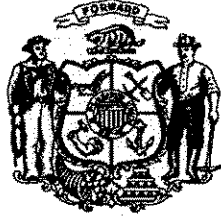


THE STATE OF WISCONSIN

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

May 25, 1999

Secretary Mark Bugher
Department of Administration
101 East Wilson Street
Madison, Wisconsin

Dear Secretary Bugher:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, dated May 6, 1999, concerning requests from the Department of Corrections and the Chippewa County district attorney's office.

No objections to this request have been raised. Accordingly, the request is approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John G. Gard in black ink.

JOHN G. GARD
Assembly Chair

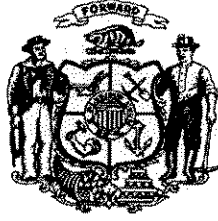
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cc: Members, Joint Committee on Finance
Robert Lang, Legislative Fiscal Bureau
Vicky LaBelle, Department of Administration

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard
Co-Chairs, Joint Committee on Finance

Date: May 6, 1999

Re: s. 16.515/16.505(2), Stats. Request

Attached is a copy of a request from the Department of Administration, dated May 6, 1999, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Department of Corrections and the Chippewa County district attorney's office.

Please review the material and notify **Senator Burke** or **Representative Gard**, no later than **Friday, May 21, 1999**, if you have any concerns about the request or if you would like to meet formally to consider it.

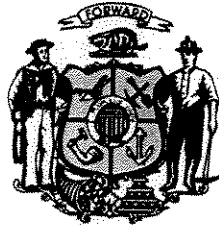
Also, please contact us if you need further information.

Attachment

BB/JG/js

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

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY



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

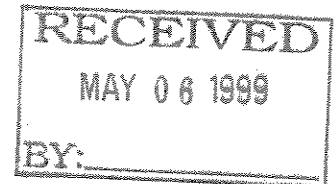
Date: May 6, 1999

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

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

From: Mark D. Bugher, Secretary
Department of Administration

Subject: S. 16.515/16.505(2) Request(s)



Enclosed are request(s) that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1997-98</u>		<u>1998-99</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
DAs 20.475(1)(h)	Gifts and grants				0.50 *
DOC 20.410(1)(h)	Administration of restitution			\$ 550,000 **	

* Project position ending 07/31/99.

**One-time increased expenditure authority in FY99.

As provided in s. 16.515, the requests will be approved on May 27, 1999, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Vicky LaBelle at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

CORRESPONDENCE MEMORANDUMSTATE OF WISCONSIN
Department of Administration

Date: May 5, 1999

To: Mark D. Bugher, Secretary
Department of Administration

From: Andrew J. Statz, Budget Analyst *AS*
State Budget Office

Subject: Request under s. 16.505 to authorize 0.50 FTE project assistant district attorney (ADA) position to increase an existing prosecutor position in Chippewa County to full-time status

REQUEST:

The Department of Administration (DOA), on behalf of the Chippewa County district attorney's office, requests an additional 0.50 FTE PR project assistant district attorney (ADA) position authorized under s. 20.475(1)(h) *Gifts and Grants* to increase an existing position from 0.50 FTE to 1.0 FTE. The position prosecutes domestic crimes and crimes against women. Position authorization is requested from May 9, 1999, to June 30, 2001.

REVENUE SOURCES FOR APPROPRIATION:

The revenue source for the appropriation under s. 20.475 (1)(h) *Gifts and Grants* is federal funding awarded under the Violence Against Women Act (VAWA). The grant was awarded to the state by the federal Department of Justice, Office of Justice Programs, VAWA Grant Office. Wisconsin's VAWA grant is administered by the Office of Justice Assistance (OJA), which sub-grants the award to Chippewa County. While federal funds will pay for the position, the county is required to reimburse the state through Agency 475 (District Attorneys) because ADAs are state employees. As a result, these funds are treated as PR-O.

ANALYSIS:

The existing 0.50 FTE VAWA position in Chippewa was authorized August 16, 1998, and expires July 31, 1999. Sufficient VAWA funds will be available to allow the position to be filled at the 1.0 FTE level starting July 1, 1999. OJA stated its support for the additional 0.50 FTE in e-mail correspondence with the State Prosecutor's Office dated April 30, 1999.

Current position authorization for the existing 0.50 FTE ends July 31, 1999. Accordingly, the additional 0.50 FTE should be authorized until that date. Continuation of the entire 1.0 FTE position may be considered when additional VAWA funding has been secured.

Salary and benefits for the existing 0.50 FTE and the additional 0.50 FTE will be 100 percent federally funded. The exact amounts of additional expenditure

authority in s. 20.475(1)(h) for each fiscal year will be determined through the DOA allotment process. Since this is a continuing appropriation, approval of the Joint Committee on Finance is required only for the position authorization.

RECOMMENDATION:

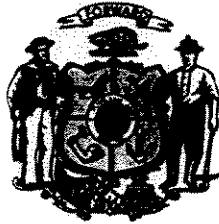
Approve the request to authorize an additional 0.50 FTE PR to increase the existing 0.50 FTE PR in Chippewa County to full-time status (from the date of approval by the Joint Committee on Finance to July 31, 1999). If continuing federal VAWA grant funding is available for this position, extensions could be granted for a total project position duration of four years (through August 15, 2002) at the discretion of the Department of Administration (DOA).

This approval does not constitute the commitment of current or future GPR funding for these positions. Such approval can only be obtained through the biennial budget process.

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

TOMMY G. THOMPSON
GOVERNORS

MARK D. BUGHER
SECRETARY



Division of Administrative Services
Post Office Box 7869
Madison, WI 53707-7869
Voice (608) 266-2309
Fax (608) 264-9500
TTY (608) 267-9629

STATE PROSECUTORS OFFICE -----MEMORANDUM/CORRESPONDENCE
Telephone No.: (608) 267-2700-----E-Mail Address: stuart.morse@doa.state.wi.us-----Fax No.: (608) 264-9500

DATE: April 30, 1999

TO: Rick Chandler, Administrator
Division of Executive Budget and Finance

FROM: Charles E. McDowell, Administrator
Division of Administrative Services

SUBJECT: **REQUEST UNDER S. 16.505 FOR DEPARTMENT 475:
CHIPPEWA DISTRICT ATTORNEY'S OFFICE**

On behalf of the Chippewa County District Attorney's Office, I submit the attached request for 0.5 FTE PR position authority for Department 475, District Attorneys.

If you have any questions, please direct them to Stuart Morse, Director, State Prosecutors Office or to Richard Wagner in the Division's Bureau of Financial Management.

Attachments

cc: Stuart Morse
Richard Wagner

DEPARTMENT OF ADMINISTRATION REQUEST UNDER S.16.505 FOR POSITION AUTHORIZATION

I. REQUEST

The Department of Administration requests, under s.16.505, the authorization of an additional 0.5 FTE Program Revenue (PR) prosecutorial position to increase a currently approved PR position from 0.5 FTE to 1.0 FTE. This is in appropriation s.20.475(1)(h). The position is located in the Chippewa County District Attorney's Office. The 0.5 FTE PR position is currently authorized through July 31, 2001. This position is funded by a Violence Against Women Act (VAWA) grant.

Grant the Chippewa County DA Office position authorization for an additional 0.5 FTE PR VAWA position for May 9, 1999 through June 30, 2001.

II. BACKGROUND

Wisconsin was awarded federal Violence Against Women Act (VAWA) grant funds for federal fiscal years 1996 and 1997. Wisconsin VAWA grants are administered by the Office of Justice Assistance (OJA). The purpose of this federal program is to assist states in the development and enhancement of effective law enforcement and prosecution strategies to combat violent crimes against women and to develop and strengthen victim services. By federal law, 25 percent of the state grant must be spent on prosecution related services. On June 29, 1998, Governor Thompson awarded a 0.5 FTE VAWA grant for an additional assistant district attorney position to the Chippewa DA Office. The Governor's grant award decisions follow the recommendations of his Law Enforcement and Crime Commission. The Joint Committee on Finance approved this position under s. 16.505 on August 6, 1998. The Office of Justice Administration stated its support on April 30, 1999 for the expansion by 0.5 FTE in this position. The position number is 327031.

III. ANALYSIS

This position is in furtherance of the State's policy to fight domestic abuse, sexual abuse and assault and other violent crimes against women.

IV. FISCAL ANALYSIS

The Chippewa 0.5 PR FTE VAWA position was not immediately filled. There will be sufficient funds available to allow the position to be filled at the 1.0 FTE level starting on May 9, 1999 through the end of the current grant year, June 30, 1999. Funding for FY00 is pending and expected to be approved. Funding for a third year of the grant through FY01 is possible under the federal law. The

program revenue appropriation is continuing and will be reestimated based upon actual experience.

V. REVENUE SOURCE FOR APPROPRIATION

The sources of grant funds is s.20.505(6)(p), which is provided by the federal government to OJA for use in developing anti-violence against women crime efforts including the funding of prosecutorial staff. These funds are awarded to the counties. The counties will reimburse salary and fringe benefit costs for the state paid ADA positions in the Department of District Attorneys.

VI. 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 additional 0.5 FTE position requested on the Chippewa DA office. The table uses the most current court data available (1995-97) and the positions authorized as of April 14, 1999. It is important to note that the position need shown in the LAB methodology is a general need responding to all duties of a DA office and is not specific to a particular type of criminal activity or caseload such as that covered by the VAWA.

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

Detailed data on violence against women with which to make such an analysis are not available.

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

This request is simply a modification of a previously approved VAWA position.

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 VAWA funds may not be used to address other types of caseloads. The fact that the federal government specifically created the VAWA and included the 25% prosecution funding requirement is an indication of the high national priority this activity is given.

