	N	A
	ALBERS	<input checked="" type="radio"/>	N	A
	DUFF	<input checked="" type="radio"/>	N	A
	WARD	<input checked="" type="radio"/>	N	A
	HUBER	<input checked="" type="radio"/>	N	A
	RILEY	<input checked="" type="radio"/>	N	A

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