DA Office	FTE equivalent (=dif/1227) needed without new position	FTE equivalent (=dif/1227) needed with new position
Adams	0.42	0.42
Ashland	0.55	0.55
Barron	-0.31	-0.31
Bayfield	0.17	0.17
Brown	2.03	2.03
Buffalo	-0.20	-0.20
Burnett	0.65	0.65
Calumet	-0.18	-0.18
Chippewa	0.41	-0.09
Clark	-0.14	-0.14
Columbia	1.49	1.49
Crawford	-0.26	-0.26
Dane	0.27	0.27
Dodge	0.12	0.12
Door	0.09	0.09
Douglas	-0.04	-0.04
Dunn	-0.17	-0.17
Eau Claire	2.27	2.27
Florence	-0.12	-0.12
Fond du Lac	1.17	1.17
Forest	0.48	0.48
Grant	0.61	0.61
Green	0.02	0.02
Green Lake	-0.42	-0.42
Iowa	-0.58	-0.58
Iron	-0.61	-0.61
Jackson	-0.62	-0.62
Jefferson	1.09	1.09
Juneau	0.07	0.07
Kenosha	-0.28	-0.28
Kewaunee	-0.43	-0.43

DA Office	FTE equivalent (=dif/1227) needed without new position	FTE equivalent (=dif/1227) needed with new position
La Crosse	1.63	1.63
Lafayette	-0.49	-0.49
Langlade	0.26	0.26
Lincoln	0.16	0.16
Manitowoc	2.37	2.37
Marathon	2.99	2.99
Marinette	0.25	0.25
Marquette	0.13	0.13
Milwaukee	21.00	21.00
Monroe	0.99	0.99
Oconto	0.13	0.13
Oneida	1.07	1.07
Outagamie	2.08	2.08
Ozaukee	0.61	0.61
Pepin	-0.17	-0.17
Pierce	-1.51	-1.51
Polk	0.57	0.57
Portage	-0.10	-0.10
Price	-0.10	-0.10
Racine	1.38	1.38
Richland	-0.71	-0.71
Rock	4.27	4.27
Rusk	-0.44	-0.44
Saint Croix	-2.52	-2.52
Sauk	1.13	1.13
Sawyer	0.75	0.75
Shaw/Men	0.86	0.86
Sheboygan	2.34	2.34
Taylor	0.20	0.20
Trempealeau	-0.16	-0.16
Vernon	-1.16	-1.16
Vilas	-0.60	-0.60
Walworth	-0.22	-0.22
Washburn	0.44	0.44
Washington	0.32	0.32
Waukesha	-2.98	-2.98
Waupaca	-0.40	-0.40
Waushara	-0.24	-0.24
Winnebago	3.50	3.50
Wood	0.05	0.05

Morse, Stuart

From: Miller, Linda
Sent: Friday, April 30, 1999 1:32 PM
To: Bresser, Debra
Cc: Smith, Kittie; Morse, Stuart
Subject: Chippewa County VAW Prosecution

Since Jerry is going to provide enough funds to fully fund 1 FTE in Chippewa County effective July 1, 1999, we should proceed to approve the in-house request to have that position go full time now, if they have identified the resources to cover the increase between now and the end of the current fiscal year.

Please process the request as soon as possible. I spoke with the DA in Chippewa this afternoon and indicated we would process the request next week.

*Frank Paul
Linda*

CORRESPONDENCE MEMORANDUM

**STATE OF WISCONSIN
Department of Administration**

Date: May 5, 1999

To: Mark D. Bugher, Secretary
Department of Administration

From: Doug Percy, Budget and Policy Analyst ^{DP}
Division of Executive Budget and Finance

Subject: Request under s.16.515 from the Department of Corrections (DOC) for increased expenditure authority for the redesign and Y2K testing of the department's Corrections Accounting Cashiers Unit (CACU) mainframe database

REQUEST:

DOC requests one-time increased expenditure authority in FY99 of \$550,000 PR in appropriation s.20.410(1)(h), administration of restitution. The additional expenditure authority will be utilized for the redesign (\$450,000) and Y2K testing (\$100,000) of the department's Corrections Accounting Cashiers Unit (CACU) mainframe database.

REVENUE SOURCES FOR APPROPRIATION(S):

Revenue for appropriation s.20.410(1)(h), administration of restitution, is derived from a surcharge on offenders equal to five percent of the total amount of any restitution, attorney fees and any fines or related payments. Funding in this appropriation must be utilized for the administration of court-ordered restitution programs under s.973.20.

BACKGROUND:

The CACU mainframe database contains the status of offenders on probation and parole, as well as their court-ordered financial obligations and DOC supervision fees. Offender monies collected by the probation and parole agent are receipted to and distributed by the system to pay the court-ordered obligations, such as restitution to victims, court costs, fines, attorney fees, victim/witness surcharge, state surcharge and DNA testing fees. CACU provides daily updated information to the Department of Justice Crime Information Bureau on the status of offenders on probation and parole for law enforcement.

Mark D. Bugher, Secretary
May 5, 1999
Page 2

DOC is currently consolidating CACU and the Corrections Integrated Program Information System (CIPIS) into one integrated database. CIPIS is the database that contains information regarding Wisconsin's adult inmate population and institution programs. Integration of these databases and subsequent features (truth in sentencing capability, sex offender registry, etc.) are part of an integrated corrections system (ICS) that the department is currently developing. Consolidation of the databases is expected to be completed by the end of FY99, while subsequent features will be added over the next several biennia.

Benefits of the new ICS include:

- ✓ truth in sentencing capability;
- ✓ improved public safety;
- ✓ automated release date calculation for all sentencing laws and
- ✓ improved inmate population tracking.

ANALYSIS:

Integrated Corrections System (ICS) Development

DOC has outlined five phases necessary to complete ICS:

- ✓ implement ICS platform (consolidation of CIPIS and CACU databases);
- ✓ develop field supervision, sex offender registry and court ordered payment modules;
- ✓ develop time calculation, custody classification, population movement and admissions modules;
- ✓ develop inmate activity, health services and parole modules and
- ✓ develop inmate banking and canteen modules.

DOC is currently consolidating the CACU and CIPIS databases. Consolidation of these databases is expected to be completed by the end of FY99. DOC estimates that an additional \$450,000 is needed to complete this consolidation. To date, \$2.3 million has been allocated for this purpose.

In the 1999-01 biennial budget, the Governor recommended an additional \$3,654,500 PR over the biennium to continue development of ICS. This funding will allow DOC to continue implementing the next phases of the project.

Y2K Testing

DOC hired four part-time contractors to implement Y2K changes to the CACU database during FY99. The contractors have finished reprogramming all code using a 4-digit year and are currently testing the system. This testing is expected to be completed by the end of the fiscal year and is expected to cost

Mark D. Bugher, Secretary
May 5, 1999
Page 3

\$100,000. Approval of this request will allow DOC to allocate GPR already utilized for Y2K testing of the CACU database to other critical information technology needs within the department.

Financial Condition

As Table I below indicates, approval of this request will result in an estimated FY99 ending cash balance of \$30,400 in 20.410(1)(h).

Table I

**Financial Condition
Appropriation s.20.410(1)(h)**

<u>Revenues</u>	
FY99 opening balance	\$545,900
<u>Projected FY99 revenue</u>	<u>\$730,800</u>
Total Available	\$1,276,700
<u>Expenditures</u>	
FY99 projected expenditures	\$696,300
<u>16.515 request</u>	<u>\$550,000</u>
Total Expenditures	\$1,246,300
Projected FY99 Closing Balance	\$30,400

RECOMMENDATION:

Approve the request.



Tommy G. Thompson
Governor

Jon E. Litscher
Secretary

**State of Wisconsin
Department of Corrections**

Mailing Address

149 East Wilson Street
Post Office Box 7925
Madison, WI 53707-7925
Telephone (608) 266-2471
Fax (608) 267-3661

April 22, 1999

MEMORANDUM

TO: Richard G. Chandler, State Budget Director
Department of Administration

FROM: Jon E. Litscher, Secretary
Department of Corrections

RE: §16.515 (1) Request for Appropriation §20.410 (1) (h)
Numeric Appropriation 139—Administration of Restitution

REQUEST

The Department of Corrections (DOC) requests one-time increased expenditure authority of \$550,000 PR in appropriation §20.410(1)(h) in FY 99 to hire contractors to perform Y2K remediation testing and other costs related to the redesign of the Corrections Accounting Cashiers Unit (CACU) data system.

REVENUE SOURCES FOR THE APPROPRIATION

The revenue deposited into §20.410 (1) (h) comes from receipts of court-ordered restitution paid by offenders to the Department of Corrections. In addition, offenders must pay a surcharge equal to 5% of the court-ordered restitution to cover the Department's administrative expenses.

BACKGROUND & ANALYSIS

The CACU data system contains all offenders' court ordered restitution payment and disbursement information.

Y2K Remediation Testing

The Department requests increased expenditure authority of \$100,000 to hire contractors to test Y2K programming code changes to the CACU database.

This database is classified as a "fatal and critical system". As such, both the Department of Administration and the Office of the Governor have directed all state agencies to remediate (fix or replace) all fatal and critical systems by June 30, 1999.

The Department has hired four part-time contractors to remediate its CACU system during FY 99. The contractors have been reviewing every line of code and reprogramming all code using a 4-digit year. This request will fund contractors to test the changes.

Integrated Corrections System Development

The Department requests increased expenditure authority of \$450,000 for contractors who have, and will continue to, redesign the CACU database in FY 99 to become a functional part of the integrated justice system currently under development. This redesign is one component of the beginning phase in consolidating several overlapping, non-integrated data systems within the Department of Corrections. This phase includes an integrated database which contains all information currently included in the CACU system as well as information currently contained in one of the Department's main incarcerated offender data systems (Correction's Integrated Program Information System (CIPIS)). This phase also includes creation of a data dictionary that will use like-definitions in every field no matter the source database. Both phases are expected to be completed during FY 99.

The Governor's 1999-01 budget proposes \$3,654,500 PR over the biennium to continue the next phases of this project. Once completed, information contained in the consolidated database about offenders, whether incarcerated or under supervision in the community, will be immediately available to staff, and local and national law enforcement agencies. It is expected that full integration will take several biennia to complete.

Financial Condition of Appropriation

The opening cash balance of this appropriation was \$545,900. Approval of the full request will result in an estimated FY 99 ending cash balance of \$30,400 in 20.410(1)(h).

SUMMARY

The Department of Corrections requests a one-time increase of expenditure authority in §20.410(1)(h) of \$550,000 in FY 99 to hire contractors to begin design of an integrated data system and test Y2K remediation.

cc:	Cindy O'Donnell—Dpty. Sec.	Jessica O'Donnell—Ex. Asst
	Cindy Archer, DMS	Bill Clausius, Sec. Office
	Mary Cassady, BoB	Shiva Sathasivam, BTM
	Doug Percy, DOA	Cathy Halpin, BoB
	Dan Steeger, BFAS	Analysts

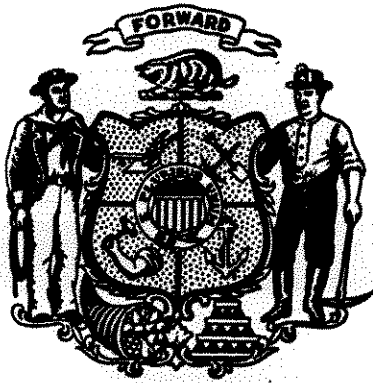
Prepared By: Cathy Halpin, DOC Bureau of Budget
267-0934

SUMMARY OF FINANCIAL CONDITION OF APPROPRIATION
\$20.410(1)(h).

The following is a fund condition statement for appropriation 20.410(1)(h) to show the effect of the request on the appropriation as adjusted:

FY 99 Opening Balance	\$545,900
Revenue:	
Revenue year-to-date (3-31-99)	\$548,100
Revenue projected to June 30, 1999	<u>\$182,700</u>
Total revenue projected for FY 99	\$730,800
Expenditures:	
Expenditures year-to-date (3-31-99)	\$324,800
Projected expenditures to June 30, 1999	\$371,500
This 16.515 supplemental recommendation	<u>\$550,000</u>
Total expenditures projected for FY 99	\$1,246,300
FY 99 Closing Balance	\$30,400
Expenditure authority:	
Current budget authority	\$696,300
Less:	
Total expenditures projected for FY 99	<u>\$1,246,300</u>
Recommended expenditure authority increase	\$550,000

END

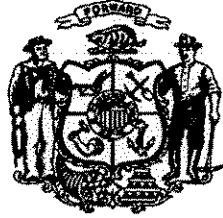


END

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

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Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

July 1, 1999

Secretary Mark Bugher
Department of Administration
101 E. Wilson Street, 10th Floor
Madison, WI 53702

Dear Secretary Bugher:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, received on June 14, 1999, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Board of Aging and Long Term Care, the Department of Justice, and the Department of Agriculture, Trade and Consumer Protection.

No objections have been raised to this request. Therefore, the request is approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE
Senate Chair

Handwritten signature of John G. Gard in black ink.

JOHN G. GARD
Assembly Chair

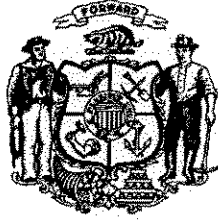
BB:JG:dh

cc: Members, Joint Committee on Finance
Executive Director George Potaracke, Board on Aging and Long Term
Care
Attorney General James Doyle, Department of Justice
Secretary Ben Brancel, Department of Agriculture, Trade and
Consumer Protection
Robert Lang, Legislative Fiscal Bureau
Vicky LaBelle, Department of Administration

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

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ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
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Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard
Co-Chairs, Joint Committee on Finance

Date: June 14, 1999

Re: s. 16.515/16.505(2), Stats. Request

Attached is a copy of a request from the Department of Administration, received on June 14, 1999, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Board on Aging and Long Term Care, the Department of Justice, and the Department of Agriculture Trade and Consumer Protection.

Please review the material and notify **Senator Burke** or **Representative Gard**, no later than **Wednesday, June 30, 1999**, if you have any concerns about the request or if you would like to meet formally to consider it.

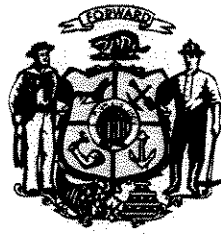
Also, please contact us if you need further information.

Attachment

BB/JG/js

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

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY



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

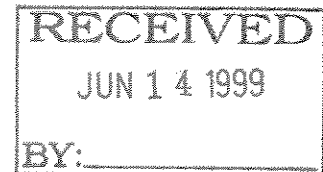
Date: June 10, 1999

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

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

From: Mark D. Bugher, Secretary
Department of Administration

Subject: S. 16.515/16.505(2) Request(s)



Enclosed are request(s) that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1997-98</u>		<u>1998-99</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
BOALTC 20.432(1)(k)	Contracts with state agencies			\$ 14,800 *	
DOJ 20.455(1)(gh)	Investigation and prosecution			\$ 80,000 **	
DATCP 20.115(2)(g)	Related services			\$ 50,000 ***	

- * One-time expenditure authority.
- ** DOJ also requests additional expenditure authority of \$65,000 annually beginning in FY00.
- *** Provide \$734,200 PR in FY00 and \$701,200 PR in FY01 and 4.0 PR FTE two-year project positions beginning in FY00.

As provided in s. 16.515, the requests will be approved on July 1, 1999, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Vicky LaBelle at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments

CORRESPONDENCE MEMORANDUM

**STATE OF WISCONSIN
Department of Administration**

Date: May 27, 1999
To: Mark D. Bugher, Secretary
Department of Administration
From: Gretchen A. Fossum, Budget Analyst
Division of Executive Budget and Finance *SAX*
Subject: S.16.515 Request by the Board on Aging and Long-Term Care

REQUEST

The Board on Aging and Long-Term Care (BOALTC) requests a one-time increase of \$14,800 PRS in expenditure authority in s. 20.432(1)(k), contracts with state agencies.

REVENUE SOURCE

BOALTC receives federal Older Americans Act and Health Care Financing Administration insurance counseling funding from the Department of Health and Family Services. BOALTC's current expenditure authority in s. 20.432(1)(k) is \$271,700 and \$287,700 FED is available for the Board's use. Thus, there are sufficient funds available for the Board's request.

ANALYSIS

BOALTC has incurred unanticipated costs which will create a deficit in its operating budget as shown in the following table:

Equipment replacement	\$5,900
Updated computer wiring	1,800
Unsupplemented risk management	4,000
Office moving costs	1,800
Computer software updates	1,300
Total	\$14,800

RECOMMENDATION

Approve the request.

s.16.515 Request

Page 2.

RESOURCES

Funds available through contract with DHFS include:

Ombudsman contract	170,340	
Insurance counsel (98)	14,850	
Insurance counsel (99)	45,525	
HCFA funds (project)	39,616	
Title 5	17,332	
Total Available	287,663	
Appropriated		271,700
Available		15,963

SUMMARY

The agency requests increased expenditure authority in its PR 131 appropriation in the amount of \$14,800

cc JAK
GF

May 4, 1999

To: Richard Chandler, Budget Director
Department of Administration

Fr: George F. Potaracke, Executive Director
Board on Aging and Long Term Care

Re: s. 16.515 Request

The Board on Aging and Long Term Care requests an increase of \$14,800 PRS in expenditure authority in s.20.432(1)(k), contracts with state agencies.

The Board has incurred cost in its supplies and services line which have been beyond those budgeted, and needs additional expenditure authority to avoid deficit spending by the close of the fiscal year. Funds in the amount of \$15,963 are currently available through existing contracts with the Department of Health and Family Services to cover these unanticipated costs.

EXPENDITURES

The agency operates under a limited budget for supplies and services. Unexpected expenditures, including price increases, inflated vendor rates, equipment replacement or needed equipment will affect the operating budget. The following expenditures have created the potential deficit:

Equipment replacement:	5,900
Two personal computer systems	
Three fax machines used in regional offices	
Photocopier in regional office	
SASI required updated computer wiring	1,800
Unsupplemented risk management costs	4,000
Office moving costs (Milwaukee)	1,800
Telephone wiring, computer wiring	
Freight	
Computer software program updates	1,300
Private vendors	
Total	\$14,800

CORRESPONDENCE MEMORANDUMSTATE OF WISCONSIN
Department of Administration**Date:** June 2, 1999**To:** Mark D. Bugher, Secretary
Department of Administration**From:** Andrew J. Statz, Budget Analyst *AS*
State Budget Office**Subject:** Department of Justice (DOJ) request under s. 16.515 for expenditure authority of funds from court awarded cost recovery**REQUEST:**

From its cost recovery appropriation under s. 20.455(1)(gh) *Investigations and prosecutions*, the Department of Justice (DOJ) requests expenditure authority of \$80,000 PR in FY99 and \$65,000 PR on an ongoing basis beginning in FY00.

REVENUE SOURCES FOR APPROPRIATION:

The revenue source for the appropriation under s. 20.455(1)(gh) *Investigations and prosecutions* is monies retained by DOJ from court ordered awards to recover costs associated with cases involving medical assistance fraud, unfair trade practices, anti-trust actions, and environmental pollution and discharge elimination.

BACKGROUND:

The 1995-97 biennial budget (1995 Wisconsin Act 27) created s. 20.455(1)(gh) as a PR annual appropriation. For such cases outlined above, ninety percent of the court ordered award is deposited to the general fund. DOJ retains ten percent of the award in s. 20.455(1)(gh) as program revenue.

Because of the unpredictability of revenues, expenditure authority is set at zero. The s. 16.515 process is the only way DOJ may access funds in this account.

ANALYSIS:

This request is needed to cover expenses related to training staff members in the Legal Services Division. Many of the charges have already been incurred and charged to Legal Service's GPR appropriation under s. 20.455(1)(a).

As in past years, DOJ has budgeted under the assumption that this request will be approved and enable DOJ to transfer the charges from GPR to s. 20.455(1)(gh). Similar requests were approved at the end of FY98 and FY97.

As of June 2, 1999, balances in s. 20.455(1)(gh) were sufficient to cover this request in FY99. However, the revenue source for this appropriation is not consistent or

Mark D. Bugher, Secretary

June 2, 1999

Page 2

stable enough to approve a new base expenditure authority of \$65,000 annually. Future expenditure authority should continue to be obtained through the s. 16.515 process as originally intended by the Legislature.

RECOMMENDATION:

Approve the request for \$80,000 PR in only FY99 on a one-time basis. Future expenditure authority must be obtained through the s. 16.515 process.



STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

JAMES E. DOYLE
ATTORNEY GENERAL

Burneatta L. Bridge
Deputy Attorney General

MAY 25 1999

123 West Washington Avenue
P.O. Box 7857
Madison, WI 53707-7857

Jack Benjamin
Budget and Finance Director
608/267-6714
benjaminjr@doj.state.wi.us
Fax 608/266-1656

cc JJ
AS

May 21, 1999

Richard G. Chandler
State Budget Director
10th Floor, Administration Building
P.O. Box 7864
Madison, WI 53707-7864

Dear Mr. Chandler:

Under sec. 16.515, stats., the Department of Justice requests spending authority of \$80,000 in the PR appropriation under sec. 20.455(1)(gh) for FY 99. In addition, spending authority of \$65,000 is requested on an ongoing basis beginning in FY 00. Approval of this request will enable the Legal Services Division to use Program Revenues to cover certain operating costs incurred during FY 99 and subsequent fiscal years.

Background

This request is the FY 99 version of a request submitted on May 21, 1998, for FY 98 spending authority. 1995 Wisconsin Act 27 created a PR annual appropriation to receive amounts recovered for the expense of investigating and prosecuting certain violations. Courts are authorized to award our costs in cases involving medical assistance fraud, unfair trade practices, antitrust actions, and environmental pollution and pollution discharge elimination. Ten percent of amounts recovered are to be deposited in the appropriation under sec. 20.455(1)(gh). Because 1997 Act 27 set the expenditure authority in this appropriation at zero, a request under sec. 16.515 is required to allow us to spend any of these revenues. More information can be found under the *Revenue Sources* section below.

Analysis

We will incur at least \$80,000 in expenditures this fiscal year which can appropriately be charged to the appropriation under sec. 20.455(1)(gh). As in FY 98, virtually all of these expenditures relate to training provided to the staff in the Legal Services Division. Using this Program Revenue funding in this manner is consistent with legislative intent.

Many of the training expenses in question have already been incurred and charged to our GPR appropriation under sec. 20.455 (1)(a). We have handled these expenses in this manner because spending authority for the appropriation under (1)(gh) was set at zero in each of the last two biennial budget acts. However, securing PR spending authority so we can charge or transfer training expenses to this appropriation has been part of our operating budget plan throughout this fiscal year. This spending authority is critical to our ability to get through FY 99. Because we now have four years experience with this funding source, we request that an increase in this appropriation be authorized for FY 99 and future years.

Richard G. Chandler
State Budget Director
May 21, 1999
Page 2

Revenue Sources

As described in the *Background* section above, 1995 Wisconsin Act 27 created a PR annual appropriation to receive amounts recovered for the expense of investigating and prosecuting certain violations. Ten percent of the amounts recovered as costs in medical assistance fraud, unfair trade practices, antitrust actions, and environmental pollution and pollution discharge elimination cases are to be deposited in the appropriation under sec. 20.455(1)(gh). Our experience under this language can be summarized as follows:

<u>FY</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Balance</u>
96	7,474	0	7,474
97	46,881	27,363	26,992
98	62,550	55,400	34,142
99	68,632	1,300	101,474

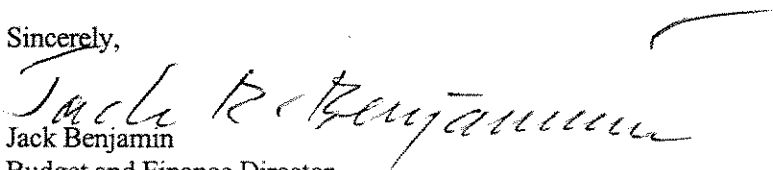
Receipts in FY 96, FY 97 and FY 98 totaled \$116,905 of which \$82,763 was spent. The balance of \$34,142 plus \$68,632 credited to this appropriation as of May 18, 1999, (minus \$1,300 spent so far in FY 99) provide a total of \$101,474 available for expenditure, with additional revenues to be received in the future. (The \$1,300 in FY 99 expenditures was for a portion of the amount we were billed for State Bureau of Financial Operations costs.)

Summary

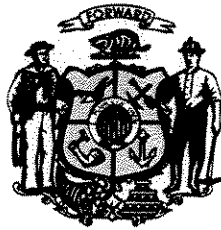
The Department requests spending authority of \$80,000 in the PR annual appropriation under sec. 20.455(1)(gh) for FY 99. For future years, the Department requests \$65,000 in annual ongoing spending authority, consistent with the amount of revenues already seen in FY 99. Approval will authorize us to use a portion of the amounts available as *cost recoveries* for purposes authorized by the legislature. This spending authority is a key part of our fiscal plan for meeting FY 99 and future obligations. Several years of experience with this appropriation warrant this being a permanent adjustment.

Your prompt review and approval of this request would be appreciated. Questions can be answered by Matt Frank, administrator of our Legal Services Division; Bob Hillner, administrative officer for that division; or myself.

Sincerely,


Jack Benjamin
Budget and Finance Director

Cc: Susan Goodwin
Matt Frank
Bob Hillner
Cindy Imhoff



Date: June 2, 1999

To: Mark D. Bugher, Secretary
Department of Administration

From: Sarah Justus *SJ*
Budget and Policy Analyst

Subject: Request Under s. 16.505/515 From the Department of Agriculture, Trade and Consumer Protection for the Wisconsin Animal Health Laboratory.

REQUEST:

The Department of Agriculture, Trade and Consumer Protection (DATCP) requests \$50,000 PR annually in FY99 and \$925,000 PR and 4.0 PR FTE positions annually in FY00 to implement the Wisconsin Animal Health Laboratory's (WAHL) Johne's Disease testing program.

REVENUE SOURCES FOR APPROPRIATION(S):

The sources of revenue deposited in the appropriation under s. 20.115 (2) (g), Related Services, are fees paid for the processing and analysis of laboratory tests.

BACKGROUND:

Johne's Disease (pronounced Yoaneez), also known as Paratuberculosis, is a common illness among cows and goats. It is an infectious disease of the intestine, which can cause health problems, reduced milk production and eventually death. Studies show that between one-third and one-half of all herds have infected animals. Estimated losses to the U.S. cattle and dairy industries due to Johne's Disease range between \$200 million and \$1.5 billion annually. Johne's is a difficult disease to contain because it can infect an animal without showing any symptoms for over a year. During this time, the disease may be spread among the herd or to herds to which the animal is transported.

To date, DATCP has administered several different Johne's control programs with little success. The current program is authorized under s. 95.195, known as the implied warranty law. This law states that in each sale of an animal there is an implied warranty that the animal is free of Johne's Disease unless the seller has the animal tested and discloses the results or the seller posts a sign at sale that the animal is sold "as is". If neither of those conditions is met, and the animal is infected, the seller may be liable for any damages incurred by the buyer. In practice, the "as is" clause is enacted at most sales. There is a disincentive to test because an animal that tests positive cannot be sold, even if its status is disclosed. Therefore, animals are being bought and sold without testing and are able to spread the disease.

In 1998, DATCP began developing a new rule to implement the implied warranty statute. The rule creates an incentive to test by establishing a risk-based herd classification system which can be used by buyers to make an informed decision as to

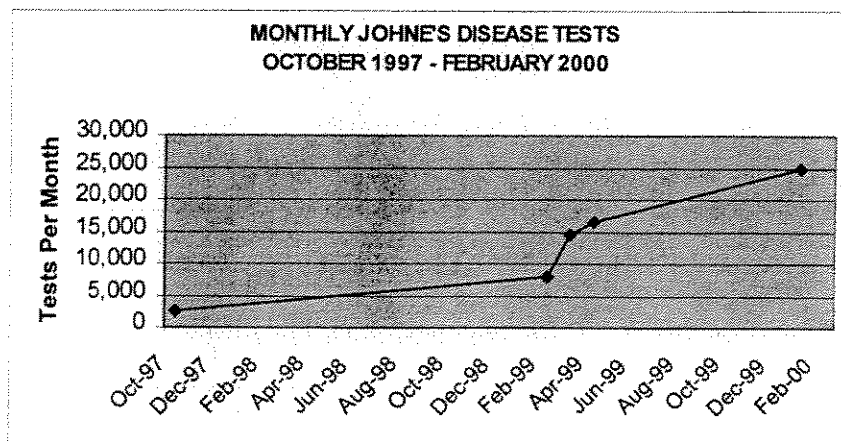
the risk of infection in sale animals. While testing under the program will remain voluntary, animals that are not tested will be classified as "maximum risk". DATCP is currently seeking legislation to eliminate the "as is" disclaimer option under s. 95.195 to further increase the incentive to test and disclose.

Under the new rule, a seller is exempt from the implied warranty law if he/she discloses the classification of the herd from which the animal came and whether the animal has tested positive for Johne's Disease. The new testing program is designed to give the farmer several options. A licensed veterinarian will collect samples from either a whole herd or a random sample of the herd. The WAHL is responsible for processing, analyzing and reporting the results of these tests. The herd must be tested annually to maintain its classification. The classifications are as follows:

- **Level A:** Random or whole herd testing yields no positive reactors
- **Level B:** Less than 5% of a whole herd are positive reactors
- **Level C:** Between 5% and 15% of a whole herd are positive reactors
- **Level D:** Random test yields one or more positive reactors or over 15% of a whole herd test are positive reactors
- **Maximum Risk:** No animals from the herd have been tested in the last year

A herd owner is not required to disclose a herd classification at sale, however if he/she does not, the implied warranty law will take effect. A farmer may also have the animals tested without being assigned a classification. The farmer may then cull diseased animals to obtain a higher classification after a retest. These rules are effective for any animal sold in this state, regardless of its state of origin. The effective date of the new rule is delayed until July 1, 2000, to give farmers time to test and receive classifications before the disclosure provisions take effect.

Eleven hearings were scheduled throughout the state as part of the rulemaking process. The dairy and cattle industry is very supportive of the new rule and of a more aggressive approach to controlling Johne's Disease. Since the new rules were announced, an unexpected surge in testing has occurred. Although the classification system will not take effect for over a year, large numbers of tests have been done as a result of increased awareness of the disease and to provide farmers time to control or eliminate infection in their herds. The following chart shows the predicted increase in tests performed per month from FY98 into FY00.



FY00 projections are based on a linear model using FY99 testing levels and the anticipated annual level once the program is fully implemented in FY01. It assumes a steady growth in testing during FY00. Industry feedback to this point indicates widespread support for the program. However, it is uncertain whether there will be full participation in FY01 as predicted in DATCP's request. Nevertheless, there has been a steady increase in testing and it is to the farmer's advantage to have testing done prior to the July 1, 2000, effective date for herd classification and management purposes.

At the predicted FY00 test level of 300,000, an additional 463 test kits would be required at a cost of \$277,800. Workload data also supports DATCP's request for positions. Currently the lab has 3.0 FTE Microbiologist positions who can process 5,000 tests per month each. At a level of 300,000 tests annually, 5.0 FTE Microbiologist positions would be required. Increased testing will also result in a 40% increase in the number of tests requiring logging, mailing and billing work. DATCP requests 2.0 FTE Program Assistant positions to fill this need. Currently, DATCP employs LTEs to handle increased clerical functions. However, the duties of these positions would be ongoing and unchanged as long as the level of testing is maintained.

DATCP's request also includes funding for supplies and services and major equipment. The \$200,000 PR requested annually for equipment includes walk-in coolers and incubators, an ELISA reader, which is used in tests for Johne's and other diseases, a centrifuge, washer, autoclave, phone system enhancements and an upgrade to the Laboratory Information Management System (LIMS) computer system. The cost of these items can only be estimated at this time, but is likely to be approximately \$350,000-\$400,000. Providing \$200,000 in each year of the 1999-2001 biennium would give WAHL sufficient expenditure authority to purchase needed equipment over the length of the biennium.

Because the long-term impacts of the Johne's Disease testing program on WAHL are unknown, it is possible that major equipment will not be needed on an ongoing basis. However, the equipment will likely be needed during the 1999-2001 biennium as the program develops. If an alternative procurement method could be arranged, such as leasing, equipment costs could be reduced in the short-term. Any alternatives to purchasing equipment will need to be further explored by WAHL. Funding for major equipment could be placed in unallotted reserve to be released by the Department of Administration (DOA) upon further review of WAHL's needs and options for procuring major equipment.

Funding for supplies and services has been reevaluated by WAHL based on testing done to date. The following table outlines anticipated expenses for FY00:

Disposables (glass and plastic testing equipment)	\$ 58,000
New small equipment	\$ 8,000
Supplies and Services for new positions	\$ 13,600
Equipment for new positions (one-time)	\$ 33,000
Utility and repairs	\$ 32,000
TOTAL	\$144,600

Annual testing is expected to continue to grow rapidly throughout the next year. DATCP estimates 300,000 tests will be processed in FY00. This is a 160% increase over FY99 projections. Once the program is fully implemented, up to 600,000 tests could be performed on an annual basis. It is not known how market forces will impact private competition for Johnes testing when the program reaches full implementation. However, in the short-term, WAHL is processing all tests. This request reflects DATCP's needs in FY99 and FY00 to meet the growing demand for testing. The sudden surge in testing was not anticipated, therefore the request was not included in the department's 1999-2001 biennial budget request.

The following table outlines DATCP's request for FY99 and FY00:

	FY99		FY00	
	Funding	FTE	Funding	FTE
Staff (LTE & permanent)	\$ 5,000	0.0	\$111,800	4.0
Test Kits	\$45,000	0.0	\$277,800	0.0
Equipment	\$ 0	0.0	\$200,000	0.0
Other Supplies & Services	\$ 0	0.0	\$355,400	0.0
Total	\$50,000	0.0	\$925,000	4.0

In FY99, the primary need is test kits. Each kit costs \$600 and can run 400 tests. LTEs are also needed to process billing and mailing of test results. In FY00 significant resources are requested to meet the increased demand for services. This portion of the request includes test kits, increased supplies, small and large equipment and new positions. Requested positions include 2.0 FTE Microbiologist Laboratory Technician - Entry positions, 1.0 Program Assistant 1 position to assist with mailroom and clerical functions and 1.0 Program Assistant 2 position to assist with accounts payable and other clerical duties.

ANALYSIS:

Sufficient revenue will be generated to recover the cost of the Johnes testing program. The fee for each test is \$5.00. In FY99, testing is predicted to increase by 45,000 tests, yielding additional revenue of \$225,000. In FY00, testing is estimated to increase by an additional 185,000 tests over FY99 levels. This level would yield additional revenues of \$925,000 over FY99 levels.

Historically, WAHL has maintained a funding split of approximately 60% PR and 40% GPR. If the requested funding is approved, the split would shift to approximately 65% PR and 35% GPR. DATCP indicates that no additional GPR would be requested to maintain a 60%/40% split.

Short-term (1999 through 2001):

Demand for test kits in FY99 is based on the sharp increase in testing in the period from February to April. It is reasonable to expect a similar growth in May and June of this year. WAHL will be able to meet a portion of the need for additional test kits within their current spending authority, but will need an additional 75 kits to meet demand for testing in the remainder of the fiscal year. These kits, plus LTEs needed to process results, will require \$50,000 PR for the remainder of the fiscal year.

Based on these estimates, WAHL would require \$144,600 PR in FY00 and \$111,600 PR in FY01 to meet the increased demand for Johne's testing over the biennium.

The following table shows total recommended funding for the Johne's Disease testing program:

	FY99		FY00	
	<u>Funding</u>	<u>FTE</u>	<u>Funding</u>	<u>FTE</u>
Staff (LTE & permanent)	\$ 5,000	0.0	\$111,800	4.0
Test Kits	\$45,000	0.0	\$277,800	0.0
Equipment (FY00 & FY01 only)	\$ 0	0.0	\$200,000	0.0
Other Supplies & Services	\$ 0	0.0	\$144,600	0.0
Total	\$50,000	0.0	\$734,200	4.0

Long-term (beyond 2001):

Over the past several years, the financial condition of the WAHL has been impacted by competition from the private sector. High volume, low cost tests are becoming more common among private laboratories due to high profit margins. Meanwhile, low volume or high cost tests continue to be performed by the WAHL because the information is important to maintaining the health of the state's animal population. This leads to declining revenue to support the PR side of WAHL's budget and increases reliance on GPR. It is possible that over time, as the Johne's Disease tests increase in volume, private laboratories may offer lower prices, further exacerbating WAHL's financial situation.

The state has the option of contracting with private laboratories for these tests. However, there is a concern that necessary data will not be provided in the manner required by WAHL to track the disease. Given these factors, it is unknown how the long-term operations of WAHL will be impacted by the Johne's Disease program.

Because of these long-term uncertainties, it is unknown what level of funding and positions will be needed on a permanent basis. By authorizing the requested positions as two year project positions, WAHL would be provided the necessary resources to initiate the testing program without making a long term commitment of state funds. During this time, it is recommended that WAHL further explore options for contracting with a private laboratory for Johne's testing. The program can be reevaluated in the 2001-03 biennial budget to determine the appropriate role of WAHL in the testing program and its on-going funding needs.

RECOMMENDATION:

Provide \$50,000 PR annually beginning in FY99. Also, provide \$734,200 PR in FY00 and \$701,200 PR in FY01 and 4.0 PR FTE two-year project positions beginning in FY00. Place \$200,000 annually, requested for major equipment purchases, in unallotted reserve to be released by DOA pending further examination of equipment needs.



Department of Agriculture, Trade and Consumer Protection
Ben Brancel, Secretary

DATE: May 19, 1999

TO: Richard G. Chandler
State Budget Director
Department of Administration

FROM: Ben Brancel, Secretary *Ben Brancel*
Department of Agriculture, Trade and Consumer Protection

SUBJECT: S.16.515 Request for Increased Spending Authority and S. 16.505 request for additional FTEs for the Wisconsin Animal Health Laboratory

Request

The Department of Agriculture, Trade and Consumer Protection requests an increase in PRO spending authority for appropriation 20.115 (2)(g) in FY 1999. Current funding levels are inadequate for the Wisconsin Animal Health Laboratory (WAHL) to carry out its regulatory, disease surveillance, and health certification activities. Program revenues are sufficient to cover the increased expenditures. Additional budget authority is needed both to finish the current fiscal year (FY 99) and to meet the continuing increased level of requests for testing in FY 00. (See attached graph A)

Requests for Increased Spending Authority

	<u>Budget Authority</u>	<u>FTE's</u>
<u>FY 99</u>	\$50,000	0
<u>FY 00</u>	925,000	4.0

FY 99 the additional \$50,000 will be used for supplies such as Johne's Test Kits (\$45,000) and for staff performing the various tests and processing the paperwork (\$5,000) LTEs.

FY 00 Projections indicate that the WAHL will run 185,000 more Johne's tests in the year 2000 than in 1999. At the current fee of \$5.00 per test, this should increase revenues by \$925,000. WAHL proposes budgeting this amount as follows:

4.0 FTE 2.0 Microbiologist Laboratory Technician - Entry for a total salary plus fringe of \$26,950 * 2 = \$53,900.

1.0 Program Assistant 1, salary plus fringe = \$27,800

1.0 Program Assistant 2, salary plus fringe = \$30,100

Total Salary plus Fringe = **\$111,800**

Johne's Test Kits will cost an additional **\$277,800** assuming no price increase (each kit costs \$600 and can run 400 tests). In addition to the kits, various laboratory supplies are needed, such as glassware, disposable plasticware, minor equipment such as pipettors, as well as the additional costs of faxing, office supplies and equipment, utilities, computers, and other miscellaneous expenses and overhead to total **\$335,400**.

Much of the WAHL's capital equipment is fully depreciated. An additional **\$200,000** is requested for replacement of equipment, such as ELISA readers and incubators and LIMS system enhancements to handle the increased load.

Total Budget Authority Requested **\$925,000**

Background

The WAHL is responsible for providing diagnostic assistance to veterinarians and animal producers, disease surveillance information to regulatory agencies, and health certification to the genetics industry and exporters. To provide these services the WAHL performs more than 1.5 million tests annually. The laboratory's computer database lists more than 10,000 clients. Authority for the laboratory is provided under s 93.06 (1p). Funding is split between PRO and GPR, approximately 60/40. Current PRO budget authority is \$2,076,300 and GPR is \$1,688,300. GPR has remained fairly constant. GPR funded FTEs = 25.5 and PRO FTEs = 32.0. All LTEs are funded from program revenue.

History

Paratuberculosis, or Johne's disease, is one of the most important and wide spread diseases affecting cattle and other ruminants. The disease is caused by a bacterium which resides in the intestines causing reduced production, diarrhea, weight loss, and/or death. Various studies have shown that the disease is widespread. A Wisconsin study published in 1994 indicates about a third of the herds and almost 5% of the cattle tested were infected with the disease. A 1999 Michigan study indicates that 54% of the herds and about 7% of the cattle tested were infected. The economic costs from lost production and premature culling have been estimated as high as \$227 per animal from a herd with 10% of its cull cows showing clinical signs of Johne's disease. Estimated losses from the disease range from \$200 million to \$1.5 billion per year to the U.S. cattle industry.

Wisconsin has tried two programs to control Johne's disease through the years, but they have been ineffective. A new program will go into effect on July 1, 2000. While it remains a voluntary program, it contains incentives for participation. If a person elects not to participate, his or her herd will be classified as a "maximum risk" herd for Johne's disease. Those who test will be placed into one of four higher categories depending on the level of Johne's positives found during testing. Any positives are required to be permanently marked. The producer will have the option of warranting his cattle as free of Johne's when he sells them or testing and giving prospective buyers the results of the tests. It is estimated that there will be about 20,000 dairy herds in Wisconsin in 2000. The new program requires participants to test at least 30 animals per year. Therefore, total testing could exceed 600,000 tests per year.

The Problem

The WAHL's overall caseload is increasing, as is the complexity and number of different tests requested with each submission. In addition, the proposed program to control Johne's disease has resulted in increased requests for Johne's disease serologic tests, primarily an enzyme-linked immunosorbent assay (ELISA). Requests for the ELISA test have increased steadily from an average of 2,500 per month during the fall of 1997, to about 8,000 in February of 1999 when the new program was announced. Tests jumped to 14,500 in March and 16,500 in April of 1999. (See the attached graphs B & C which illustrate this increase). This overwhelming support by the dairy industry was unanticipated both in volume and in the fact that it occurred more than a year before the proposed starting date for the program (July 2000).

The WAHL has already had to upgrade its Laboratory Information Management System (LIMS) in order to prepare timely, accurate, and informative test reports. The purchase price for the hardware and software needed to increase the capacity of the LIMS totaled \$38,000. Existing WAHL budget authority is being exhausted to purchase test kits, supplies, and to provide sufficient staff for testing. The WAHL has been spending about \$10,000 a week for Johne's disease test kits to accommodate the current number of test requests. It has also been necessary to hire additional LTEs to perform the tests and to process the results. The LTE's needed to assist with the increased number of tests are all funded with PRO. In order to retain the current LTEs now working at the WAHL, an additional \$5,000 in spending authority will be needed in the current fiscal year.

There is also a Johne's culture test, which is often requested to confirm positive ELISA test results. The culture is costly and time consuming to run, making it difficult to recover costs. Because of this, few laboratories offer this test. Significant increases in Johne's culture test requests are anticipated as well. Additional requests for position authority and spending authority may be necessary as workload increases and additional cooler and incubator space and equipment are needed.

A total of about 115,000 Johnne's ELISA tests will be conducted during FY 99 compared to 70,000 tests in 1998. Over 300,000 tests are anticipated during FY 00. This will dramatically increase the need for positions and funding in FY 00. The three staff currently working in this program combined can conduct a maximum of 15,000 tests per month. At this rate, 5 FTEs will be needed in the serology section to conduct the 300,000 tests anticipated in FY 00.

About 520,000 tests were handled by mailroom and clerical support staff in 1998. See graph D. With the increase in tests in general and Johnne's tests in specific, LTEs were hired in 1999 to keep up with the current workload. As Johnne's tests increase to 300,000 tests in 2000, the work of the clerical support staff - including sample receiving, logging, reporting, and billing - will increase over 40% (from 520,000 tests in 1998 to about 750,000 in 2000). This supports 2.4 additional FTEs. At this time only 2.0 FTEs are being requested, but additional positions may be requested in the future. A program assistant for logging cases in and reporting results, and a program assistant to help the financial specialist with billing and to help receive cases in the mailroom are being requested at this time (see attached position descriptions).

These positions and spending were not included in the biennial budget process because the Johnne's Disease program was still being drafted, and given previous experience, no one could predict the immediate and overwhelming response from the industry.

Analysis

In the short term, there are no reasonable alternatives to our handling the additional tests generated by the Johnne's program. In theory, we could refer the tests to other laboratories, but this would increase expenses dramatically for our customers, cause significant delays in reporting results, and reduce the effectiveness of the program.

In the long run:

1. We could subcontract or simply authorize a private laboratory such as the Marshfield laboratory to conduct the additional Johnne's ELISA tests.
2. We could continue increasing staff and materials to keep abreast of the increase in Johnne's submissions.
3. We could modify the program to reduce testing requirements.

Since the program is new there is little hard documentation of demand for the test other than it is significantly higher than we are currently doing. Funding for increases is not a problem as fees should be sufficient for the short and long term. Once there is better data on test demands, a careful analysis will determine what alternative makes the most sense after FY00. Increases will be needed in the short term (FY 99 and 00) for additional positions and spending authority. Additional staff and spending authority will likely be needed in the future, but will be requested as work justifies the increases.

Consequences

If spending authority is not increased, the WAHL will likely be unable to purchase the test kits, supplies, and staff needed to perform the requested testing. The choices would be to either refer the samples to another laboratory, which will greatly increase the expense and the time needed to diagnose diseases, or to hold the samples until the new fiscal year when WAHL will again have spending authority. However, unless spending authority is increased for the new year, we will again run out of authority. Either of these alternatives would harm the support and increasing momentum for the proposed Johne's disease program. The problem is immediate and urgent and we request that it be addressed expeditiously - there really are no realistic alternatives to increasing spending authority in FY 99 and FY 00.

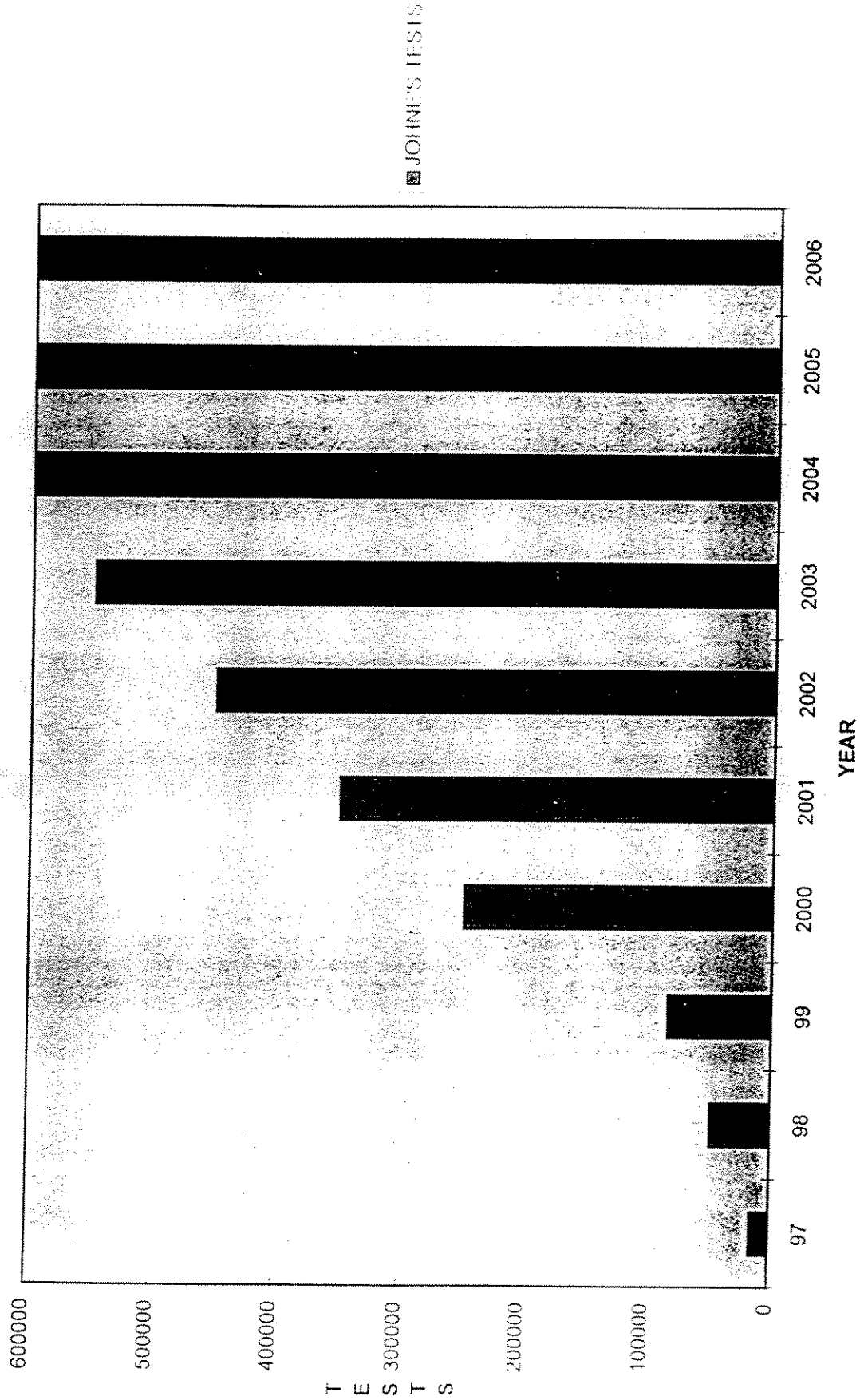
Revenue Sources for Appropriation

The source of revenue deposited to appropriation s20.115(2)(g) are the fees paid by WAHL clients for the laboratory tests performed.

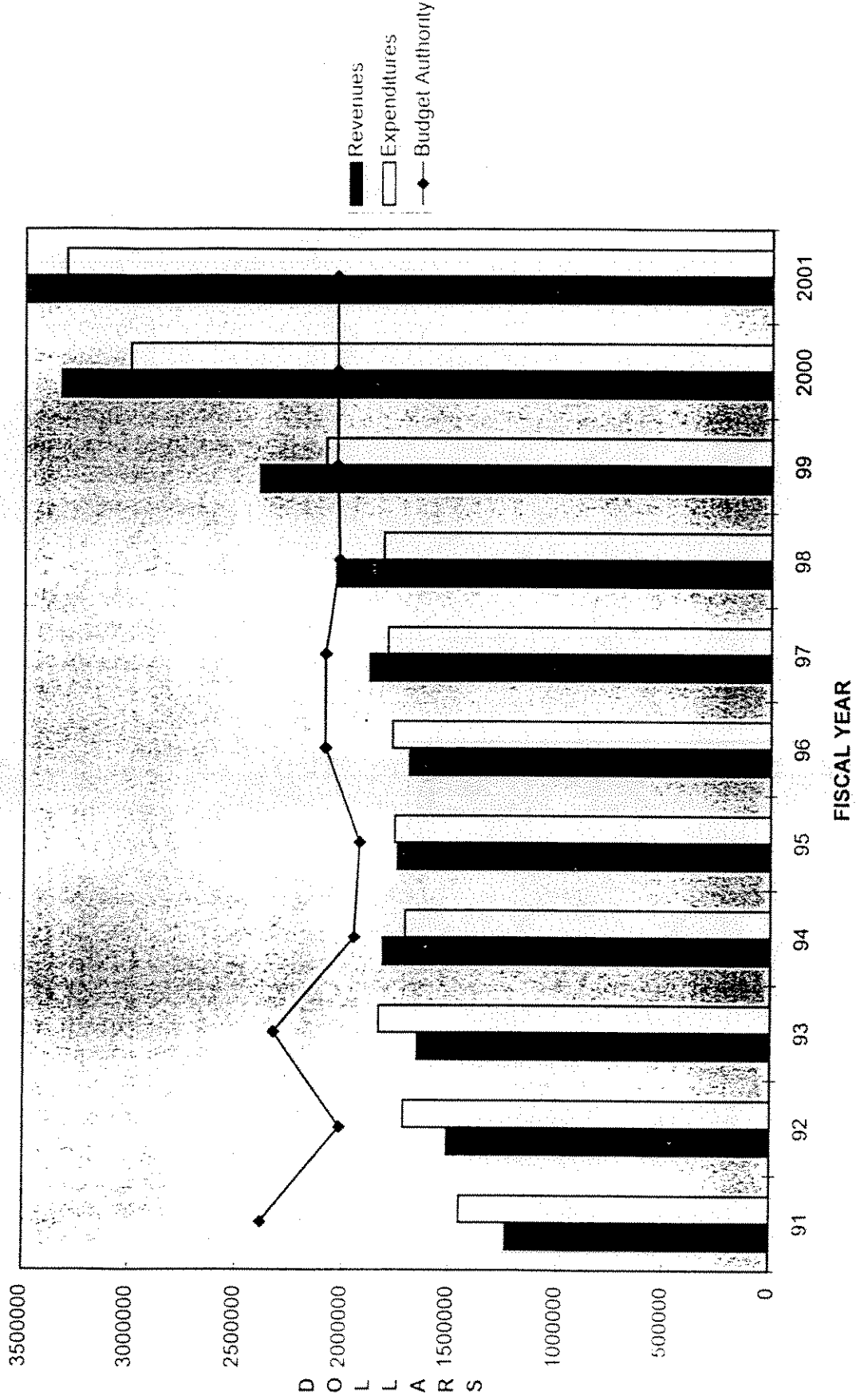
Contact Person

Please contact: Larry P. Jung, Assistant Director, Bureau of Animal Health Laboratories at 608-266-2465 if you require additional information.

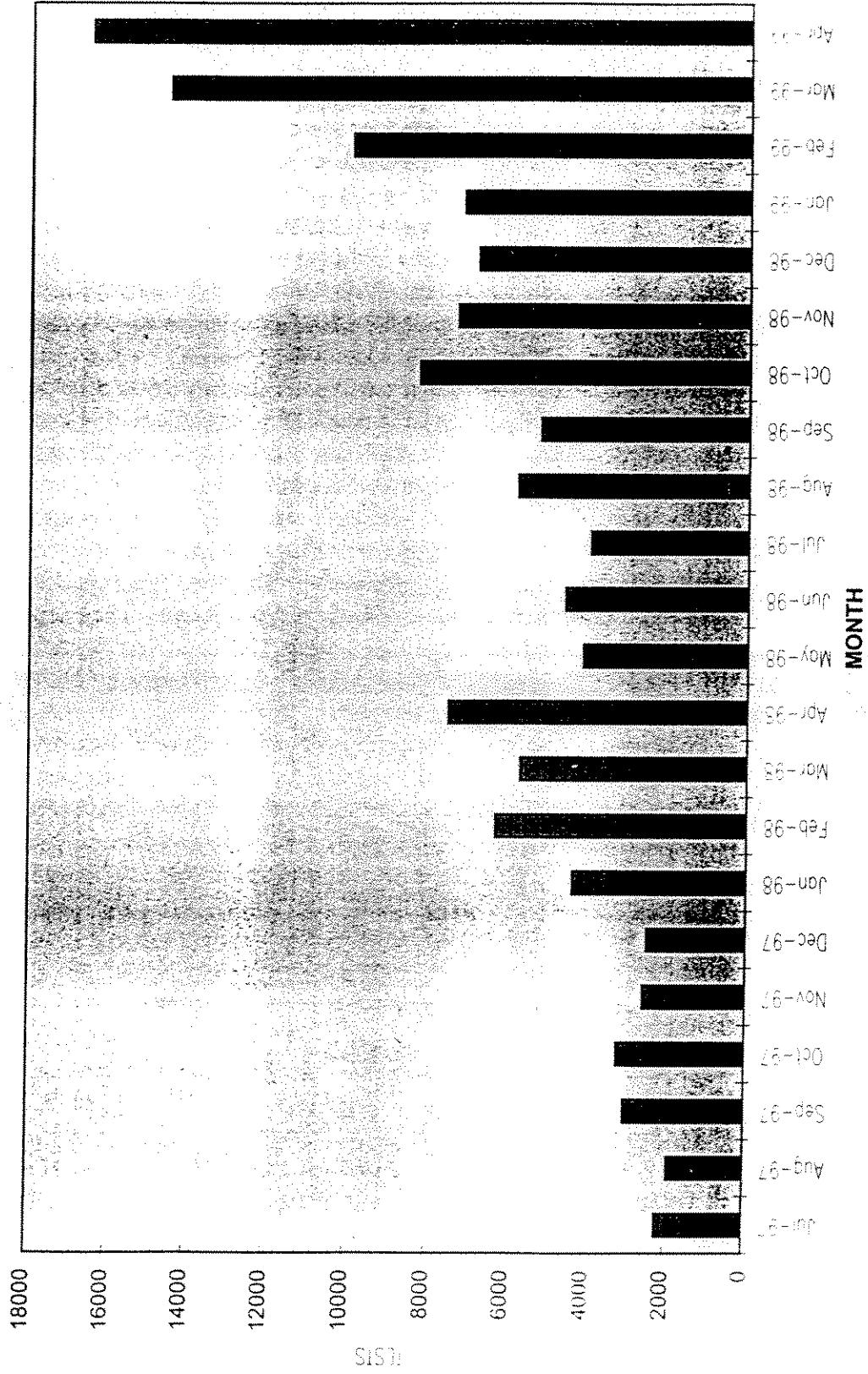
WAHL PROJECTED JOHNE'S DISEASE TESTING



WAHL REVENUES VS EXPENDITURES VS BUDGET AUTHORITY

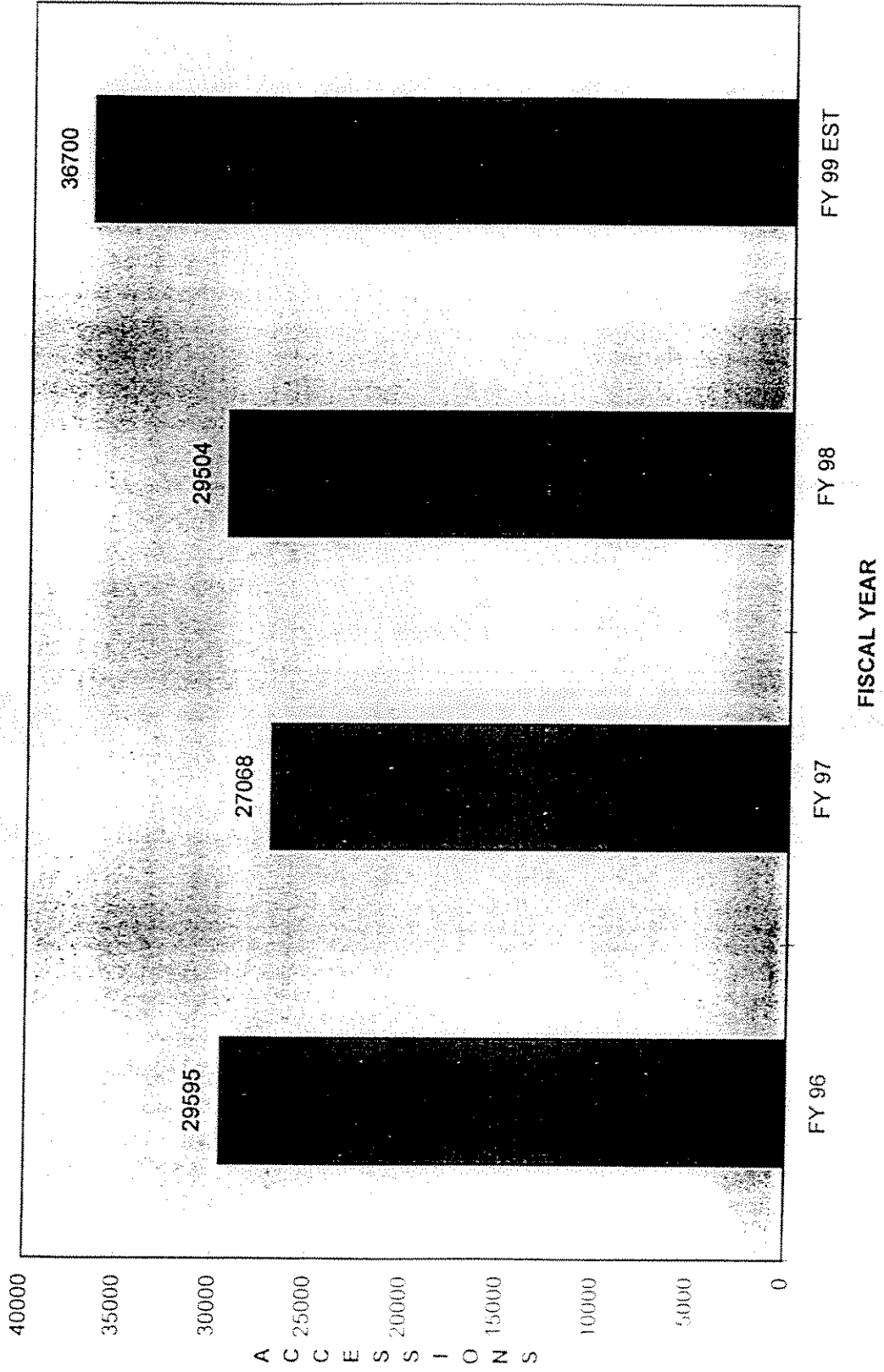


WAHL JOHNE'S TESTING



WAHL - MADISON ACCESSIONS BY FISCAL YEAR

AN ACCESSION INCLUDES MULTIPLE TESTS



(Johne's ELISA testing)

14. Position Summary

This is a technical position in the Serology section at the Wisconsin Animal Health Laboratory-Madison.

Performs Johne's ELISA and related procedures. Performs complement-fixation (CF) test for brucellosis. Performs other Johne's serology tests including AGID and CF test as backup. Position requires passing annual USDA proficiency tests for Johne's ELISA and brucellosis serologic tests.

Works under the general supervision of the Serology section supervisor.

15. Goals and Worker Activities

A. Performance of Johne's disease ELISA tests on serum samples.
90%

A.1 Perform Johne's ELISA test according to standard protocols, including organization and preparation of blood samples and test logs.

A.2 Read, interpret and record test results and enter data into appropriate software and Laboratory Information Management System (LIMS).

A.3 Process result forms and cases for reporting to customers.

A.4 Pass annual USDA proficiency test for John's disease ELISA test.

B. Performance of other test procedures as backup.
10%

B.1 Perform the Johne's disease CF and agar immunodiffusion (AGID) tests according to applicable protocols.

B.2 Perform other serologic tests, according to applicable protocols.

B.3 Incorporate quality control procedures in all tests.

Position #
Program Assistant
Page 2

14. Position summary.

This is a program assistant position in the office and mail room at the Wisconsin Animal Health Laboratory-Madison. This position provides program support and back up to the sample receiving area; is responsible for the processing, assigning, logging, and distribution of diagnostic specimens. This is a critical position assuring the efficiency and accuracy of test reporting by the entire laboratory. The position requires knowledge of complex laboratory procedures and excellent organizational skills.

This position provides assistance and back up to the Financial Specialist by entering data into the Laboratory Accounts Receivable (LARS) data base, and assigning charges for laboratory diagnostic fees according to tests performed in the absence of the Financial Specialist. Performs other tasks as assigned. Works under the general supervision of the Laboratory Office Manager.

15. Goals and worker activities.

45% A. Assistance and back up to laboratory mailroom position.

- A.1. Receive specimen mailings from federal deliveries, commercial delivery services, and walk-in clients.
- A.2. Unpack and organize specimens for distribution to laboratory sections.
- A.3. Assign accession numbers to cases and assign cases to appropriate laboratory section in the absence of the mail room coordinator.
- A.4. Match specimens with the appropriate forms in the absence of the mail room coordinator and distribute materials to the laboratory sections.
- A.5. In the absence of the mail room coordinator, send out referral tests, with appropriate submission forms, refer result reports to the in-house assignee and assure that all referral cases are accurately completed, authorized, and billed.
- A.6. Distribute incoming laboratory mail.

45% B. Assistance and provision of back up to the Financial Specialist.

- B.1. Post charges daily for diagnostic and non-diagnostic fees, incinerations, media, tank returns and referrals in LARS database.
- B.2. Assist in mailing monthly statements for laboratory charges to clients.
- B.3. Assign charges for laboratory diagnostic fees according to tests performed in the absence of the Financial Specialist.
- B.4. Process, compile and record all incoming checks and cash payments for laboratory services in the absence of the Financial Specialist.
- B.5. Receive and record credit card payments from clients for laboratory charges over the telephone and in person in the absence of the Financial Specialist.
- B.6. Other duties as assigned.

10% C. Provision of program services

- C.1. Provide telephone coverage, during high levels of activity, and as assigned.
- C.2. Provide coverage for the telephones and reception of clients to the mail room during lunch and breaks, on a rotation basis with other mail room staff.

14. Position Summary

This position provides program support to the office. Enters data related to laboratory submissions on the Laboratory Information Management System (LIMS) with particular responsibility for entry of the more complex, intricate cases involving requests for multiple laboratory tests. Distributes completed report forms within the laboratory and mails reports of test results to those who submitted the samples, and to state and federal regulatory officials. Also reports test results to submitters by telephone or facsimile (FAX), and retrieves filed cases to answer client inquiries.

Provides clerical assistance to the virology and serology sections. This requires extensive knowledge of overall laboratory operations and procedures, and of the services and tests available, to effectively assist case assignees. Provides backup services to the office for incoming telephone calls and reception of visitors to the laboratory. Performs other tasks as directed. Works under the general supervision of the Office Manager.

15. Goals and Worker Activities

- 40% A. Provision of program support for the LIMS.
- A1. Retrieve submission forms from the mail room, and direct less complex cases to the Client Service Coordinator.
 - A2. Enter case information from laboratory submission forms on the LIMS including names, addresses, animal ID, tests requested and other pertinent information.
 - A3. Print computer-generated job sheets.
 - A4. Staple job sheets to proper submission forms and other case records. Assure that the accession number and correct test codes are logged into the computer.
 - A5. Return submission forms and job sheets to the mailroom for distribution to laboratory sections.
- 35% B. Distribution of completed case reports.
- B1. Distribute copies of completed reports to submitters, and to state and federal regulatory officials by mail.
 - B2. Telephone or fax test results when requested.
 - B3. File laboratory copies of completed reports.

- B4. Retrieve case records from files and provide information regarding results to answer telephone inquiries or refer requests to appropriate laboratory section.

Position #
Program Assistant
Page 3

- 20% C. Provision of clerical support for the virology and serology sections.
- C1. Sort and separate LIMS reports; match to correct cases.
 - C2. Photocopy reports for state and federal regulatory officials.
 - C3. Telephone or fax test results when requested.
 - C4. Authorize cases under the direction of the case assignee.
 - C5. Make corrections in the LIMS to cases with data entry errors.
 - C6. Retrieve paperwork, deliver samples, etc., as directed by section assignees.
 - C7. Perform other duties as assigned.
- 5% D. Provision of program services.
- D1. Provide telephone coverage, during high levels of activity, and as assigned.
 - D2. Provide coverage for the telephones and reception desk, during lunch and breaks, on a rotation basis, with other office staff.